

# The City of Fort Myers, Florida

## Fiscal Year Ended September 30, 2013



*Live*



*Work*



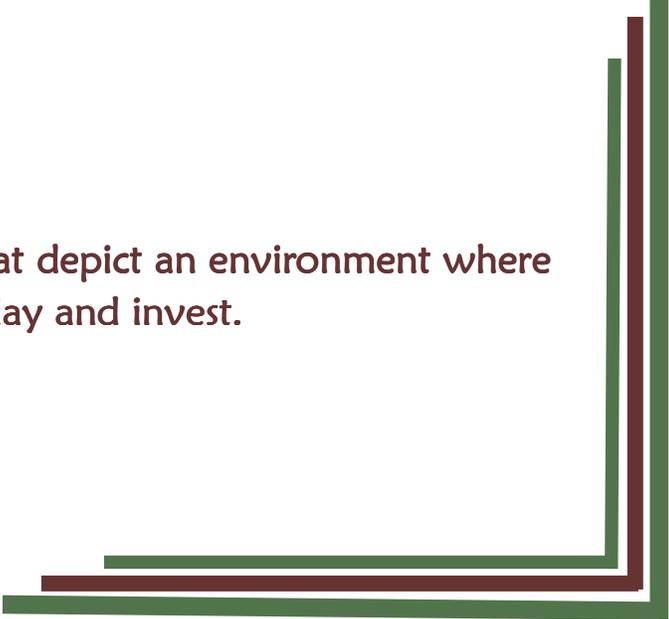
*Play*



*Invest*

## Comprehensive Annual Financial Report

The cover captures various photographs that depict an environment where people will be encouraged to live, work, play and invest.



**City of Fort Myers, Florida**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended**  
**September 30, 2013**



Prepared by the Department of Financial Services  
Division of Accounting

Director of Finance  
Maria Joyner



City of Fort Myers, Florida  
Elected Officials as of February 21, 2014



Randall Henderson Jr., Mayor



Teresa Watkins Brown,  
Ward 1



Johnny W. Streets Jr.  
Mayor Pro Tem, Ward 2



Christine Matthews,  
Ward 3



Michael A. Flanders,  
Ward 4



Forrest Banks,  
Ward 5



Thomas Leonardo,  
Ward 6

**CITY OF FORT MYERS**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2013**

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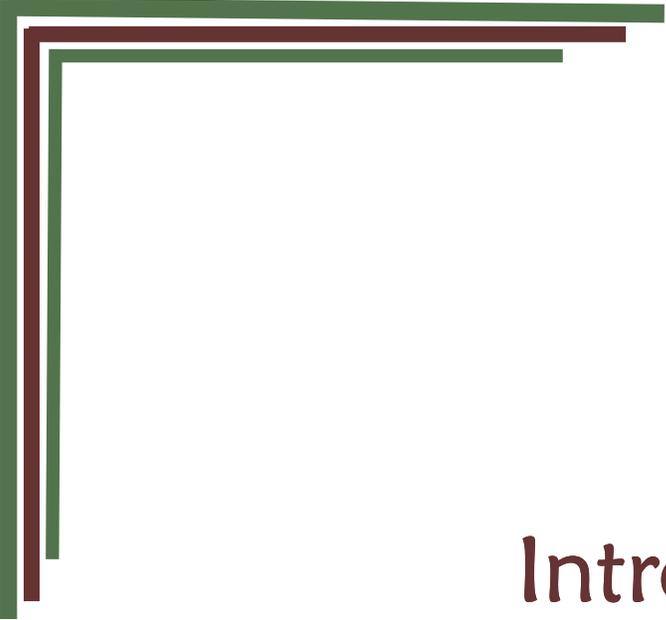
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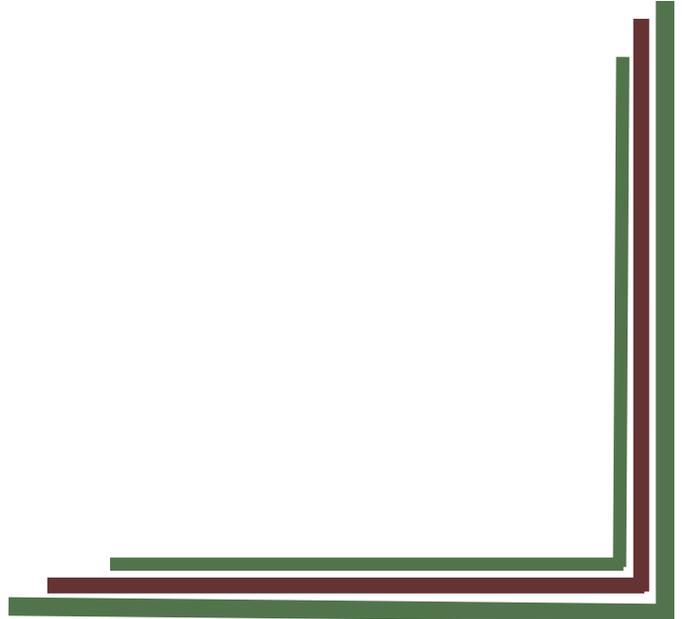
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# Introductory Section







# City of Fort Myers, Florida

FINANCIAL SERVICES ADMINISTRATION

PO Box 2217

Fort Myers, Florida 33902-2217

(239) 321-7147

February 21, 2014

Mayor Randall P. Henderson, Jr.  
Mayor Pro-Tem Johnny W. Streets, Jr.  
Council Member Teresa Watkins Brown  
Council Member Christine Matthews  
Council Member Michael A. Flanders  
Council Member Forrest Banks  
Council Member Thomas Leonardo  
Citizens of the City of Fort Myers

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

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the City of Fort Myers, Florida (City) for the fiscal year ended September 30, 2013. State statutes require that a complete set of financial statements, presented in conformance with accounting principles generally accepted in the United States (GAAP), be audited by licensed, independent certified public accountants in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* within nine months after the end of the fiscal year. This report is published to fulfill those statutory requirements. Certain bond covenants require that this report be issued within 180 days of the City's fiscal year end.

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

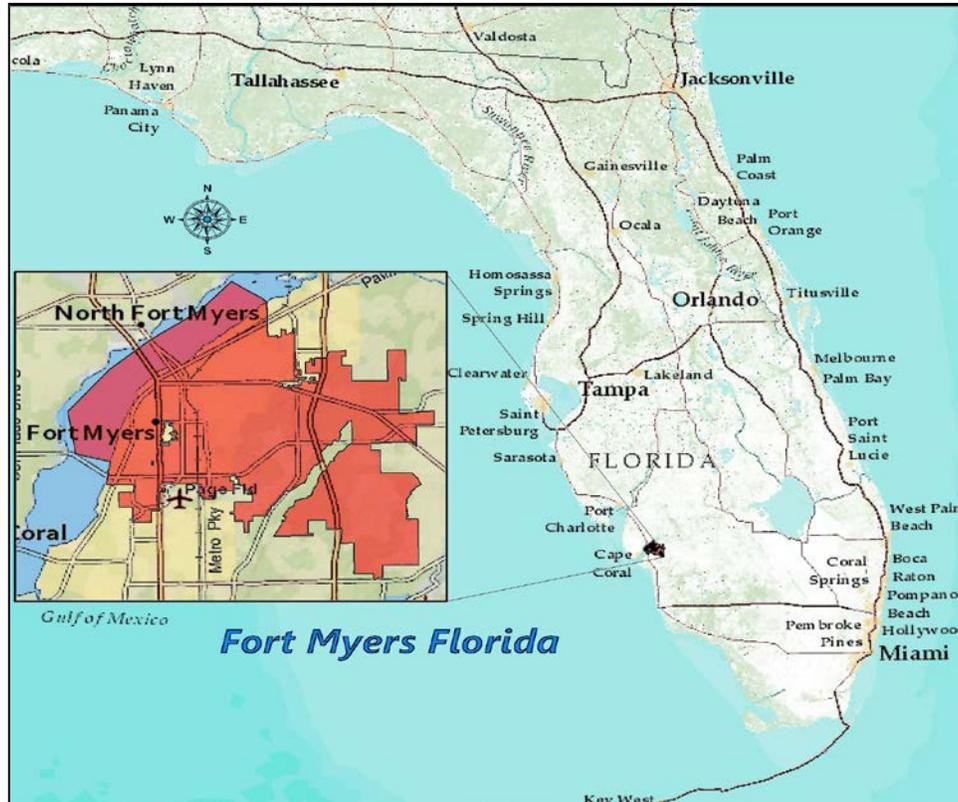
Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that sufficient, reliable, adequate accounting data is compiled for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. 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 (1) the cost of a control should not exceed the benefits likely to be derived and (2) 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 compliance with the laws of the State of Florida, the City's financial statements have been audited by Mayer Hoffman McCann P.C., a firm of licensed, certified public accountants. The independent auditor issued an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **PROFILE OF THE CITY**

Fort Myers, incorporated in 1886, is the oldest city in Lee County and serves as the county seat. Fort Myers is located on the lower west coast of Florida, midway between Tampa and Miami, and has a current population of approximately 67,081 residents. The City encompasses 48.82 total square miles, including waterways, and is bordered to the north and west by the Caloosahatchee River, which is part of the intercoastal waterway connecting the Atlantic Ocean and the Gulf of Mexico.



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

Municipal services provided to the citizens of Fort Myers include law enforcement, fire protection, community planning and development, traffic engineering, road and drainage construction and maintenance, parks and recreational activities/facilities, parking management, code enforcement and inspections, a cemetery, and other general governmental administrative services. The City also operates a utility system (including potable and reuse water and wastewater), solid waste services, building permits and inspections, stormwater management, golf courses, a yacht basin, an event center, parking garages, a skating rink, historical homes and museum, and a hands-on children's science center. These additional operations are reported as enterprise funds that are intended to be, in most cases, self-supporting from user charges established by the City Council.

The City is also financially accountable for the Community Redevelopment Agency of Fort Myers, which is included in the City's reporting entity and financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements (see Note 1, 2.)

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

## **LOCAL ECONOMY**

The City of Fort Myers is part of the Fort Myers-Cape Coral Metropolitan Statistical Area (MSA), which includes all of Lee County. The general concept of a metropolitan statistical area is one of a large population nucleus, together with adjacent communities that have a high degree of economic and social integration within that nucleus. Fort Myers is the cultural and trade center for Lee County and the surrounding area. Commercial fishing in Lee County is a year-round operation with shrimp fleets making their homeports in Fort Myers and Fort Myers Beach. For recreation, the Thomas Edison and Henry Ford Winter Estates offer tours of their exhibits including a museum, botanical gardens and research laboratory. The Barbara B. Mann Performing Arts Hall, located on the campus of Edison State College, operates year round and provides opportunities to see traveling artist and Broadway productions. A state-of-the-art training ballpark and player development complex became the new home to the Boston Red Sox in 2012.

Over the past ten years, the City experienced significant fluctuations to its profile due to very rapid expansion and development and the great recession that began in December 2007 and took a particularly sharp downward turn in September 2008. Due to the City's desirable location near the Gulf of Mexico and some speculative construction, the City's population grew 31% to a high of 68,819 in 2009 as compared to 52,527 in 2003. Consistent with national and statewide trends, key local economic indicators weakened considerably as the City experienced the effects of the economic downturn. New construction slowed, foreclosures were widespread, and the City's population declined 9.5% by 2010 to 62,298.

Recent reports and economic data indicate a modest, yet uneven, recovery while researchers of the local real estate market forecast the beginning of a gradual return to the normalcy of the market before the boom years. The region is experiencing a recent renewal of interest from home builders, who are acquiring vacant land as home inventory is low. After reaching a high of 11.2% in 2010, the City's unemployment rate declined to 6.7% in 2013, which is slightly lower than the state's rate of 6.9% and the national rate of 7.0%. The statewide unemployment rate has remained below the national average of 7.0 percent since March 2013, and the state's annual job growth rate of 2.5 percent in October and November 2013 was the fastest since June 2006. The declines in unemployment rates during the current year support the City's cautious optimism of a resurgent local economy boosted by the slowly recovering housing market and a low density rate, which leaves plenty of room for Fort Myers to grow.

Improvements in the national economy and the housing markets are important factors to Southwest Florida since they impact the timing and level of households moving to the region. As mentioned above, prior to the great recession, Fort Myers experienced rapid growth with strong residential appreciation and commercial construction. The effects of the great recession caused the City to lose \$3.0 billion, or 42 percent of its tax base between the fiscal years of 2009 and 2013. A 3.5 percent increase in the City's tax base for the current fiscal year reverses the five year trend of decline and underscores the need for cautious optimism about future revenue trends. The City's ability to expand and diversify its tax base is a major factor in providing additional financial resources to fund an increasing demand for services.

During the past ten years, the City's expenditures related to public safety experienced the greatest increase, not only in amount but also as a percentage of total expenditures in governmental funds (currently 55.1 percent, reflecting a ten-year increase of 19.4 percent). A major contributor to this increase is the salaries and benefits for police and firefighters escalating at a faster rate than for the City's general employees. After successfully reforming the General Employees' Pension Plan, the City is actively pursuing pension reform packages for contract negotiations with the Police and Fire Unions.

During the same ten-year period, taxes related to governmental funds increased not only in amount, but also as a percentage of total revenues in governmental funds (currently 62.3 percent, reflecting a ten-year increase of 13.8 percent). While the City recognized increases in taxable value as a result of expansion and redevelopment efforts within the City, the decline in valuation during the great recession impacted the City's available resources as the City adjusted its millage rate to supplement decreases in other revenue sources, such as grants, which declined 8.8 percent over the last ten years as a percentage of total revenues in governmental funds.

## **LONG-TERM FINANCIAL PLANNING**

In accordance with the City's fund balance policy, the City will strive to maintain a minimum unassigned fund balance of 10% with an ultimate goal of 10% - 17% of the total General Fund budget. Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund at year end was 26.4% of total General Fund revenues while unassigned fund balance was 11.8% of revenues. The unassigned fund balance exceeds the minimum requirement and falls within the range of the goal set by the City Council for budgetary and planning purposes.

The City Council takes the responsibility of being stewards of the public's funds very seriously. In fiscal year 2010, City Council identified a series of goals and objectives as part of the development and implementation of the City's comprehensive Strategic Plan, and the goal of fiscal accountability was considered a high level priority. The objectives for fiscal accountability comprise the exploration of options for balancing the City's budget and the development of a long term financial plan. Without strong financial planning, a local government cannot guarantee services and programs, plan for unforeseen events, or have a strong return on investment.

### **Strategic Plan**

The purpose of every government is to provide public safety, public services, and an enhanced community environment for its citizens. The City continuously strives to provide the services that those citizens, business owners and visitors demand. Beginning in February 2013, City Council performed a comprehensive overhaul of the existing Strategic Plan, which was implemented in fiscal year 2011, and created a new Mission Statement that will ensure the organization's sustainability for the future. Further emphasis is placed on fiscal management. The revised Mission of the City of Fort Myers is to be financially responsible, and to be a leader in municipal services, with a dedicated City workforce, and an involved community.

The new Strategic Planning Model for the City incorporates the following criteria:

- Vision ~ value-based principles that describe the preferred future in fifteen years.
- Plan ~ strategic goals that focus outcome-based objectives and potential actions for five years.
- Execution ~ focus for one-year – a work program: policy agenda for Mayor and City Council, management agenda for staff; major projects.
- Mission ~ principles that define the responsibility of City government and frame the primary services – core service businesses.
- Core beliefs ~ personal values that define performance standards and expectations for employees.

To support the new Strategic Plan, goals on the horizon for the next five years comprise a financially sound city that provides exceptional municipal services; safe and livable neighborhoods; economic prosperity and a growing economy, and; a vibrant downtown on the river. The Strategic Plan complements the City's 2010 Downtown Development Plan, which integrates the existing historic downtown area with a strategy to develop the neighboring riverfront and create a cultural destination.

As part of the City's vision to transform the downtown riverfront into a rewarding destination for local and regional residents and tourists, the new state-of-the-art Fort Myers Regional Library, a joint effort between Lee County and the City of Fort Myers, opened to the public on December 11, 2013. This new library nearly triples the size of the previous one-story library and is a vibrant east end anchor in the downtown river district.

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

The City's business base is rebounding as a result of the recovering economy and restoration of the downtown waterfront. More than 40 businesses moved into downtown in the past two years and three existing merchants expanded into larger space. In addition, the City works with fledgling businesses by providing an incubator, the Southwest Florida Enterprise Center. This center provides space at very favorable rates and business classes to assist new entrepreneurs in starting up their businesses. The City partners with Florida Gulf Coast University to provide classes and assistance.

## **Comprehensive Plan**

Under the Local Government Comprehensive Planning and Land Development Regulation Act passed by the Florida Legislature in 1985, and amended in 1986, local governments are required to prepare a comprehensive plan as a definitive guide for their growth management. The goals, objectives and policies of the City's Comprehensive Plan were developed during the planning process to guide the community and provide clear direction to elected officials, City staff and citizens on certain day to day activities as well as the future vision of the City.

One of the requirements of the City's Comprehensive Plan is the provision of authority to the City's land development regulations, including the adopted Capital Improvement Program. The City's annual budget process includes the preparation of the five-year Capital Improvement Program, which typically includes the construction of infrastructure and municipal facilities as well as the acquisition of large or specialized equipment. The capital planning process is critical to the City's well-being because it provides the opportunity to take a planned and programmed approach to allocating financial resources in the most responsive and efficient manner. As part of the planning process, the City identifies and quantifies the operational costs associated with the capital projects and budgets resources in its operating budget accordingly.

The City's Capital Improvement Program comprises seven categories for capital projects. The largest category of capital spending is Utilities, which includes improvement and replacement of water/sewer infrastructure and necessary regulatory equipment replacement/maintenance. For fiscal years 2014 through 2018, the City adopted the following five-year program:

Utilities	\$ 118,534,360
Transportation	22,045,178
Equipment	10,747,000
Stormwater	7,144,836
Parks and Beautification	5,365,000
Buildings	2,623,100
Development	350,000
Total	<u>\$ 166,809,474</u>

The Capital Budget is the first year of the Capital Improvement Program and includes a list of projects to implement in that fiscal year. The fiscal year 2014 Capital Budget anticipates \$34.7 million in capital projects, which comprises \$15.5 million in Utilities improvements and replacements, \$7.6 million for Transportation projects, \$3.1 million for Equipment purchases, \$2.4 million for Stormwater improvements and maintenance, \$5.4 million in Parks and Beautification landscape improvements and enhancements to City recreation facilities, \$.6 million to Buildings purchases and improvements, and \$.1 million to Development for the improvements to neighborhoods and commercial business areas.

Major projects included in the Capital Budget for fiscal year 2014 include \$5.8 million for various neighborhood utility improvements, \$5.2 million for a major renovation of the Fort Myers Country Club, and \$3.8 million in First and Second Street Improvements. Funding these projects reflects the City's commitment to meeting the standards set forth in its Comprehensive Plan and positively impact the quality of life for its residents, businesses and visitors.

### **RELEVANT FINANCIAL POLICIES**

While the City does not have a comprehensive set of financial policies that have been adopted by City Council, there are guidelines in place that set forth the basic framework for the overall fiscal management of the City. With the development and implementation of the Strategic Plan, City management may be revising policies and procedures in the process to further the growth and financial security of the City. Operating independently of changing circumstances and conditions, the financial policies guide the decision-making process of the City Manager, Mayor, City Council and Administration. These policies provide guidelines for evaluating both current activities and future programs.

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

The City formally adopted a debt management policy during fiscal year 2008. There are no legal debt limits placed on the City through state law (no such limit exists in Florida), local ordinances or local resolutions. The City continually pursues ways to potentially limit debt and improve its overall financial position. These actions include such measures as:

- Limiting future capital spending projects and minimizing the issuance of additional debt.
- Taking advantage of refunding opportunities, if any arise, to decrease future annual debt service requirements.
- Restructuring existing debt, where legally possible, to remove the City's backup pledge on debt that benefits specific districts where sufficient revenues are available from those districts to repay the debt.
- Committing proceeds from the sale or other disposal of any assets financed by debt to the prepayment or early payoff of the related debt.



The City does not issue debt, long or short term, to finance operational costs.

While the City does not have any general obligation debt, certain underlying and implied ratings have been given to the City by the ratings companies. In December 2011, Standard and Poor's (S&P) Ratings Services assigned an A long-term rating to the Fort Myers Utility System Refunding and Revenue Bonds, Series 2011. At the same time, S&P affirmed the A underlying rating on the system's outstanding revenue bonds. The outlook is stable. On October 23, 2013, S&P affirmed its A+ rating, with a stable outlook, on the City's Series 2006A and Series 2007 Improvement and Refunding Revenue Bonds due to the City's broad and diverse economy and strong maximum annual debt service coverage.

The City maintains the A+ rating assigned by Fitch Ratings to its utility parity debt with a stable rating outlook.

In addition, the City maintains the Aa3 ratings assigned by Moody's Investors Service (Moody's) to its utility parity debt. However, in August 2012, Moody's downgraded Fort Myers' Long Term Issuer Rating from Aa2 to Aa3, and they removed the negative outlook. This rating was associated with the City's governmental debt, and it was based on ongoing structurally imbalanced operations supported by use of one-time revenues to balance operations, high fixed costs and the City's substantial property value declines. The Aa3 rating also reflects the City's satisfactory, albeit diminished, reserve levels, sizeable and diverse tax base with below demographic profile and a manageable debt burden.

## **MAJOR INITIATIVES**

During the years of the diminishing tax base, the City reduced operating expenditures by instituting an early retirement program, implementing layoffs and reducing employee salaries and benefits. The fiscal year 2014 budget is a deliberate balance of available resources and expenditures that will keep the City moving forward to fulfilling the City's mission as a financially responsible leader in municipal service delivery with a dedicated workforce and involved community. Actions to maintain stable service levels for core municipal services, such as police, fire and public works, and maintain City reserves within their current range during fiscal year 2014 include:

- Frozen funding for nineteen vacant positions for a savings of \$1.2 million while restoring 3% of wage cuts for Police Union, General Union and Non-Union employees.
- Pension reform measures for the Police Officers Retirement System and Municipal Firefighters' Pension Trust Fund to ensure that future retirement benefits are available to employees and to control the City's costs to assist in aligning operating expenditures with revenues.
- A 4% rate increase for water and sewer services to alleviate future borrowing needs to fund capital projects.
- Rate increases at the City-owned golf courses to provide adequate operating supplies for course maintenance and debt repayment towards the major course improvements at the Fort Myers Country Club Golf Course.

A new, interactive financial planning model related to the City's General Fund budget is scheduled for completion in the first quarter of fiscal year 2014. The model uses the current millage rate and all additional revenue sources and factors in potential future growth combined with historical financial data and cost projections to create scenarios of the possible financial outcomes over a ten year period. Each scenario graphically displays the effects of reserve levels, revenue and expenditure trends, debt requirement, capital needs, etc. The model may be effective tool to use in the development of future budgets to show both short and long-term impacts to current decisions.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fort Myers for its

comprehensive annual financial report for the fiscal year ended September 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last twenty-four consecutive years. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

#### **ACKNOWLEDGMENTS**

The preparation of this Comprehensive Annual Financial Report was made possible through the cooperation and teamwork of the entire Accounting Division of the Finance Department. Their continuing effort toward improving the accounting and financial reporting systems improves the quality of information reported to the City Council, State and Federal Agencies, and the citizens and investors in the City of Fort Myers. We sincerely appreciate and commend them for their contributions.

Appreciation is also extended to our external auditors, Mayer Hoffman McCann P.C., for their assistance and to the Mayor and City Council Members for the vital role they have played in enabling the City to remain fiscally responsible to the citizens of Fort Myers.

Sincerely,



William P. Mitchell  
City Manager



Maria Joyner  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Fort Myers  
Florida**

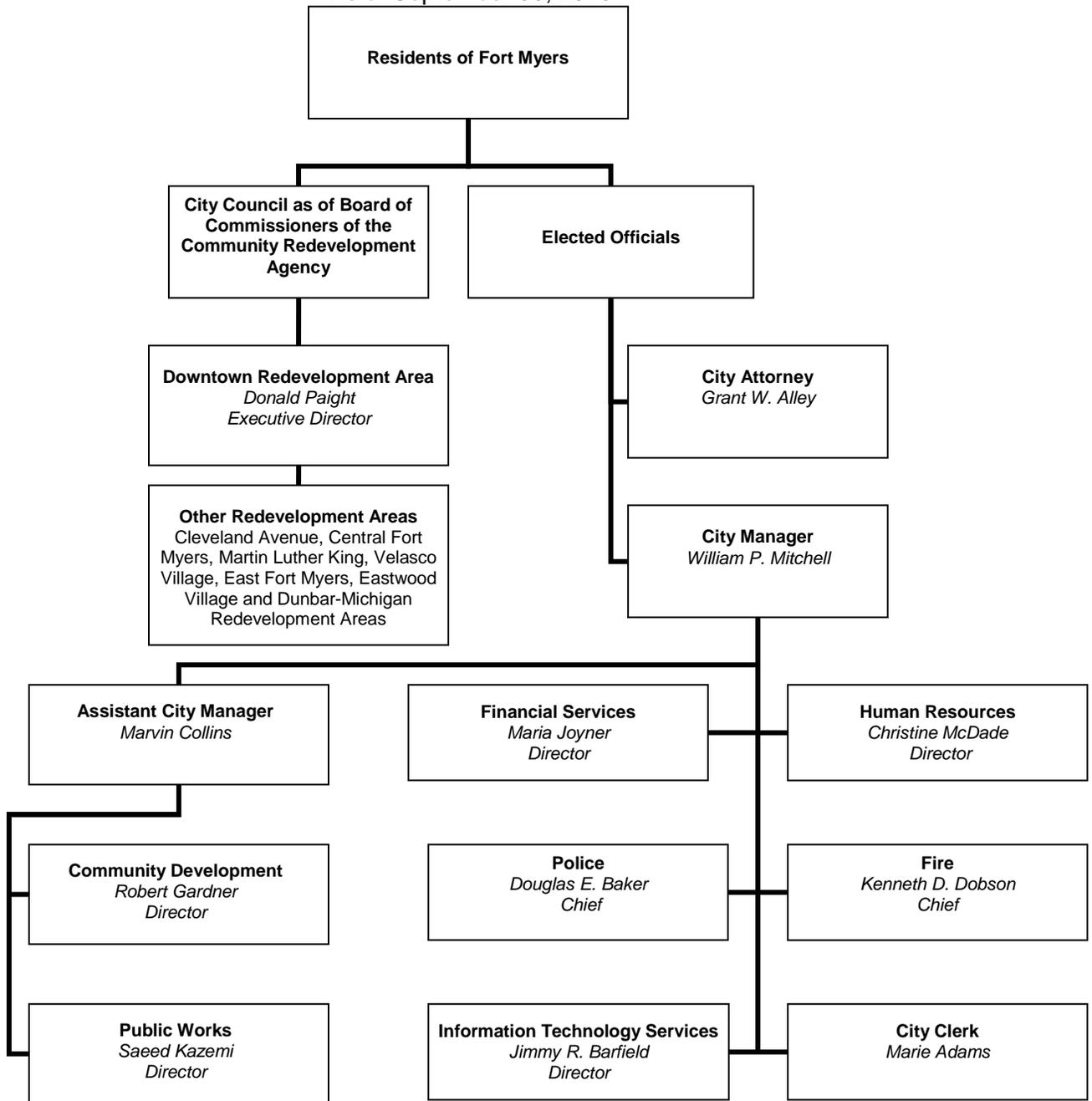
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

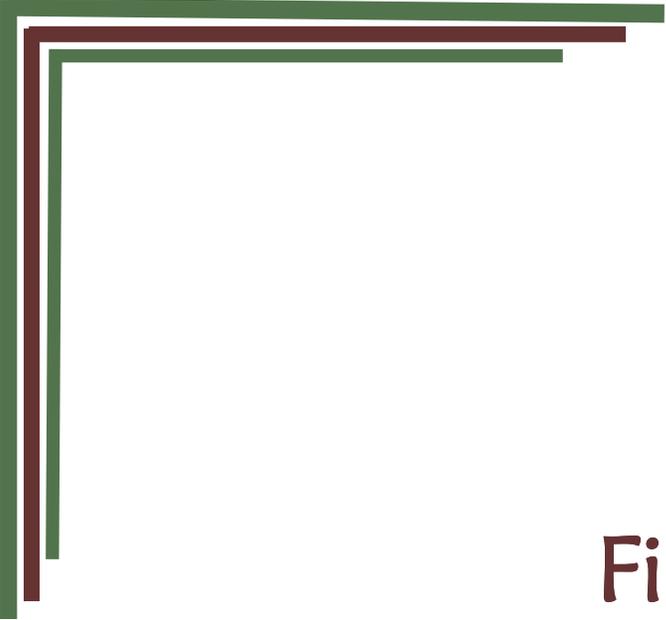
**September 30, 2012**

Executive Director/CEO

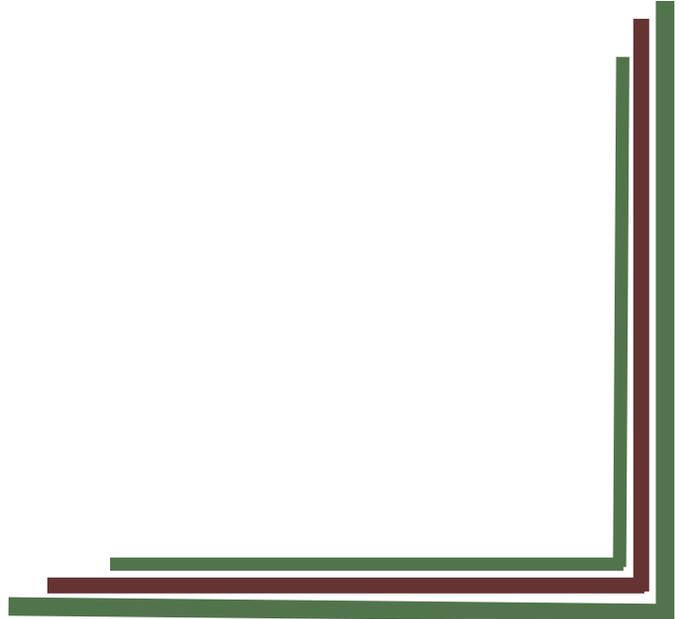
# CITY OF FORT MYERS

Organizational Chart  
As of September 30, 2013





# Financial Section







## Independent Auditor's Report

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Myers, Florida (the "City") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the balance sheet and statement of revenues and expenses of the City of Fort Myers, Florida, Community Redevelopment Agency (the "CRA"), presented in the accompanying combining and individual fund financial statements and schedules as of and for the year ended September 30, 2013.

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

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2013, 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. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the CRA as of September 30, 2013 and the respective changes in financial position thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As described in Note 25, the City adopted the provisions of Statement of Governmental Accounting Standards No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended September 30, 2013. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3 - 15 and 92 - 98 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General*, and is also not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2014, 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 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 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.

*Mayra Hoffman Mc Carr P.C.*

February 21, 2014  
Clearwater, Florida



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

As management of the City of Fort Myers (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-viii of this report, and the City's financial statements beginning on page 15.

### Financial Highlights:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$251,957,441 (net position). Of this amount, \$39,686,037 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$12,608,445, which comprises a decrease in governmental activities of \$19,110,532 offset by an increase in business-type activities of \$6,502,087. The decrease in the governmental activities comprises accruals for a court judgment and a developer agreement in addition to a decline in capital grants and contributions to fund capital projects expenditures. Business-type activities experienced an increase in net position due to increases in the water and sewer utility rate and in capital grants revenue, and due to the restructuring of debt service.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$99,915,986, a decrease of \$13,977,497 (12.3%) in comparison with the prior year. Approximately 8% of this amount (\$8,000,530) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$18,214,394, or 25.5% of total General Fund expenditures.
- The City's total outstanding long-term debt decreased by \$14,295,012 (3.7%) during the current fiscal year as a result of prevailing debt service payments.

### Overview of the Financial Statements

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 15 – 17 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 19 – 26 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Wastewater Utility, Solid Waste Operations, Building Permits and Inspections, Stormwater Management, Fort Myers Country Club, Eastwood Golf Course, the Yacht Basin, Harborside Event Center, Downtown Parking Garages, Skatium, and the Department of Cultural and Historic Affairs, which comprises the business activities of the Imaginarium Science Center, the Burrough's Home, and the Southwest Florida Museum of History. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses separate internal service funds to account for its Central Garage Operations, Information Technology Services, Public Works Warehouse, and Risk Management Program. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 27 – 35 of this report.

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

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

The City maintains two different types of fiduciary funds: pension trust funds and agency funds. Pension trust funds are used to report resources held in trust for retirees and beneficiaries covered by each plan. The three pension trust funds are: 1) the General Employees' Pension Plan, 2) the Police Officers' Retirement System, and 3) the Municipal Firefighters' Pension Trust Fund. Agency funds report resources held by the City in a custodial capacity for individuals, private organizations, and other governments. The six agency funds are: 1) Carillon Woods Special Assessment Fund, which accounted for a special assessment that had debt outstanding with no governmental commitment; 2) the Regional Park Impact Fee Fund, which accounts for regional park impact fees collected and then sent to Lee County; 3) the Emergency Medical Services (EMS) Impact Fee Fund, which accounts for the EMS impact fees collected and then sent to Lee County; 4) the School Board Impact Fee Fund, which accounts for school impact fees collected and then sent to Lee County; 5) Unclaimed Funds, which accounts for monies that have not been claimed and then sent to the State of Florida according to State Statutes; and 6) the Employee Special Events Fund, which is accounted for and held by the City for a committee that provides special events for employees.

The fiduciary fund financial statements can be found on pages 37 – 39 of this report.

**Notes to the financial statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41 – 89 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees and a schedule providing budget to actual data for the General Fund. Required supplementary information can be found on pages 91 – 96 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on the budgetary comparison schedule, pensions and OPEB. The combining and individual fund statements and schedules can be found on pages 102 – 145 of this report.

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

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$251,957,441 at the close of the most recent fiscal year.

The largest portion of the City's net position (44.6%) reflects its investment in capital assets (e.g., land, buildings, equipment, vehicles and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (39.6%) represents resources that are subject to external restrictions on how they may be used. Restrictions related to capital projects represent 56.8% of the total restricted net position (\$99,836,460) and reflects the City's commitment to providing services and resources to its citizens. The remaining balance of \$39,686,037 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

Representation of the City's net position is on the following page.

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

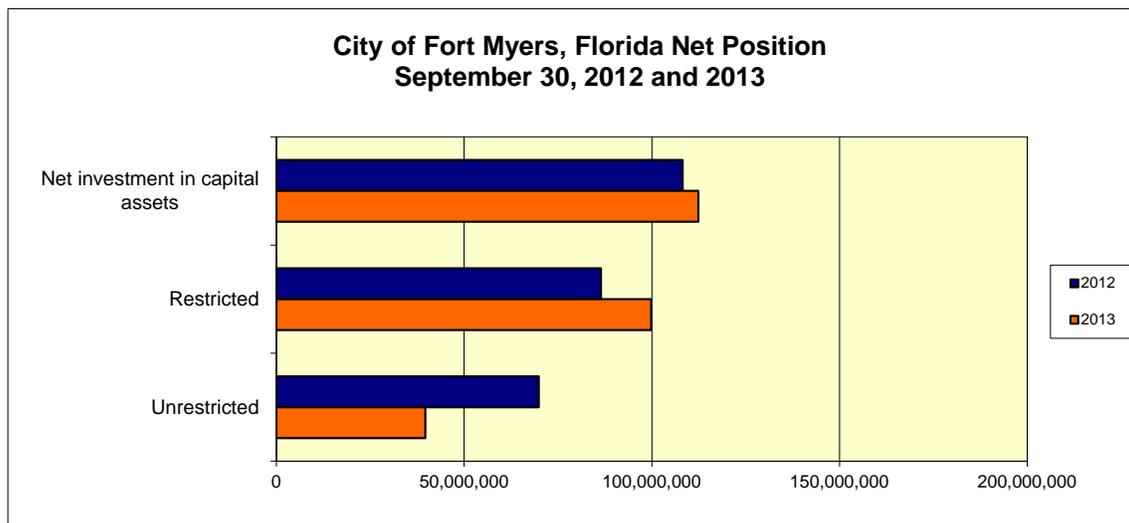
City of Fort Myers, Florida  
 Net Position as of September 30, 2013 and 2012

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 136,869,723	\$ 149,934,664 <sup>(1)</sup>	\$ 87,267,791	\$ 81,285,484 <sup>(1)</sup>	\$ 224,137,514	\$ 231,220,148 <sup>(1)</sup>
Capital assets	155,566,585	160,513,995	328,643,517	332,646,454	484,210,102	493,160,449
Total assets	292,436,308	310,448,659	415,911,308	413,931,938	708,347,616	724,380,597
Deferred outflows of resources	1,623,088	1,903,730	449,090	471,158	2,072,178	2,374,888
Long-term liabilities outstanding	144,721,924	143,983,492	277,934,424	284,251,234 <sup>(1)</sup>	422,656,348	428,234,726 <sup>(1)</sup>
Other liabilities	17,358,800	17,279,693	15,837,430	13,861,591	33,196,230	31,141,284
Total liabilities	162,080,724	161,263,185	293,771,854	298,112,825	455,852,578	459,376,010
Deferred inflows of resources	-	-	2,609,775	2,813,589	2,609,775	2,813,589
Net position:						
Net investment in capital assets	58,088,422	59,741,815 <sup>(1)</sup>	54,346,522	48,498,202 <sup>(1)</sup>	112,434,944	108,240,017 <sup>(1)</sup>
Restricted	70,537,585	59,738,971	29,298,875	26,727,231 <sup>(1)</sup>	99,836,460	86,466,202 <sup>(1)</sup>
Unrestricted	3,352,665	31,608,418	36,333,372	38,251,249	39,686,037	69,859,667
Total net position	\$ 131,978,672	\$ 151,089,204 <sup>(1)</sup>	\$ 119,978,769	\$ 113,476,682 <sup>(1)</sup>	\$ 251,957,441	\$ 264,565,886 <sup>(1)</sup>

<sup>(1)</sup> Restated, as noted in Note 25

At the end of the current fiscal year, the City is able to report positive fund balances in all reported categories of net position, both for the government as a whole, as well as for most of its separate governmental and business-type activities. For governmental activities, the unrestricted net position decreased from \$31,608,418 in the prior fiscal year to an ending balance of \$3,352,665 for the current fiscal year. The City reconsidered the classification of assigned fund balance in the Transportation and General Capital Projects funds, which are restricted in compliance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). The City implemented GASB 54 in fiscal year 2011.

The Grants and Community Development Block Grant special revenue funds had fund deficits resulting from expenditures for which related revenue was not recognized due to the timing of the reimbursements. For business-type activities, the Fort Myers Country Club enterprise fund had a negative unrestricted net position of \$60,581 due to a decrease in revenues because of less favorable weather conditions. The Skatium enterprise fund had a negative unrestricted net position of \$107,779 due to the overall effect of an increase in area competition.



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

City of Fort Myers, Florida  
Changes in Net Position  
For the Year Ended September 30, 2013 and 2012

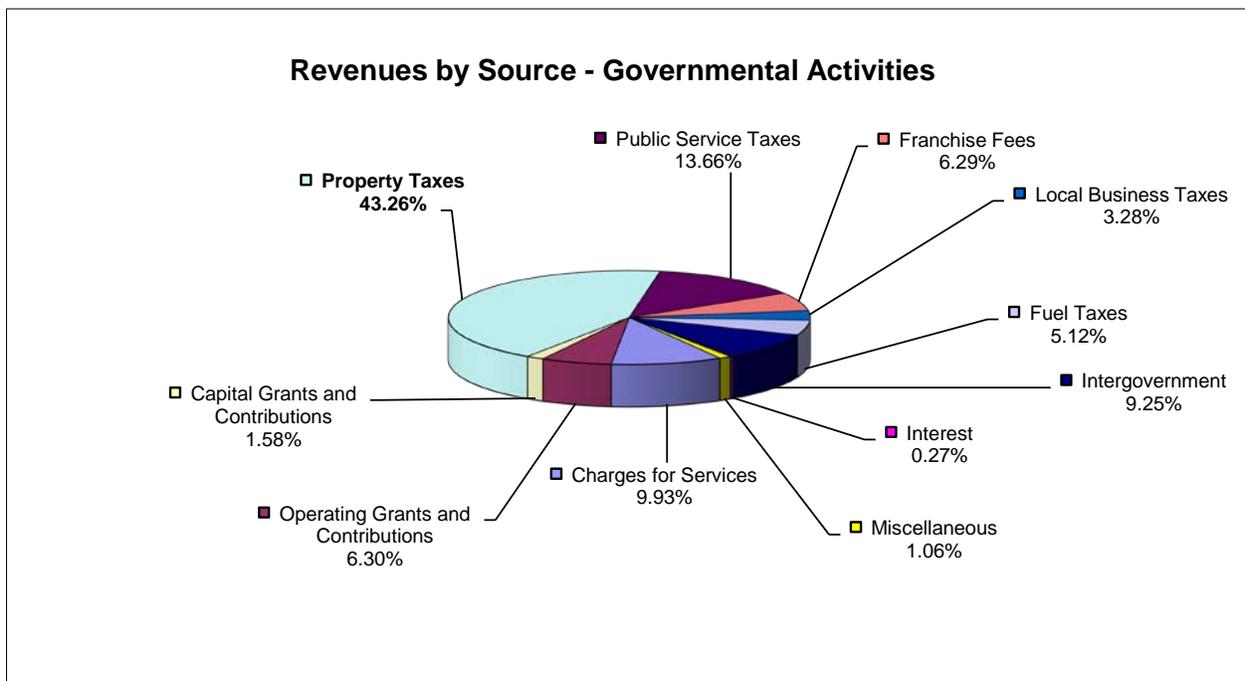
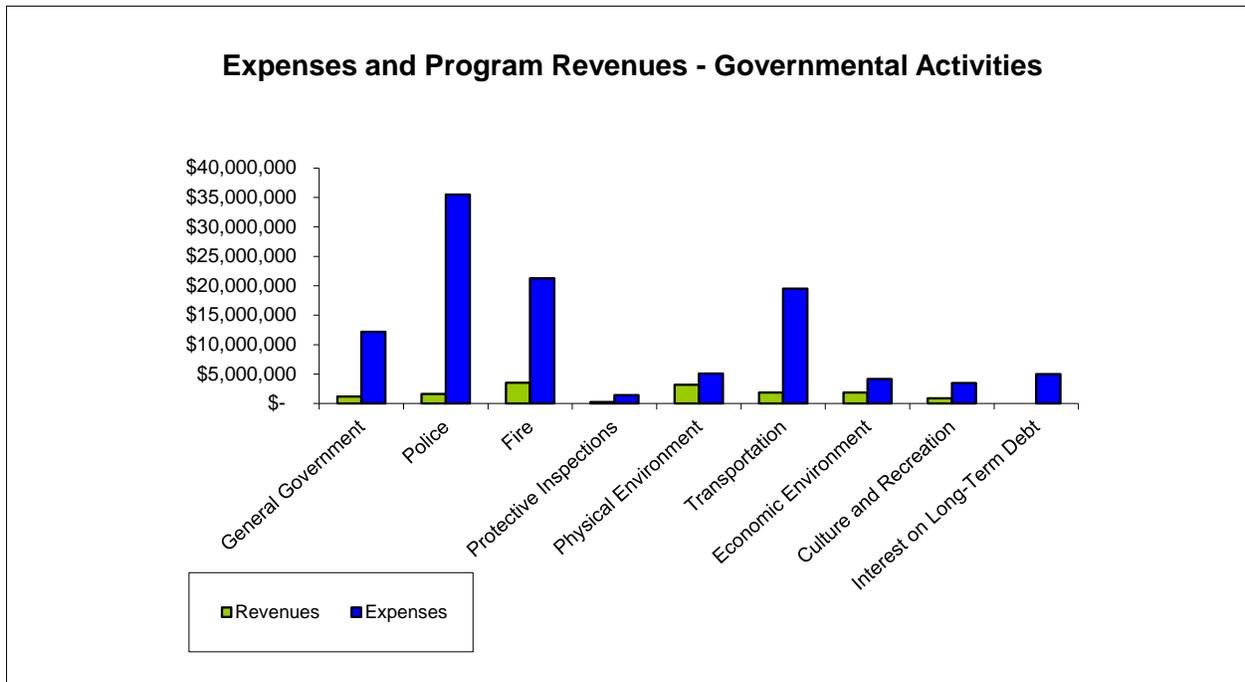
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for services	\$ 8,027,562	\$ 9,230,886	\$ 81,328,223	\$ 79,711,110	\$ 89,355,785	\$ 88,941,996
Operating grants and contributions	5,096,197	5,440,465	886	884	5,097,083	5,441,349
Capital grants and contributions	1,279,111	9,290,417	3,383,428	2,363,621	4,662,539	11,654,038
<b>General Revenues</b>						
Property taxes	34,988,658	34,770,474	-	-	34,988,658	34,770,474
Other taxes	17,841,917	16,395,392	-	-	17,841,917	16,395,392
Other	13,643,804	14,079,385	122,889	3,360,236	13,766,693	17,439,621
<b>Total revenues</b>	<b>80,877,249</b>	<b>89,207,019</b>	<b>84,835,426</b>	<b>85,435,851</b>	<b>165,712,675</b>	<b>174,642,870</b>
<b>Expenses:</b>						
General government	12,167,626	14,026,296 <sup>(1)</sup>	-	-	12,167,626	14,026,296 <sup>(1)</sup>
Police	35,492,533	33,417,494	-	-	35,492,533	33,417,494
Fire	21,255,783	20,056,573	-	-	21,255,783	20,056,573
Protective inspections	1,428,519	1,627,330	-	-	1,428,519	1,627,330
Physical environment	5,094,677	4,879,919	-	-	5,094,677	4,879,919
Transportation	19,528,061	10,505,928	-	-	19,528,061	10,505,928
Economic environment	4,183,689	4,515,627	-	-	4,183,689	4,515,627
Culture and recreation	3,501,196	3,628,966	-	-	3,501,196	3,628,966
Interest	4,981,829	5,328,432	-	-	4,981,829	5,328,432
Water-Wastewater	-	-	45,188,740	65,678,945 <sup>(1)</sup>	45,188,740	65,678,945 <sup>(1)</sup>
Solid Waste	-	-	8,668,898	8,754,026 <sup>(1)</sup>	8,668,898	8,754,026 <sup>(1)</sup>
Permits and Inspections	-	-	2,339,039	2,470,171	2,339,039	2,470,171
Stormwater	-	-	2,676,947	2,768,189	2,676,947	2,768,189
Golf Courses	-	-	3,192,083	3,258,666 <sup>(1)</sup>	3,192,083	3,258,666 <sup>(1)</sup>
Yacht Basin	-	-	2,625,787	2,378,769 <sup>(1)</sup>	2,625,787	2,378,769 <sup>(1)</sup>
Harborside Event Center	-	-	2,026,123	2,029,197	2,026,123	2,029,197
Downtown Parking Garages	-	-	1,067,213	984,598	1,067,213	984,598
Skatium	-	-	1,218,220	1,219,049	1,218,220	1,219,049
Cultural and Historic Affairs	-	-	1,684,157	1,629,333	1,684,157	1,629,333
<b>Total expenses</b>	<b>107,633,913</b>	<b>97,986,565 <sup>(1)</sup></b>	<b>70,687,207</b>	<b>91,170,943 <sup>(1)</sup></b>	<b>178,321,120</b>	<b>189,157,508 <sup>(1)</sup></b>
Increase (decrease) in net position before transfers	(26,756,664)	(8,779,546) <sup>(1)</sup>	14,148,219	(5,735,092) <sup>(1)</sup>	(12,608,445)	(14,514,638) <sup>(1)</sup>
Transfers	7,646,132	6,278,554	(7,646,132)	(6,278,554)	-	-
Increase (decrease) in net position	(19,110,532)	(2,500,992) <sup>(1)</sup>	6,502,087	(12,013,646) <sup>(1)</sup>	(12,608,445)	(14,514,638) <sup>(1)</sup>
Net position – beginning	151,089,204 <sup>(1)</sup>	153,590,196	113,476,682 <sup>(1)</sup>	125,490,328	264,565,886 <sup>(1)</sup>	279,080,524
<b>Net position – ending</b>	<b>\$ 131,978,672</b>	<b>\$ 151,089,204 <sup>(1)</sup></b>	<b>\$ 119,978,769</b>	<b>\$ 113,476,682 <sup>(1)</sup></b>	<b>\$ 251,957,441</b>	<b>\$ 264,565,886 <sup>(1)</sup></b>

<sup>(1)</sup> Restated, as noted in Note 25

The City's overall net position decreased \$12,608,445 from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

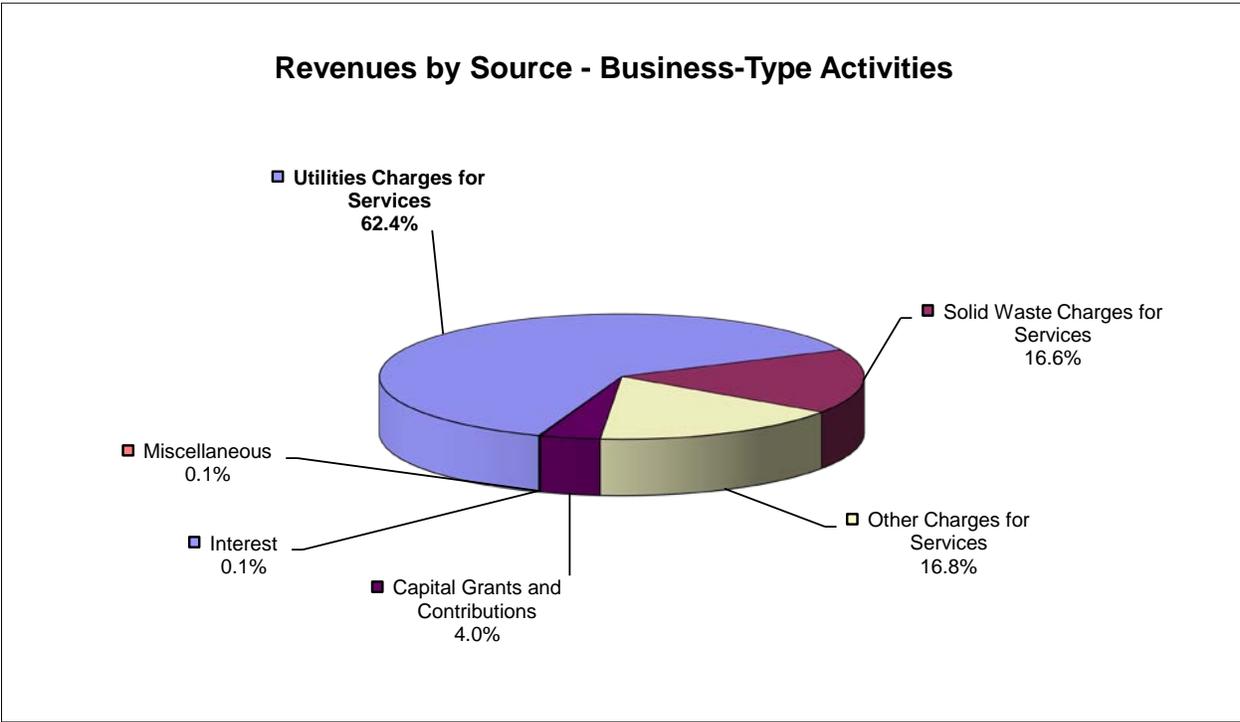
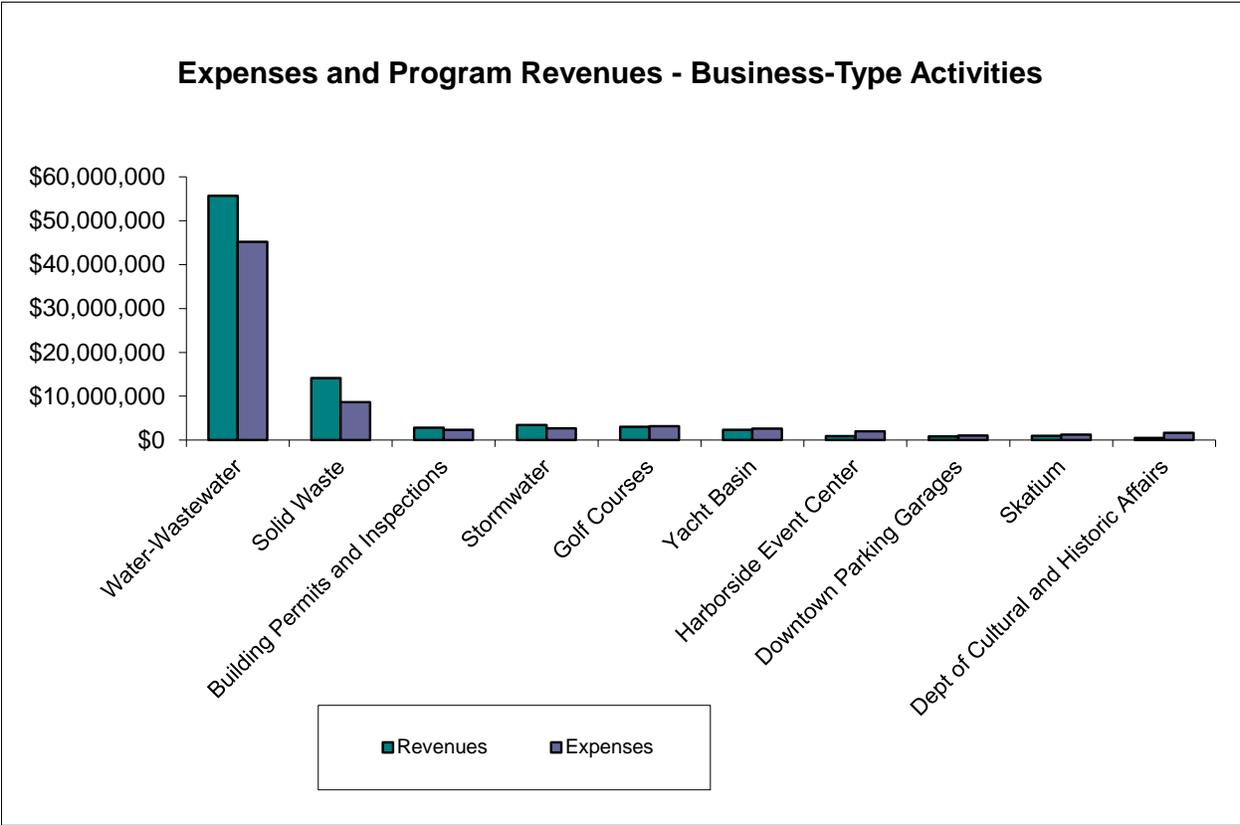
**Governmental Activities.** During the current fiscal year, net position for governmental activities decreased \$19,110,532 from the prior fiscal year for an ending balance of \$131,978,672. Capital grants and contributions decreased 86.2% (\$8,011,306) with the majority of the decrease (\$7,142,342) in Transportation activities due to the completion of the State Road 82 widening project, which was funded by the Florida Department of Transportation, Lee County, and developer impact fees. A court judgment for a lawsuit in which the City was a defendant for breach of contract caused an accrual of \$5,800,000, which will be paid in the subsequent fiscal year. Commencement of a buyback commitment for a developer agreement resulted in an accrual of \$3,000,000 in Transportation activities.

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



**Business-type Activities.** For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to an ending balance of \$119,978,769. The total increase in net position for business-type activities was \$6,502,087 or 5.7% from the prior fiscal year. A portion of the growth is attributable to the 5% increase in the water and sewer utility rate. As a result, revenues from water and sewer service charges increased \$1,617,113 over the previous year's amount. Capital grants and contributions increased \$1,019,807 (43.2%) from prior fiscal year as a result from developer donations of utility improvements and a capital grant reimbursement of \$338,260 for a watershed improvement project. An additional contributor to the overall increase was the restructure of debt service due to the termination of the forward interest swap agreement in the prior fiscal year.

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



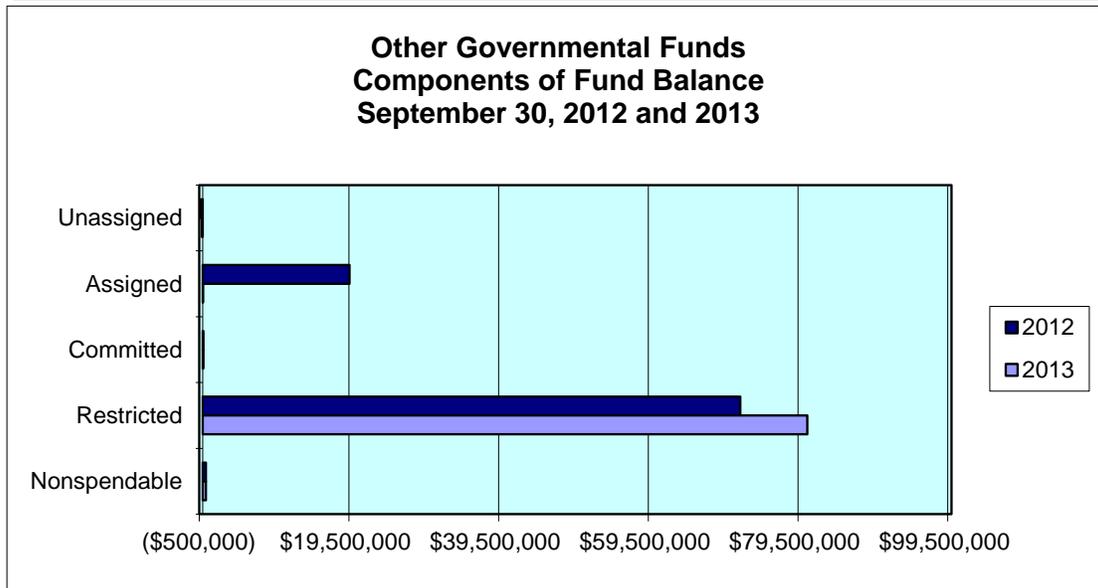
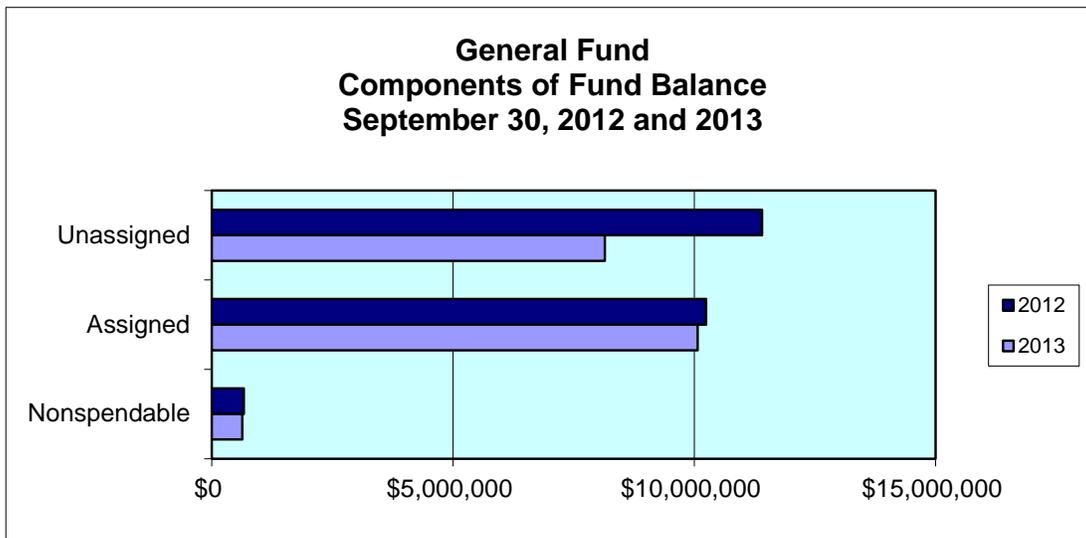
**CITY OF FORT MYERS, FLORIDA**  
**Management's Discussion and Analysis**

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

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

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by City Council.

At September 30, 2013, the City's governmental funds reported combined fund balances of \$99,915,986, a decrease of \$13,977,497 in comparison with the prior year. Approximately 8% of this amount, \$8,000,530, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form, (\$1,049,632), 2) legally required to maintain intact, (\$2,000), 3) restricted for particular purposes, (\$80,733,854), 4) committed for particular purposes, (\$56,991), or 5) assigned for particular purposes, (\$10,072,979).





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

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,146,193 while total fund balance decreased to \$18,844,569. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 11.4% of total General Fund expenditures, while total fund balance represents 26.4% of that same amount. It should be noted that the budget for fiscal year 2014-2015 provides for using \$6,368,187 of the assigned fund balance to support General Fund expenditures in that fiscal year.

The fund balance of the City's General Fund decreased \$3,464,279 during the current fiscal year. Interfund transfers decreased by \$2,111,425 as fewer reserves were available from other funds to assist with balancing the General Fund budget. Operating expenditures increased \$1,043,676 with all of the City divisions spending according to their budgets.

The Revenue Bonds and Notes Fund, a major fund, had a \$2,602 increase in fund balance during the current fiscal year as a result of transfers from other funds for debt service payments.

The Transportation Capital Projects Fund, a major fund, had a decrease in fund balance during the current year of \$6,913,047 to bring the year end fund balance to \$52,702,408. The primary factors for the decrease were accruals of \$5,800,000 for a court judgment and for the commencement of a buyback commitment to a developer agreement for the amount of \$3,000,000.

The General Capital Projects Fund, the remaining major governmental fund, had a \$3,181,234 decrease in fund balance during the current fiscal year, primarily due to the expenditures of the Downtown Water Detention Basin Project, \$1,193,247, for which related intergovernmental revenues were not recognized due to the timing of grant reimbursements. In addition, outgoing transfers increased to fund \$650,000 of street overlay improvements in the Transportation Capital Projects governmental fund.

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

Unrestricted net position of the Water-Wastewater Fund at the end of the year amounted to \$20,705,579, and total growth in net position for the year was \$4,767,615. As discussed earlier in connection with business-type activities, the increase primarily results from the restructure of debt after the termination of the forward interest rate swap agreement in the prior fiscal year plus an increase in the water and sewer activity charges due to the 5% rate increase in the current fiscal year. Capital grants and contributions increased \$761,721 as a result of developer donations of utility improvements.

Unrestricted net position of the Solid Waste Fund at the end of the year amounted to \$6,896,135, and total growth in net position for the year was \$806,654. Increases in Residential Collection and Roll-off revenues were offset by a decrease in Commercial Collection revenue due to volume and a decrease in Interlocal Disposal fees as a result of the fluctuating rate the City receives for recyclables. The changes in the different revenues provided a net increase of \$140,829, or 1%, from prior year in total operating revenues. Reductions of \$72,244 in total operating expenses, primarily due to decreased tipping fee expenses, provided an increase in operating income of \$213,073.

Unrestricted net position of the Other Enterprise Funds' at the end of the year amounted to \$8,731,658 and total growth in net position for the year was \$927,818. Charges for services in the Building, Permits and Inspections Fund increased by \$281,506 (11.1%), mainly as a result of the ongoing increase in single-family permits issued for new construction. Total operating expenses increased slightly by \$115,440 (0.7%) due to ongoing spending constraints. Capital grants and contributions increased by \$325,237, primarily as a result of the grant reimbursement received for the Manuels Branch watershed improvement project in the Stormwater enterprise fund.

### **General Fund Budgetary Highlights**

**Original budget compared to final budget.** During the year, there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. In accordance with Florida Statute 166.241(4), the City makes any necessary amendments to the current fiscal year budget up to sixty days after the completion of the fiscal year. Year end results generally indicate that some budget adjustments are necessary to be in compliance with the City's legal level of control, which is the department level within a fund for budget purposes. These adjustments may be administrative, where both revenues received and the related expenditures are recognized, or where some funds/departments experienced unexpected expenditures and/or revenue shortfalls that require either the appropriation of reserves or the transfer of funds within the fund.

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

The most significant adjustments in the fiscal year 2012-2013 budget amendments were as follows:

- An increase of \$2,413,901 in General Fund appropriations with funding coming from fund balance or reserves – Of this amount, \$2,044,692 is attributable to re-appropriated funds to complete capital improvement projects that were approved in prior fiscal years, as the fiscal year 2013 original budget included only new funding for projects. Other re-appropriated funds include \$369,209 for purchase order encumbrances.
- An increase of \$1,263,654 in General Fund Revenues and Expenditures for the collection of insurance premium taxes – The City receives state contributions for the City's portion of the Fire and Police Insurance Premium Taxes, in the amounts of \$701,835 and \$561,818, respectively. The taxes are not budgeted because the amounts cannot be reasonably estimated.
- A transfer of funds of \$1,400,000 within the General Fund for Police Department personnel expenditures – The Police Department was over budget in the estimated amount of \$1,400,000 due to unanticipated overtime and due to pension reform savings that were originally incorporated into the budget in the amount of approximately \$1,000,000 that was not achieved due to challenges with the police union's contract.

**Final budget compared to actual results.** The following revenues and expenditures caused the largest variances between estimated amounts and actual results:

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive/(Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 45,758,400	\$ 47,022,054	\$ 48,275,377	\$ 1,253,323
Miscellaneous	5,138,160	7,560,353	661,511	(6,898,842)
<b>EXPENDITURES</b>				
Current:				
Physical Environment - Public Works	5,377,700	5,504,846	5,157,049	347,797
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:				
Capital funding transfers out	(420,000)	(2,453,592)	(617,438)	1,836,154

Taxes came in favorable to the budget by \$1,253,323 due mainly to better than expected collections in the Utility Service Tax and the Communication Services Tax.

Miscellaneous revenues are \$6,898,842 less than budget as the budget amount includes appropriated reserves of \$7,019,261, used strictly for budgeting purposes. The City uses reserves to balance the fiscal year budget and to complete capital improvement projects and professional services that were unable to be completed in the prior year.

Savings in Physical Environment – Public Works result from Professional Services for various engineering services that were budgeted but were not able to start or be completed by the end of the fiscal year. Since the services were planned and encumbered, the budgets were carried over to fiscal year 2014 for completion.

Transfers for capital improvement projects were less than anticipated due to projects that were not completed by the end of the fiscal year, such as ADA Compliance, Neighborhood Improvements Program, Street Overlay Improvements, Sidewalk Replacements, and Guardrail Installations.

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

**Capital Assets and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2013 amounts to \$484,210,102 (net of accumulated depreciation). This investment in capital assets includes land, antiques and exhibits, historical buildings, construction in progress, building, improvements (including utility systems), intangible assets and infrastructure. The total decrease in the City's investment in capital assets for the current fiscal year was 1.8% (\$8,950,347).

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

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 25,384,429	\$ 25,377,905	\$ 3,788,143	\$ 3,788,143	\$ 29,172,572	\$ 29,166,048
Antiques and exhibits	251,871	251,871	-	-	251,871	251,871
Intangibles-easements	3,560,054	3,560,054	-	-	3,560,054	3,560,054
Buildings	11,663,953	11,336,138	37,342,273	38,499,287	49,006,226	49,835,425
Improvements and Infrastructure	107,422,732	106,585,327	13,742,148	13,166,132	121,164,880	119,751,459
Utility Systems	-	-	262,717,676	265,911,968	262,717,676	265,911,968
Equipment	3,380,542	4,075,110	6,554,305	4,626,969	9,934,847	8,702,079
Intangibles-software	12,000	37,620	183,610	150,153	195,610	187,773
Construction in progress	3,891,004	9,289,970	4,315,362	6,503,802	8,206,366	15,793,772
Total capital assets	<u>\$ 155,566,585</u>	<u>\$ 160,513,995</u>	<u>\$ 328,643,517</u>	<u>\$ 332,646,454</u>	<u>\$ 484,210,102</u>	<u>\$ 493,160,449</u>

Annual depreciation in the governmental and business-type activities contributed to the decrease, which was offset by additions of major capital asset activity during the current fiscal year as follows:

- The completion of the Downtown Detention Basin for a total cost of \$5,811,055, of which \$4,617,808 was construction in progress from prior year.
- The completion of Americans with Disabilities Act (ADA) Compliance projects, which comprised replacement of various curb ramps, installation of ADA tactile warning mats, and the restoration of adjacent sidewalks, for a total cost of \$667,613.
- Neighborhood utility improvements at a cost of \$3,724,576, with significant improvements to Alhambra Drive.
- Completion of the upgrade to the odor control equipment at the South Advanced Wastewater Treatment Plant for a total cost of \$1,777,352, of which \$1,265,900 was construction in progress from prior year.
- Replacement of an influent pump at the Central Advanced Wastewater Treatment Plant, \$1,449,005, of which \$713,513 was construction in progress from prior year.

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

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$239,060,000, of which \$137,920,000 was related to the Water-Wastewater Utility. The remaining bonded debt is backed by specified revenue sources. In addition, the City had \$135,761,383 of notes and loans outstanding. Of this amount, \$131,245,999 relates to the City's Water-Wastewater Utility. The remainder of the City's long-term obligations consists of capital leases.

City of Fort Myers, Florida  
Bonded Debt and Loans Payable

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue Bonds	\$ 100,402,225	\$ 107,344,220	\$ 737,775	\$ 840,780	\$ 101,140,000	\$ 108,185,000
Utility Revenue Bonds	-	-	137,920,000	140,130,000	137,920,000	140,130,000
Capital Lease Obligations	588,572	-	-	-	588,572	-
Notes and Loans	4,515,384	5,036,538	131,245,999	136,353,429	135,761,383	141,389,967
Total long-term debt	<u>\$ 105,506,181</u>	<u>\$ 112,380,758</u>	<u>\$ 269,903,774</u>	<u>\$ 277,324,209</u>	<u>\$ 375,409,955</u>	<u>\$ 389,704,967</u>

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

The City's total debt decreased \$14,295,012 or 3.7%. The key factors in this decrease were:

- The governmental funds revenue bonds decreased \$6,941,995 (6.5%) due to normal amortization of debt service.
- Business-type debt decreased \$7,420,435 (2.7%) due to normal amortization of debt service.
- The governmental activities include capital lease obligations, which the City used to finance the acquisition of certain capital assets for the City's Fire Department. The lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of the inception dates.

Additional information on the City's long-term debt can be found in Note 15 on pages 78 – 83 of this report and in the City's Annual Report to Bondholders, published separately.

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

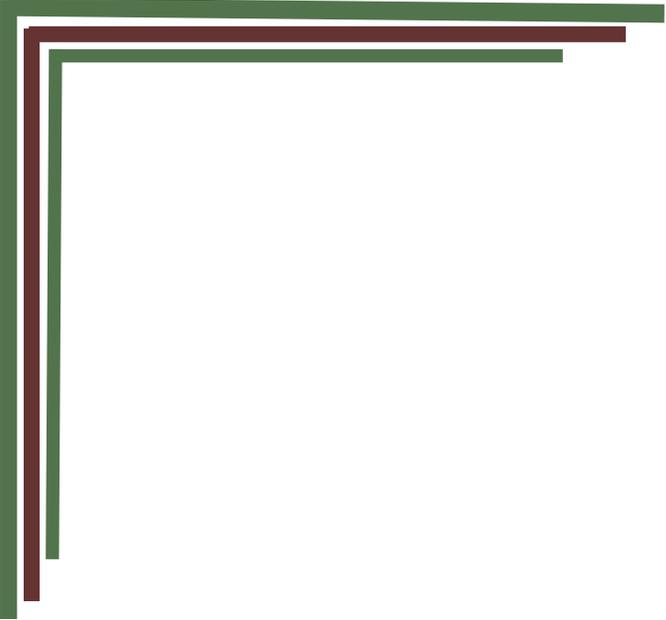
The following economic factors currently affect the City and were considered in developing the 2013-2014 fiscal year budget.

- The City's unemployment rate for September 30, 2013 is 6.7%, which is an improvement from a rate of 8.6% a year ago and a positive indicator of a gradual recovery from the prolonged economic downturn.
- The City's 2013 tax base reflects an increase of 3.5% from prior year, reversing a five year trend of decline and underscoring the need for cautious optimism about future revenue trends.
- Maintenance of the millage rate of 8.7760 to maintain core municipal services and avoid the depletion of City fiscal reserves.
- A 4 percent increase in the water and sewer utility rate to generate \$1.8 million in revenue and offset future borrowing needs for utility capital projects.
- Increases in the rates at the City owned golf courses to provide adequate operating supplies for course maintenance and debt repayment towards major course improvements.
- An increase in Zoning Plan Review fees to generate an estimated \$190,000 in revenue to contribute to funding recurring operating costs.
- On the expenditure side, health insurance premiums are not expected to increase while the City's required contributions to its three pension plans will escalate \$3.8 million citywide.
- Wage restoration of 3% for all City employees, exclusive of Fire Union employees, at a cost to the General Fund of \$1 million.
- Continuance of vacancy for nineteen positions to capture savings of \$1.2 million and control the growth of recurring costs.
- The City continues to purchase property and casualty insurance to ensure adequate coverage in the event of a natural peril or unforeseen accident claim.
- A slight increase of .4% in the City's population from 66,835 in fiscal year 2012 to 67,801 in the current fiscal year requires the maintenance of service delivery to the citizens of Fort Myers.
- Incorporates General Fund expenditure savings of \$1.5 million based on budget to actual spending trends.
- Contract settlements with the Police and Fire Unions, to include pension reform for both pension plans.

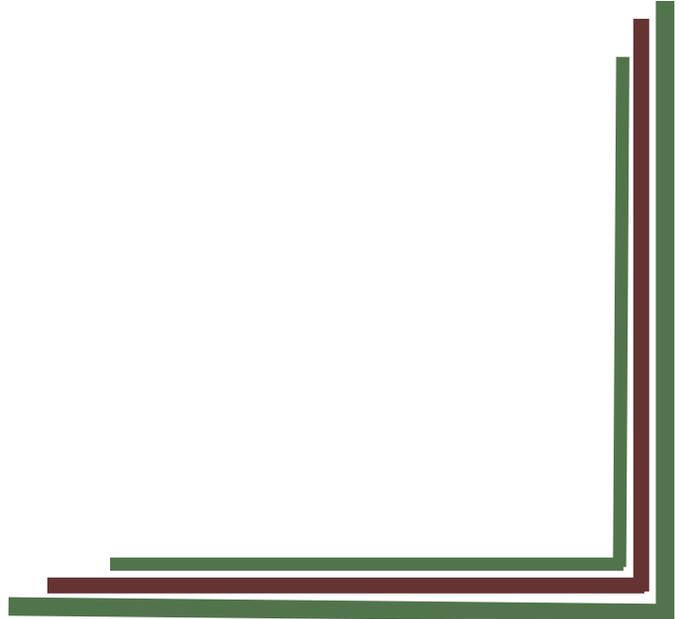
During the current fiscal year, the unassigned fund balance in the general fund was \$8,146,193. The City appropriated \$6,368,187 of this amount for spending in the 2013-2014 fiscal year budget. This action was taken to support the continued spending restraint and to use reserves to bridge the way to a structurally balanced budget in future years while keeping service levels stable for core municipal services, such as police, fire and public works.

**Requests for information**

The financial report is designed to provide users with a general overview of the City of Fort Myers' finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Director of Finance, PO Box 2217, Fort Myers, Florida 33902-2217 or telephone (239) 321-7147. You can also access our website at [www.cityftmyers.com](http://www.cityftmyers.com).



# Basic Financial Statements





## **Government-wide Financial Statements**

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Net Position**  
**September 30, 2013**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,892,074	\$ 22,585,051	\$ 49,477,125
Investments	10,971,569	8,819,115	19,790,684
Accounts receivable, net	2,755,839	7,062,154	9,817,993
Special assessments receivable	62,088	-	62,088
Interest receivable	140,476	43,085	183,561
Due from other governments	5,187,419	6,142,505	11,329,924
Inventories	831,909	365,830	1,197,739
Prepaid items	178,826	113,584	292,410
Deferred special assessments receivable	33,796	-	33,796
Notes receivable	4,712,393	-	4,712,393
Allowance for notes receivable	(4,712,393)	-	(4,712,393)
Assets held for resale	1,213,165	-	1,213,165
Restricted assets:			
Cash and cash equivalents	66,245,882	26,314,147	92,560,029
Investments	22,019,204	15,571,464	37,590,668
Interest receivable	1,507	14,809	16,316
Unamortized bond issuance costs	335,969	236,047	572,016
Capital assets, net:			
Non-depreciable	33,087,358	8,287,115	41,374,473
Depreciable	122,479,227	320,356,402	442,835,629
Total Assets	<u>292,436,308</u>	<u>415,911,308</u>	<u>708,347,616</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	1,623,088	449,090	2,072,178
Total deferred outflows of resources	<u>1,623,088</u>	<u>449,090</u>	<u>2,072,178</u>
<b>LIABILITIES</b>			
Accounts and contracts payable	3,863,318	3,932,920	7,796,238
Accrued and other liabilities	7,564,274	187,435	7,751,709
Accrued interest payable	1,667,284	4,727,084	6,394,368
Due to other governments	1,090,732	469,065	1,559,797
Unearned revenues	2,740,532	-	2,740,532
Customer deposits	432,660	6,520,926	6,953,586
Due within one year:			
Compensated absences	1,453,318	265,073	1,718,391
Capital leases payable	82,454	-	82,454
Loans and notes payable	521,154	5,218,971	5,740,125
Bonds payable	7,262,000	4,008,000	11,270,000
Claims and judgments	8,627,800	-	8,627,800
Net pension liability	14,375,096	-	14,375,096
Due in more than one year:			
Compensated absences	2,136,162	614,013	2,750,175
Other postemployment benefits payable	7,491,571	2,449,848	9,941,419
Due to private sources	-	2,832,963	2,832,963
Capital leases payable	506,118	-	506,118
Loans and notes payable	3,994,230	126,027,028	130,021,258
Bonds payable	95,646,448	136,518,528	232,164,976
Accrued contingencies:			
Claims and judgments	2,625,573	-	2,625,573
Total Liabilities	<u>162,080,724</u>	<u>293,771,854</u>	<u>455,852,578</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	2,609,775	2,609,775
Total deferred inflows of resources	<u>-</u>	<u>2,609,775</u>	<u>2,609,775</u>
<b>NET POSITION</b>			
Net investment in capital assets	58,088,422	54,346,522	112,434,944
Restricted for:			
Capital projects	40,910,394	12,784,220	53,694,614
Culture and recreation	168,328	-	168,328
Debt service	7,265,355	7,933,788	15,199,143
Economic environment	5,292,390	-	5,292,390
Impact fee projects	14,019,479	798,720	14,818,199
Public safety:			
Expendable	839,717	-	839,717
Nonexpendable	2,000	-	2,000
Renewal and replacement	3,661	7,766,842	7,770,503
Transportation	2,036,261	15,305	2,051,566
Unrestricted	3,352,665	36,333,372	39,686,037
Total Net Position	<u>\$ 131,978,672</u>	<u>\$ 119,978,769</u>	<u>\$ 251,957,441</u>

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



**CITY OF FORT MYERS, FLORIDA**  
**Statement of Activities**  
**For the Year Ended September 30, 2013**

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 12,167,626	\$ 1,200,252	\$ -	\$ -	\$ (10,967,374)	\$ -	\$ (10,967,374)
Police	35,492,533	1,201,938	427,527	-	(33,863,068)	-	(33,863,068)
Fire	21,255,783	656,235	2,733,326	160,589	(17,705,633)	-	(17,705,633)
Protective inspections	1,428,519	232,286	-	-	(1,196,233)	-	(1,196,233)
Physical environment	5,094,677	3,164,986	-	-	(1,929,691)	-	(1,929,691)
Transportation	19,528,061	193,000	572,994	1,102,792	(17,659,275)	-	(17,659,275)
Economic environment	4,183,689	501,107	1,362,350	-	(2,320,232)	-	(2,320,232)
Culture and recreation	3,501,196	877,758	-	15,730	(2,607,708)	-	(2,607,708)
Interest on long-term debt	4,981,829	-	-	-	(4,981,829)	-	(4,981,829)
Total governmental activities	<u>107,633,913</u>	<u>8,027,562</u>	<u>5,096,197</u>	<u>1,279,111</u>	<u>(93,231,043)</u>	<u>-</u>	<u>(93,231,043)</u>
Business-type Activities:							
Water-Wastewater	45,188,740	52,961,034	-	2,763,170	-	10,535,464	10,535,464
Solid Waste	8,668,898	14,109,921	-	-	-	5,441,023	5,441,023
Building Permits and Inspections	2,339,039	2,824,537	-	-	-	485,498	485,498
Stormwater	2,676,947	2,894,352	-	531,134	-	748,539	748,539
Golf Courses	3,192,083	3,034,718	-	-	-	(157,365)	(157,365)
Yacht Basin	2,625,787	2,243,510	-	89,124	-	(293,153)	(293,153)
Harborside Event Center	2,026,123	875,557	-	-	-	(1,150,566)	(1,150,566)
Downtown Parking Garages	1,067,213	865,519	-	-	-	(201,694)	(201,694)
Skatium	1,218,220	994,840	-	-	-	(223,380)	(223,380)
Dept of Cultural and Historic Affairs	1,684,157	524,235	886	-	-	(1,159,036)	(1,159,036)
Total business-type activities	<u>70,687,207</u>	<u>81,328,223</u>	<u>886</u>	<u>3,383,428</u>	<u>-</u>	<u>14,025,330</u>	<u>14,025,330</u>
Total primary government	<u>\$ 178,321,120</u>	<u>\$ 89,355,785</u>	<u>\$ 5,097,083</u>	<u>\$ 4,662,539</u>			
General revenues:							
Taxes:							
Property taxes					34,988,658	-	34,988,658
Public service taxes					11,043,981	-	11,043,981
Fuel taxes					4,141,260	-	4,141,260
Local business tax					2,656,676	-	2,656,676
Franchise fees					5,086,525	-	5,086,525
Intergovernmental, unrestricted					7,483,242	-	7,483,242
Interest and investment income					214,613	61,974	276,587
Miscellaneous					859,424	60,915	920,339
Net transfers					7,646,132	(7,646,132)	-
Total general revenues and transfers					<u>74,120,511</u>	<u>(7,523,243)</u>	<u>66,597,268</u>
Change in net position					(19,110,532)	6,502,087	(12,608,445)
Net position - beginning, as restated (Note 25)					151,089,204	113,476,682	264,565,886
Net position - ending					<u>\$ 131,978,672</u>	<u>\$ 119,978,769</u>	<u>\$ 251,957,441</u>

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



**Governmental Fund Financial Statements**

**CITY OF FORT MYERS, FLORIDA**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2013**

	<b>General Fund</b>	<b>Revenue Bonds and Notes</b>	<b>Transportation Capital Projects</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,507,127	\$ 6,943,439	\$ 45,418,573
Investments	5,673,691	336,034	17,700,450
Accounts receivable, net	2,675,954	-	-
Special assessments receivable	62,088	-	-
Interest receivable	10,805	1,507	81,120
Due from other funds	916,610	-	-
Due from other governmental agencies	1,717,169	-	1,515,319
Inventories	-	-	-
Prepaid items	13,175	-	-
Deferred special assessments receivable	33,796	-	-
Notes receivable	-	-	-
Allowance for notes receivable	-	-	-
Advances to other funds	617,000	-	-
Assets held for resale	-	-	-
Total assets	<u>\$ 26,227,415</u>	<u>\$ 7,280,980</u>	<u>\$ 64,715,462</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts and contracts payable	\$ 644,188	\$ 625	\$ 1,888,506
Accrued and other liabilities	4,279,530	15,000	3,000,000
Due to other funds	-	-	-
Due to other governmental agencies	45,446	-	101,562
Funds held in escrow	103,561	-	-
Customer deposits	432,660	-	-
Unearned revenue-other	817,223	-	1,222,986
Advances from other funds	-	-	-
Claims and judgments	-	-	5,800,000
Total liabilities	<u>6,322,608</u>	<u>15,625</u>	<u>12,013,054</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue:			
Occupational licenses	1,004,802	-	-
Special assessments	543	-	-
Cemetery lot sales	11,465	-	-
Rental income	43,428	-	-
Grant receipts	-	-	-
Total deferred inflows of resources	<u>1,060,238</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Nonspendable:			
Advances to other funds	617,000	-	-
Prepaid items	13,175	-	-
Asset held for resale	-	-	-
Public safety principal, nonexpendable	-	-	-
Restricted for:			
Donations received	-	-	-
CRA	-	-	-
Capital projects	-	-	-
Debt service	-	7,265,355	-
Economic environment	-	-	-
Law enforcement programs	-	-	-
Physical environment	-	-	-
Transportation	-	-	52,702,408
Committed to:			
Law enforcement programs	-	-	-
Assigned to:			
Subsequent year's expenditures	6,368,187	-	-
Capital projects	1,815,061	-	-
Cemetery maintenance	848,569	-	-
Culture and recreation	79,362	-	-
Economic environment	13,714	-	-
Land acquisition	428,421	-	-
Law enforcement programs	441,752	-	-
Submerged land lease	73,135	-	-
Unassigned	8,146,193	-	-
Total fund balances	<u>18,844,569</u>	<u>7,265,355</u>	<u>52,702,408</u>
Total liabilities and fund balances	<u>\$ 26,227,415</u>	<u>\$ 7,280,980</u>	<u>\$ 64,715,462</u>

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

<b>General Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 9,167,023	\$ 6,356,492	\$ 82,392,654
3,680,758	2,488,555	29,879,488
-	78,121	2,754,075
-	-	62,088
20,704	11,620	125,756
-	-	916,610
476,611	1,475,571	5,184,670
-	150,000	150,000
-	12,859	26,034
-	-	33,796
-	4,712,393	4,712,393
-	(4,712,393)	(4,712,393)
-	-	617,000
-	1,213,165	1,213,165
<u>\$ 13,345,096</u>	<u>\$ 11,786,383</u>	<u>\$ 123,355,336</u>
\$ 437,972	\$ 293,081	\$ 3,264,372
-	17,933	7,312,463
-	896,602	896,602
-	943,724	1,090,732
-	400	103,961
-	-	432,660
476,611	223,712	2,740,532
-	617,000	617,000
-	-	5,800,000
<u>914,583</u>	<u>2,992,452</u>	<u>22,258,322</u>
-	-	1,004,802
-	-	543
-	-	11,465
-	-	43,428
-	120,790	120,790
<u>-</u>	<u>120,790</u>	<u>1,181,028</u>
-	-	617,000
-	-	13,175
-	419,457	419,457
-	2,000	2,000
-	2,003,874	2,003,874
-	4,007,753	4,007,753
12,425,735	-	12,425,735
-	151,736	7,417,091
-	387,251	387,251
-	330,556	330,556
-	201,194	201,194
-	1,257,992	53,960,400
-	56,991	56,991
-	-	6,368,187
4,778	-	1,819,839
-	-	848,569
-	-	79,362
-	-	13,714
-	-	428,421
-	-	441,752
-	-	73,135
-	(145,663)	8,000,530
<u>12,430,513</u>	<u>8,673,141</u>	<u>99,915,986</u>
<u>\$ 13,345,096</u>	<u>\$ 11,786,383</u>	<u>\$ 123,355,336</u>

**CITY OF FORT MYERS, FLORIDA**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2013**

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

Total fund balances - governmental funds	\$ 99,915,986
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	154,534,904
Some revenues have been unearned on the balance sheet because they were not measurable and available at year end.	1,181,028
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.	(132,687,503)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	9,034,257
Net position of governmental activities	<u>\$ 131,978,672</u>

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



**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2013**

	<b>General Fund</b>	<b>Revenue Bonds and Notes</b>	<b>Transportation Capital Projects</b>
<b>REVENUES</b>			
Taxes	\$ 48,275,377	\$ -	\$ 1,735,966
Permits and fees	6,418,830	-	718,570
Intergovernmental revenue	6,380,772	-	3,294,612
Charges for services	6,371,315	-	-
Fines and forfeitures	696,997	-	-
Miscellaneous	952,454	2,243	89,965
Contributions - private source	8,199	-	10,340
Total revenues	<u>69,103,944</u>	<u>2,243</u>	<u>5,849,453</u>
<b>EXPENDITURES</b>			
Current:			
General government	9,517,063	-	-
Police	34,316,629	-	-
Fire	17,639,181	-	-
Protective inspections	1,473,063	-	-
Physical environment	5,157,049	-	-
Transportation	441,532	-	8,800,000
Economic environment	330,552	-	-
Culture and recreation	2,553,649	-	-
Debt service:			
Principal retirement	-	6,941,995	-
Interest and fiscal charges	-	4,892,919	-
Capital outlay:			
General government	-	-	-
Fire	-	-	-
Physical environment	-	-	-
Transportation	-	-	3,584,132
Economic environment	-	-	-
Culture and recreation	-	-	-
Total expenditures	<u>71,428,718</u>	<u>11,834,914</u>	<u>12,384,132</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,324,774)</u>	<u>(11,832,671)</u>	<u>(6,534,679)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	13,412,200	11,835,273	1,328,562
Transfers out	(14,551,705)	-	(1,706,930)
Capital lease	-	-	-
Total other financing sources and uses	<u>(1,139,505)</u>	<u>11,835,273</u>	<u>(378,368)</u>
Net change in fund balances	(3,464,279)	2,602	(6,913,047)
<b>Fund balances - beginning</b>	<u>22,308,848</u>	<u>7,262,753</u>	<u>59,615,455</u>
<b>Fund balances - ending</b>	<u>\$ 18,844,569</u>	<u>\$ 7,265,355</u>	<u>\$ 52,702,408</u>

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



<b>General Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 3,133,737	\$ 53,145,080
176,189	-	7,313,589
-	5,125,316	14,800,700
-	-	6,371,315
-	186,513	883,510
16,484	874,242	1,935,388
-	86,377	104,916
<u>192,673</u>	<u>9,406,185</u>	<u>84,554,498</u>
-	-	9,517,063
-	779,268	35,095,897
-	2,775,802	20,414,983
-	-	1,473,063
-	-	5,157,049
-	3,512,242	12,753,774
-	3,610,296	3,940,848
-	-	2,553,649
-	531,204	7,473,199
-	207,082	5,100,001
271,304	-	271,304
661,600	-	661,600
1,193,247	-	1,193,247
13,720	-	3,597,852
3,073	-	3,073
453,447	-	453,447
<u>2,596,391</u>	<u>11,415,894</u>	<u>109,660,049</u>
<u>(2,403,718)</u>	<u>(2,009,709)</u>	<u>(25,105,551)</u>
475,597	2,059,636	29,111,268
(1,802,853)	(520,347)	(18,581,835)
549,740	48,881	598,621
<u>(777,516)</u>	<u>1,588,170</u>	<u>11,128,054</u>
(3,181,234)	(421,539)	(13,977,497)
15,611,747	9,094,680	113,893,483
<u>\$ 12,430,513</u>	<u>\$ 8,673,141</u>	<u>\$ 99,915,986</u>

**CITY OF FORT MYERS, FLORIDA**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2013**

Net change in fund balances - total governmental funds \$ (13,977,497)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period. (5,327,839)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (3,677,924)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 7,473,199

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (1,881,739)

Internal service funds are used by management to charge the costs of information technology, fleet management, risk management, and warehousing to individual funds and customers. Losses arising from the internal customers are added as expenditures on the statement of activities as chargebacks. Revenues and expenditures with outside customers are included also, as are nonoperating revenues and expenses. This amount is the effect of reporting internal service funds with governmental activities. (1,718,732)

Change in net position of governmental activities \$ (19,110,532)

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

## **Proprietary Fund Financial Statements**

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2013**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water- Wastewater</b>	<b>Solid Waste</b>	<b>Other Enterprise Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 11,094,062	\$ 4,762,583	\$ 6,728,406
Investments	4,265,748	1,845,414	2,707,953
Restricted cash and cash equivalents	25,473,023	288,504	552,620
Restricted investments	15,173,153	91,865	306,446
Accounts receivable, net	5,575,417	1,116,259	370,478
Interest receivable	24,080	7,683	11,322
Restricted interest receivable	13,554	413	842
Due from other governments	5,252,046	9,000	881,459
Inventories	214,934	-	150,896
Prepaid items	-	-	113,584
Total current assets	<u>67,086,017</u>	<u>8,121,721</u>	<u>11,824,006</u>
Noncurrent assets:			
Unamortized bond issue costs	236,047	-	-
Capital assets:			
Intangible assets	141,544	-	42,065
Land and improvements	954,695	-	2,833,448
Construction in progress	1,880,199	-	2,435,164
Buildings, net	28,150,463	-	9,191,810
Improvements other than building, net	262,717,676	-	13,742,148
Equipment, net	3,870,070	1,945,073	739,162
Total noncurrent assets	<u>297,950,694</u>	<u>1,945,073</u>	<u>28,983,797</u>
Total assets	<u>365,036,711</u>	<u>10,066,794</u>	<u>40,807,803</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts on refunding	435,346	6,814	6,930
Total deferred outflows of resources	<u>435,346</u>	<u>6,814</u>	<u>6,930</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and contracts payable	2,801,356	323,507	808,057
Accrued and other liabilities	116,106	11,855	59,474
Due to other funds	-	-	-
Due to other governments	429,854	-	39,211
Customer deposits	6,290,083	-	230,843
Compensated absences	110,446	29,901	124,726
Claims and judgments	-	-	-
Accrued interest payable	4,699,314	6,285	21,485
Notes payable	5,023,399	-	195,572
Revenue bonds	3,900,000	55,200	52,800
Total current liabilities	<u>23,370,558</u>	<u>426,748</u>	<u>1,532,168</u>
Noncurrent liabilities:			
Compensated absences	303,617	99,010	211,386
Other postemployment benefits payable	1,175,572	380,532	893,744
Claims and judgments	-	-	-
Due to private sources	2,832,963	-	-
Notes payable	122,074,069	-	3,952,959
Revenue bonds	135,849,055	342,175	327,298
Total noncurrent liabilities	<u>262,235,276</u>	<u>821,717</u>	<u>5,385,387</u>
Total liabilities	<u>285,605,834</u>	<u>1,248,465</u>	<u>6,917,555</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts on refunding	2,609,775	-	-
Total deferred inflows of resources	<u>2,609,775</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	28,633,536	1,554,511	24,158,475
Restricted:			
Capital projects	11,969,045	7,109	808,066
Debt service	7,845,471	45,180	43,137
Impact fee projects	798,720	-	-
Renewal and replacement	7,304,097	322,208	140,537
Transportation	-	-	15,305
Unrestricted	20,705,579	6,896,135	8,731,658
Total net position	<u>\$ 77,256,448</u>	<u>\$ 8,825,143</u>	<u>\$ 33,897,178</u>

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

<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 22,585,051	\$ 7,149,432
8,819,115	3,111,285
26,314,147	3,595,870
15,571,464	-
7,062,154	1,764
43,085	16,227
14,809	-
6,142,505	385
365,830	681,909
113,584	152,792
<u>87,031,744</u>	<u>14,709,664</u>
236,047	-
183,609	12,000
3,788,143	-
4,315,363	-
37,342,273	5,165
276,459,824	-
6,554,305	1,014,516
<u>328,879,564</u>	<u>1,031,681</u>
<u>415,911,308</u>	<u>15,741,345</u>
449,090	-
<u>449,090</u>	<u>-</u>
3,932,920	598,946
187,435	147,850
-	17,644
469,065	-
6,520,926	-
265,073	16,361
-	2,827,800
4,727,084	-
5,218,971	-
4,008,000	-
<u>25,329,474</u>	<u>3,608,601</u>
614,013	101,861
2,449,848	371,053
-	2,625,573
2,832,963	-
126,027,028	-
136,518,528	-
<u>268,442,380</u>	<u>3,098,487</u>
<u>293,771,854</u>	<u>6,707,088</u>
2,609,775	-
<u>2,609,775</u>	<u>-</u>
54,346,522	1,031,681
12,784,220	-
7,933,788	-
798,720	-
7,766,842	-
15,305	-
36,333,372	8,002,576
<u>\$ 119,978,769</u>	<u>\$ 9,034,257</u>

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2013**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water- Wastewater</b>	<b>Solid Waste</b>	<b>Other Enterprise Funds</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 52,240,132	\$ 14,053,902	\$ 13,184,079
Rent	-	-	1,002,434
Miscellaneous	720,902	56,019	77,879
Total operating revenues	<u>52,961,034</u>	<u>14,109,921</u>	<u>14,264,392</u>
<b>OPERATING EXPENSES</b>			
Personnel services	8,588,823	2,753,357	6,245,878
Contractual services	1,447,578	2,161,854	2,208,823
Materials and supplies	3,184,415	390,117	2,289,727
General and administrative	2,651,134	520,098	1,212,837
Utilities	2,481,879	15,513	882,366
Depreciation	13,426,836	769,010	1,695,237
Insurance	585,300	373,000	511,900
Self insurance claims	-	-	-
Repairs and maintenance	1,546,369	40,741	456,253
Travel	3,289	55	7,651
Rentals	1,025,141	1,627,374	1,102,376
Total operating expenses	<u>34,940,764</u>	<u>8,651,119</u>	<u>16,613,048</u>
Operating income (loss)	<u>18,020,270</u>	<u>5,458,802</u>	<u>(2,348,656)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating grants and contributions	-	-	886
Interest income	43,311	8,032	10,688
Gain (loss) on disposal of capital assets	43,138	-	10,650
Interest expense and bond issue costs	(10,247,974)	(17,780)	(216,575)
Total nonoperating revenues (expenses)	<u>(10,161,525)</u>	<u>(9,748)</u>	<u>(194,351)</u>
Income (loss) before contributions and transfers	<u>7,858,745</u>	<u>5,449,054</u>	<u>(2,543,007)</u>
Capital grants and contributions	2,763,170	-	620,258
Transfers in	-	-	3,195,917
Transfers out	(5,854,300)	(4,642,400)	(345,350)
Total contributions and transfers in (out)	<u>(3,091,130)</u>	<u>(4,642,400)</u>	<u>3,470,825</u>
Change in net position	4,767,615	806,654	927,818
<b>Net position - beginning</b>	<u>72,488,833</u> <sup>(1)</sup>	<u>8,018,489</u> <sup>(1)</sup>	<u>32,969,360</u> <sup>(1)</sup>
<b>Net position - ending</b>	<u>\$ 77,256,448</u>	<u>\$ 8,825,143</u>	<u>\$ 33,897,178</u>

<sup>(1)</sup> Restated, as noted in Note 25

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

<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
\$ 79,478,113	\$ 15,120,367
1,002,434	-
854,800	191,525
<u>81,335,347</u>	<u>15,311,892</u>
17,588,058	2,721,037
5,818,255	723,288
5,864,259	3,462,864
4,384,069	693,103
3,379,758	608,986
15,891,083	493,537
1,470,200	1,381,170
-	2,555,826
2,043,363	1,057,757
10,995	10,635
3,754,891	467,275
<u>60,204,931</u>	<u>14,175,478</u>
<u>21,130,416</u>	<u>1,136,414</u>
886	-
62,031	19,354
53,788	8,800
(10,482,329)	-
<u>(10,365,624)</u>	<u>28,154</u>
<u>10,764,792</u>	<u>1,164,568</u>
3,383,428	-
3,195,917	-
(10,842,050)	(2,883,300)
<u>(4,262,705)</u>	<u>(2,883,300)</u>
6,502,087	(1,718,732)
113,476,682 <sup>(1)</sup>	10,752,989
<u>\$ 119,978,769</u>	<u>\$ 9,034,257</u>

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2013**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water- Wastewater</b>	<b>Solid Waste</b>	<b>Other Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 51,949,353	\$ 14,139,423	\$ 14,914,360
Cash payments to suppliers for goods and services	(11,889,539)	(4,964,638)	(8,098,236)
Cash payments to employees for services	(8,350,983)	(2,680,033)	(6,091,700)
Other operating revenue	720,902	56,019	77,879
Other operating payments	(104,276)	(48,859)	(279,338)
Net cash provided by (used in) operating activities	<u>32,325,457</u>	<u>6,501,912</u>	<u>522,965</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grants and private contributions	-	-	886
Payment on interfund loans	(80,648)	(23,050)	-
Receipt on interfund loans	-	-	(66,941)
Transfers in	28,549,794	2,115,142	5,243,547
Transfers out	(34,404,094)	(6,757,542)	(2,392,979)
Net cash provided by (used in) noncapital financing activities	<u>(5,934,948)</u>	<u>(4,665,450)</u>	<u>2,784,513</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(9,123,182)	(1,077,400)	(1,496,080)
Bond issuance	(221,754)	(2,194)	13,377
Grants and private contributions	2,763,170	-	620,258
Interest paid on notes, bonds and advances	(9,494,817)	(17,977)	(232,893)
Principal paid on notes and bonds	(7,130,774)	(52,647)	(237,013)
Proceeds from sale of capital assets	49,750	-	10,650
Net cash used in capital and related financing activities	<u>(23,157,607)</u>	<u>(1,150,218)</u>	<u>(1,321,701)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received on investments	81,253	8,420	13,941
Purchase of investment securities, decreases	-	(277,947)	(536,298)
Purchase of investment securities, increases	3,028,990	-	-
Proceeds from the sale of investments	-	-	20,772
Net cash provided by (used in) investing activities	<u>3,110,243</u>	<u>(269,527)</u>	<u>(501,585)</u>
Net increase (decrease) in cash and cash equivalents	6,343,145	416,717	1,484,192
Cash and cash equivalents at beginning of year	30,223,940	4,634,370	5,796,834
Cash and cash equivalents at end of year	<u>\$ 36,567,085</u>	<u>\$ 5,051,087</u>	<u>\$ 7,281,026</u>

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



<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 81,003,136	\$ 15,119,492
(24,952,413)	(8,940,514)
(17,122,716)	(4,673,195)
854,800	191,525
(432,473)	-
<u>39,350,334</u>	<u>1,697,308</u>
886	-
(103,698)	(109,963)
(66,941)	-
35,908,483	-
<u>(43,554,615)</u>	<u>(2,883,300)</u>
<u>(7,815,885)</u>	<u>(2,993,263)</u>
(11,696,662)	(275,346)
(210,571)	-
3,383,428	-
(9,745,687)	-
(7,420,434)	-
60,400	8,800
<u>(25,629,526)</u>	<u>(266,546)</u>
103,614	13,508
(814,245)	(59,940)
3,028,990	-
20,772	280,696
<u>2,339,131</u>	<u>234,264</u>
8,244,054	(1,328,237)
40,655,144	12,073,539
<u>\$ 48,899,198</u>	<u>\$ 10,745,302</u>

(continued)

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2013**  
**(continued)**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water- Wastewater</b>	<b>Solid Waste</b>	<b>Other Enterprise Funds</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 18,020,270	\$ 5,458,802	\$ (2,348,656)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	13,426,836	769,010	1,695,237
Other postemployment benefits	168,029	50,048	128,227
Changes in assets and liabilities:			
Increase in accounts payable - other	418,706	-	165,797
Increase (decrease) in accounts payable - supplier	918,681	115,255	264,262
(Increase) decrease in bad debt	101,510	(14,810)	135,173
Increase in compensated absences	69,811	23,276	25,951
(Increase) decrease in customer receivables	(718,291)	100,331	457,079
(Increase) decrease in inventory	(80,095)	-	(105)
Net cash provided by (used in) operating activities	<u>\$ 32,325,457</u>	<u>\$ 6,501,912</u>	<u>\$ 522,965</u>
<b>Noncash investing, capital, and financing activities:</b>			
Interest receivable / unrealized gain (loss)	\$ (37,942)	\$ (388)	\$ (3,253)
Donation of utility improvements	2,599,661	-	25,266

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

<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 21,130,416	\$ 1,136,414
15,891,083	493,537
346,304	53,778
584,503	-
1,298,198	(151,597)
221,873	-
119,038	18,569
(160,881)	(874)
(80,200)	147,481
<u>\$ 39,350,334</u>	<u>\$ 1,697,308</u>
\$ (41,583)	\$ 5,846
2,624,927	-



## **Fiduciary Fund Financial Statements**

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Net Position**  
**Fiduciary Funds**  
**September 30, 2013**

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 14,817,015	\$ 65,106
Receivables		
Accounts receivable, net	437	-
Employer	14,429,921	-
Tax reclaims	3,075	-
Due from other governmental agencies	-	2,364
Interest and dividends	459,963	48
Total receivables	<u>14,893,396</u>	<u>2,412</u>
Investments, at fair value		
U.S. government and agency securities	7,790,222	-
Municipal bonds	2,581,189	-
Corporate stock	90,342,469	-
Corporate stocks - ADR	314,766	-
Corporate bonds	17,399,374	-
Convertible bonds	5,500,642	-
Convertible preferred	1,993,985	-
Mortgage backed securities	13,809,783	-
Asset backed securities	1,603,311	-
Mutual funds:		
Fixed income	13,505,519	-
Equity	10,169,307	-
International equity	17,526,187	-
Commingled funds:		
Real estate	3,893,045	-
International equity	10,811,460	-
Private placements	60,186	-
Real estate investment trusts	261,100	-
International securities:		
Bonds and notes	704,826	-
Stocks	2,401,094	-
Total investments	<u>200,668,465</u>	<u>-</u>
Total assets	<u>230,378,876</u>	<u>\$ 67,518</u>
<b>LIABILITIES</b>		
Accounts and contracts payable	-	\$ 3,135
Accrued and other liabilities	2,850	36,069
Due to other governmental agencies	-	25,950
Due to other funds	-	2,364
Total liabilities	<u>2,850</u>	<u>\$ 67,518</u>
<b>NET POSITION</b>		
Net position held in trust for pension benefits and other purposes	<u>\$ 230,376,026</u>	

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2013**

	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 19,802,950
State of Florida	1,263,653
Plan members	<u>2,839,006</u>
Total contributions	<u>23,905,609</u>
Investment income	
Net appreciation in fair value of investments	22,033,210
Interest and dividends	<u>4,697,754</u>
Total investment gains	26,730,964
Less: investment expenses	<u>1,070,856</u>
Net investment gains	<u>25,660,108</u>
Miscellaneous revenue	26,629
Total increases	<u>49,592,346</u>
<b>DEDUCTIONS</b>	
Benefits paid	19,603,417
Administrative expenses	<u>319,218</u>
Total deductions	<u>19,922,635</u>
Change in net position	29,669,711
<b>NET POSITION</b>	
Net position - beginning	200,706,315
Net position - ending	<u>\$ 230,376,026</u>

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





**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2013**

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**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

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

**2. Reporting Entity**

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

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

In evaluating the City as a reporting entity, management considered all potential component units in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "Defining the Financial Reporting Entity"; GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an amendment of GASB Statement No. 14"; and, GASB Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34". GASB Statement No. 61 further requires that a financial benefit or burden relationship be present, regardless of the election or appointment of the component unit's governing board. Management reviewed all of the financial accountability concepts and determined the existing blended component units met the criterion for blending. They are included in the City's reporting entity and are reported as part of the primary government.

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

The CRA includes the Downtown Redevelopment Area, the Velasco Village Redevelopment Area, the Central Fort Myers Redevelopment Area, the Eastwood Village Redevelopment Area, the Dunbar-Michigan Redevelopment Area, the East Fort Myers Redevelopment Area, the Cleveland Avenue Redevelopment Areas and the Martin Luther King Redevelopment Areas. The CRA is presented as a non-major special revenue fund and its financial statements are included in the City's Comprehensive Annual Financial Report for the year ended September 30, 2013 in the Combining Statements and Schedules section. Separate financial statements for the CRA are not available.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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**2. Reporting Entity (continued)**

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major enterprise funds:

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

---

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

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

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

Pension Trust Funds account for activities of the City's General Employee's Pension Plan, Police Officers' Retirement System and the Municipal Firefighters' Pension Trust Fund (collectively, the Pension Trust Funds). The Pension Trust Funds are separate legal entities, which accumulate resources for the pension benefit payments to virtually all full-time, regular employees, all non-civilian police department employees, and all firefighters and fire department officers respectively. A board of trustees governs each plan, with each board consisting of seven trustees. The General Employees' Pension Plan Board of Trustees comprises of the president of the employees' association; a trustee appointed by the employees' association; a non-union city employee who is a member of the system, elected by the members of the system who are non-union City employees; one trustee appointed by the City Council; the City Manager or his designees; and a sixth and seventh trustee appointed by the other six trustees. The Police Officers' Retirement System Board of Trustees is made up of the Mayor of the City; the Chief of Police of the City; three members of the system who are elected by a majority of police officers who are members of the system and two trustees who shall be legal residents of the City, appointed by the City Council upon nomination by the other five trustees. The members of the board of trustees for the Municipal Firefighters' Pension Trust Fund consist of Mayor of the City; the Fire Chief of the City; three members of the system who are elected by a majority of fire fighters who are members of the system; and two trustees who shall be legal residents of the City, appointed by the City Council upon nomination by the other five trustees. Although an outside firm administers each plan, the plans are sponsored by and fiscally dependent on the City. The City is obligated to fund liabilities of each pension system based upon actuarial valuations.

The Agency Funds are used to account for resources collected by the City for third parties. These agency funds include the Regional Park Impact Fee Fund, the Emergency Medical Services (EMS) Impact Fee Fund, School Board Impact Fee Fund, Unclaimed Funds and the Employees' Special Events Fund. The Carillon Woods Special Assessment Geographical Area Fund is an agency fund used to collect payments from property owners of the special assessment district and then use those payments to pay the debt service incurred in providing the capital improvements to the district. The City has no obligation for the debt other than to collect the payments and assist in foreclosure action if necessary. The Regional Park, EMS and School Impact Fee Funds are impact fees levied by the County. The City collects these impact fees at the time permits are issued and then turns the fees over to the County. The Unclaimed Funds fund accounts for funds that the City has been holding, and if not claimed, will eventually go to the State of Florida. The Employee Special Events Fund is money being held for the group that does special events for the City's employees. This group raises their own funds and the City provides the tracking and accounting of these funds for the Committee.

During the course of its operations, the City has numerous transactions between funds to provide services, construct assets and service debt. To the extent that certain transactions between funds were not paid or received as of September 30, 2013, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year are recorded as advances to and advances from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

the funds included in governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

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

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

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

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

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

**Proprietary, fiduciary and agency funds.** The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds are balance sheet funds only, and therefore have no measurement focus but use the accrual basis of accounting for reporting the assets and liabilities of the agency funds.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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**6. Budgetary information**

***Budgetary basis of accounting***

Annual budgets are legally adopted for the General Fund, Debt Service Funds, Enterprise Funds, Internal Service Funds, Trust and Agency Funds and certain Special Revenue Funds. In addition, project budgets are adopted for the Capital Project Funds for the respective year along with approval of the five-year Capital Improvement Program. The City prepares its budget on a basis consistent with generally accepted accounting principles, with a few exceptions. For budget purposes, depreciation is not shown in the annual budgets and debt service is reported as current year expenditures.

The appropriated budget is prepared by fund, department, and division. The City Manager, the Director of Finance and the Budget Manager have the authority to approve the transfer of funds within a department, within a fund. Transfers that are greater than \$50,000 are presented to Council on a quarterly basis following their implementation. Transfers that are less than \$50,000 are not presented to Council unless the cumulative total reaches \$50,000 in any department and are then reported on a quarterly basis as well. In most cases, divisions are required to transfer funds only to meet unanticipated needs or to reflect organizational changes. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level within a fund, except for the Community Redevelopment Agency, which uses the fund level as their budgetary control.

Whereas the adopted budget is meant to control and provide for the efficient and economical running of the City, amendments (increases or decreases in appropriations and/or revenue estimates) to a budget may be required during the year to properly account for unanticipated needs or opportunities. Budget amendments in the amount of \$50,000 or less (excluding use of reserves and changes to capital projects) require the approval of the City Manager and the Director of Finance, or their designees. All such amendments are presented to City Council on a quarterly basis following their implementation. All amendments to appropriations greater than \$50,000, any adjustments to reserves, and/or adjustments to capital projects require City Council approval prior to implementation into the adopted budget.

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

***Excess of expenditures over appropriations***

For the year ended September 30, 2013, expenditures did not exceed appropriations as City divisions spent according to or slightly less than the budget.

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

**a. *Cash and cash equivalents***

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

**b. *Investments***

Investments for the City are reported at fair value and include obligations of the U.S. Treasury, Government Sponsored Enterprise Securities, corporate bonds, asset backed securities, mortgage backed securities and collateralized mortgage obligations. Money market investments

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

---

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

***b. Investments (continued)***

with a remaining maturity at the time of purchase of one year or less are reported at amortized cost. The difference between cost and fair value of investments held is recorded as net unrealized gains or losses and is included in net investment earnings. Purchases and sales of investments are recorded on the trade dates. Net realized gains and losses on sale of investments are reflected in current operating results as investment earnings along with interest and dividends.

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

As a Florida PRIME participant, the City invests in a pool of investments whereby the City owns a share of the respective pool, not the underlying securities. The Florida "PRIME" is considered an SEC "2a-7 like" pool, an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940. Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant Net Asset Value (NAV) of \$1.00 per share (which approximates fair value), provided that such funds meet certain conditions. Thus, the City's account balance should also be considered the fair value of its investment.

***c. Receivables***

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

***d. Inventories***

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

---

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

**e. Prepaid items**

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

**f. Restricted assets**

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

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

**g. Capital assets**

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

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

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. Normal maintenance and repairs, which do not increase the capacity or efficiency of the asset or increase its estimated useful life, are expensed. Donated capital assets are recorded at their estimated fair value at the date of donation.



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

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

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

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

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

In addition to assets, the City's statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this section. It is the deferred charge on refunding reported in the government-wide statement of net position, the governmental funds balance sheet and the proprietary funds' statement of net position in the City's basic financial statements. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the City's statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category: deferred amounts on refunding and unavailable revenue. On the government-wide statement of net position, the proprietary funds' statement of net position in the City's basic financial statements, and the nonmajor enterprise funds' combining statement of net position, the City reports a deferred inflow of resources for deferred amounts on debt refunding. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported in the City's governmental funds balance sheet. The governmental funds report unavailable revenues from occupational licenses and rental income that are revenues of the subsequent year, special assessments, cemetery lot sales, and grant receipts. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

***j. Net assets***

Net assets of the government-wide and proprietary funds are categorized as invested in capital assets, net of related debt, restricted or unrestricted. The first category represents net assets related to property, plant, equipment and infrastructure. 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.

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

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

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

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

***m. Fund balance policy***

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

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

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

Committed Fund Balance – This component consists of amounts that can only be used for specific purposes imposed by formal action (resolution) of the City Council, the City's highest level of decision making authority. The committed amounts are not subject to legal enforceability by external parties, as in restricted fund balance; however, these amounts cannot be used for

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

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

any other purpose unless the City Council removes or changes the limitation by taking the same form of action (resolution) it employed to previously commit those amounts.

Assigned Fund Balance – This component consist of amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) City Council, or (b) the City Manager, Director of Finance, or other subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes. Included in this category is any fund balance carry-forward used to balance the subsequent year's budget.

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

**8. Revenues and expenditures/expenses**

***a. Program Revenues***

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

***b. Property Taxes***

The City levies property taxes each November 1, which become a lien on real and personal property located in the City. Property taxes are based on the assessed values determined by the Lee County Property Appraiser as of the prior January 1. The current year's levy is based on taxable assessed property values totaling \$4,065,886,024.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuations for the General Fund. For the 2012-2013 fiscal year, the City levied taxes of 8.7760 mills for the General Fund.

All taxes are due from property owners on March 31. However, property owners may pay a discounted tax of 1% beginning November of the taxable year for each month prior to the March 31 due date. Taxes become delinquent on April 1 and are subject to the issuance of tax sale certificates if unpaid by June 1. At September 30, 2013, delinquent property taxes are not material to the basic financial statements of the City and therefore have not been accrued as taxes receivable.

***c. Compensated Absences***

Employees earn vacation and sick leave in varying amounts based on length of service. Employees may also earn up to 120 hours of compensatory time. Upon termination, employees are paid 100% of the accumulated vacation and compensatory time at current base hourly rates. Vacation accumulation is capped at a maximum number of hours depending on employee

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

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

category and bargaining unit. Upon termination of employment, if the employee is eligible to receive retirement benefits, either regular or early benefits, whether or not the benefits begin at termination or are deferred, the employee receives 33% of accumulated sick leave paid at the employee's current base hourly rate. The current portion of compensated absences payable is the amount estimated to be used or paid in the following fiscal year.

Liability for accrued compensated absences of the governmental activities is not reported in the balance sheet of the governmental funds and, accordingly, represents a reconciling item between the fund and government-wide presentations. All compensated absences are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. All compensated absences are liquidated as part of salary expense in the division and fund that pays the salaries of the employees. These funds include the General Fund, Street Maintenance Special Revenue Fund, State Housing Partnership Special Revenue Fund, Fort Myers Redevelopment Agency Special Revenue Fund, Water–Wastewater Enterprise Fund, Solid Waste Enterprise Fund, the Building, Permits and Inspection Enterprise Fund, Stormwater Enterprise Fund, Fort Myers Country Club Enterprise Fund, Eastwood Golf Course Enterprise Fund, Yacht Basin Enterprise Fund, Harborside Event Center Enterprise Fund, Skatium Enterprise Fund, Department of Cultural and Historic Affairs Enterprise Fund, Central Garage Internal Service Fund, Information Technology Services Internal Service Fund, and the Risk Management Internal Service Fund.

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

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

**9. Other Policies**

**a. *Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates. Significant estimates used in these financial statements include the amount of insurance claims payable (Note 14).

**b. *Encumbrances***

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded as a reservation of budget, is employed as an extension of the statutorily required budgetary process. All encumbrances lapse at year end. Contracts that require completion after the fiscal year end must be re-appropriated in the subsequent year. Note 13 provides disclosure on the City's outstanding encumbrances as of September 30, 2013.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$154,534,904 are as follows:

Land	\$ 25,384,429
Antiques and Exhibits	251,871
Construction in progress	3,891,004
Intangibles - easements	3,560,054
Buildings	22,143,317
Less: Accumulated depreciation for buildings	(10,484,529)
Improvements	45,809,872
Less: Accumulated depreciation for improvements	(18,907,538)
Equipment	13,475,836
Less: Accumulated depreciation for equipment	(11,109,810)
Infrastructure	264,303,759
Less: Accumulated depreciation for infrastructure	(183,783,361)
Net adjustment to increase fund balance-total governmental funds to arrive at net position-governmental activities	\$ 154,534,904

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$138,487,503 are as follows:

Revenue bonds	\$ 102,908,448
Less: Bond issue costs	(335,969)
Loans and notes	4,515,384
Capital lease financing	588,572
Accrued retirement	14,375,096
Compensated absences	3,471,258
Other postemployment benefits payable	7,120,518
Accrued interest	1,667,284
Deferred charge on refunding	(1,623,088)
Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	\$ 132,687,503

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by depreciation expense exceeded capital outlay in the current period.” The details of this \$(5,327,839) difference are as follows:

Capital outlay	\$ 6,180,523
Non-capitalizable expenditures in capital outlay	(1,419,558)
Current year depreciation	(10,088,804)
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (5,327,839)</u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.” The details of this \$(1,881,739) difference are as follows:

Amortization of bond premiums	\$ 211,914
Amortization of bond issuance costs	(26,167)
Amortization of deferred charge on refunding	(280,643)
Change in retirement payable	(693,986)
Change in other postemployment benefits payable	(1,032,809)
Change in accrued interest expense	118,172
Change in compensated absences	(178,219)
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,881,739)</u>

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

***Deficit fund balance***

The following governmental funds had a deficit fund balance at September 30, 2013:

Grants Fund	\$ (104,447)
Community Development Block Grant Fund	(41,216)
Total deficit fund balance	<u>\$ (145,663)</u>

The deficit fund balance for the above funds resulted from expenditures for which related revenue was not recognized because of the timing of the reimbursements. The deficit was eliminated subsequent to year-end upon receipt of reimbursement funding.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS**

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**Cash Deposits with Financial Institutions**

At September 30, 2013, the carrying amount of the City's deposits was \$99,018,459 and the banks' balances were \$100,680,282. The difference was due to checks that had been written but not yet paid by the banks and deposits in transit.

These deposits are insured by the Federal Deposit Insurance Corporation or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Under this Act, financial institutions that qualify as public depositories pledge securities that have a market value equal to 50% - 125% of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

**Investments**

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

**1) City's Investments**

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

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

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

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

The City's cash and investment pool consists of the Local Government Surplus Funds Trust Fund investment account administered by the Florida State Board of Administration (the "Florida PRIME" Pool) and cash. Cash balances and requirements of all funds are considered in determining the amount to be invested. Interest earned on pooled cash and investments is allocated monthly to funds based on their average weekly cash balances.

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

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

The primary investment objectives for Florida PRIME, in priority order, are safety, liquidity, and competitive returns with minimization of risks. Investment performance of Florida PRIME will be evaluated on a monthly basis against the Standard & Poor's U.S. AAA & AA Rated GIP All 30 Day Net Yield Index. While there is no assurance that Florida PRIME will achieve its investment objectives, it endeavors to do so by following the investment strategies described in its investment policy. See Note 1, 7.b., *Investments*, for a discussion of how the shares in Florida PRIME are valued.

The following disclosures pertain to Florida PRIME as of September 30, 2013:

- Credit Quality Disclosure: Florida PRIME is rated by Standard and Poor's. The current rating is "AAAm".
- Interest Rate Risk Disclosure: The dollar weighted average days to maturity (WAM) of the Florida PRIME is 44 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.
- Foreign Currency Risk Disclosure: The Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2012 through September 30, 2013.

At September 30, 2013, the City had the following investments:

<u>Investments</u>	<u>Fair Value as of September 30, 2013</u>	<u>Weighted Average Maturity (in years)</u>
Cash equivalents	\$ 5,813,333	-
Money market funds	14,142,771	-
Fixed Income:		
Treasury and Agency securities	15,932,408	1.77
Corporate bonds	24,394,408	1.69
Asset backed securities	384,206	4.83
Corporate stocks	78,727	-
Florida PRIME Investment Pool	<u>39,673,372</u>	0.12
Total Cash Equivalents and Investments	<u>\$ 100,419,225</u>	
Portfolio weighted average maturity		0.61

***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.



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

***Credit Risk***

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

As of September 30, 2013, the City's investments in money market funds were rated AAAM by Standard & Poor (S&P), Aaa-mf by Moody's Investors Service (Moody's) and AAAMmf by Fitch Ratings. Treasury and agency securities were rated Aaa by Moody's or AA+ by S&P. The City's investments in corporate bonds were rated Aaa by Moody's and AA+ by S&P, and they are backed by the full faith and credit of the U.S. Government. Investments in asset backed securities are associated with government agencies and not rated.

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

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

At September 30, 2013, the City's three pension plans had the following cash and investments:

<u>Description</u>	<u>Fair Value</u>	<u>Credit Rating:</u> <u>Standard &amp; Poor's</u>	<u>Credit Rating:</u> <u>Moody's</u>
<b>General Employees' Pension Plan:</b>			
Cash	\$ 33,727		
Money market	4,096,799	A-1	P1
U.S. government and agency securities	4,042,227	AA+	Aaa
Municipal bonds	1,178,609	AAA to AA-	Aaa to Aa2
Corporate stock	33,074,702	Not rated	Not rated
Corporate stock – ADR	314,766	Not rated	Not rated
Corporate bonds	3,596,143	AAA to BBB-	Aaa to Ba2
Mortgage backed securities	7,939,981	AA+	Aaa
Asset backed securities	960,813	AAA to AA+	Aaa
Mutual funds – Fixed income	11,065,318	Not rated	Not rated
Mutual funds – Equity	2,616,170	Not rated	Not rated
Commingled funds – International equity	10,811,460	Not rated	Not rated
Private placements	60,186	BBB	Baa1
Real estate investment trusts	261,100	Not rated	Not rated
International securities:			
Bonds and notes	704,826	AA+ to BBB-	Aaa to Baa2
Stocks	2,401,094	Not rated	Not rated
Total for General Employees' Pension Plan	<u>83,157,921</u>		

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

**Firefighters' Pension Plan:**

Cash	615,660		
Money market	5,446,000	AAA m	Aaa-mf
U.S. government and agency securities	89,594	AAA	Aaa
Municipal bonds	1,402,580	AAA to A+	Aaa to Aa1
Corporate stock	29,832,717	Not rated	Not rated
Corporate bonds	5,727,542	AAA to BBB-	Aaa to Baa3
Asset backed securities	642,498	AAA	Aaa
Mutual funds – Fixed income	2,440,201	Not rated	Not rated
Mutual funds – International equity	8,203,520	Not rated	Not rated
Commingled funds – Real estate	3,893,045	Not rated	Not rated
Total for Firefighters' Pension Plan	<u>58,293,357</u>		

**Police Officers' Pension Plan:**

Cash	1,616,329		
Money market	3,008,500	AAA m	Aaa-mf
U.S. government and agency securities	3,658,401	AAA to AA-	Aaa-A2
Corporate stock	27,435,050	Not rated	Not rated
Corporate bonds	8,075,689	AA+ to BBB+	A1 to Baa2
Convertible bonds	5,500,642	A to CCC+	A2 to Caa2
Convertible preferred	1,993,985	A+ to CCC+	Aa3 to Baa3
Mortgage backed securities	5,869,802	AAA to AA-	Aaa
Mutual funds – Equity	7,553,137	Not rated	Not rated
Mutual funds – International equity	9,322,667	Not rated	Not rated
Total for Police Officers' Pension Plan	<u>74,034,202</u>		

Total Cash and Investments \$ 215,485,480

**a) General Employees' Pension Plan**

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

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

**Concentration of Credit Risk**

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

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

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the General Employees' Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2013, the Plan's investment portfolio was held with a third-party custodian as required by the statute.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As noted above, the Plan's investment policy states that foreign securities, regardless of asset class, shall not exceed 25% of the market value of the Plan's assets. The Plan's actual investment in foreign securities at September 30, 2013 was \$3,105,920 or 3.7% of the Plan's total assets at market value. The Plan also held foreign investments comprised of commingled funds in international equity, which amounted to \$10,811,460 or 13% of the Plan's total assets at fair market value as of September 30, 2013.

At September 30, 2013, the remaining General Employees' Pension Plan investments, other than stocks and stock related funds, were as follows:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (in Years)</b>			
		<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More than 10</b>
Money market	\$ 4,096,799	\$ 4,096,799	\$ -	\$ -	\$ -
U.S. government and agency securities	4,042,227	-	2,253,227	1,789,000	-
Municipal bonds	1,178,609	-	611,855	277,652	289,102
Corporate bonds	3,596,143	-	2,018,167	1,286,096	291,880
Mortgage backed securities	7,939,981	-	198,255	717,567	7,024,159
Asset backed securities	960,813	-	94,520	100,091	766,202
Private placements	60,186	-	-	-	60,186
International securities:					
Bonds and notes	704,826	-	206,529	421,496	76,801
<b>Total Investments</b>	<b>\$ 22,579,584</b>	<b>\$ 4,096,799</b>	<b>\$ 5,382,553</b>	<b>\$ 4,591,902</b>	<b>\$ 8,508,330</b>

**b) Firefighters' Pension Plan**

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

**b) Firefighters' Pension Plan (continued)**

**Concentration of Credit Risk**

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

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Firefighters' Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2013, the Plan's investment portfolio was held with a third-party custodian as required by the statute.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates that will adversely affect the fair value of an investment or a deposit. As noted above, the Plan's investment policy states that foreign securities, regardless of asset class, shall not exceed 25% of the market value of the Plan's assets. The Plan's foreign investment as of September 30, 2013, comprised mutual funds in international equity, which amounted to \$8,203,520 or 12.9% of the Plan's total assets at fair market value.

At September 30, 2013, the Firefighters' Pension Plan investments, other than stocks, mutual funds and commingled funds, were as follows:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (in Years)</b>			
		<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More than 10</b>
Money market	\$ 5,446,000	\$ 5,446,000	\$ -	\$ -	\$ -
U.S. government and agency securities	89,594	-	-	-	89,594
Municipal bonds	1,402,580	-	-	-	1,402,580
Corporate bonds	5,727,542	-	1,640,805	3,527,646	559,091
Asset backed securities	642,498	-	99,976	542,522	-
<b>Total Investments</b>	<b>\$ 13,308,214</b>	<b>\$ 5,446,000</b>	<b>\$ 1,740,781</b>	<b>\$ 4,070,168</b>	<b>\$ 2,051,265</b>

**c) Police Officers' Pension Plan**

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

**c) Police Officers' Pension Plan (continued)**

The fixed income portfolio shall comply with the following guidelines:

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

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

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

Prohibited investments include repurchase agreements, 144A convertible securities, and direct investments in interest only or principal only CMOs, precious metals, limited partnerships of any kind, real estate, venture capital, futures contracts, options contracts, trading on margin and short sales. If an investment becomes illiquid or in the event that the Fund acquires an illiquid investment, the Board shall develop the methodology for valuation as set forth in the criteria in Section 215.47(6), Florida Statutes.

**Concentration of Credit Risk**

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

**c) Police Officers' Pension Plan (continued)**

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Police Officers' Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2013, the Plan's investment portfolio was held with a third-party custodian as required by the statute.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As noted above, the Plan's investment policy states that no more than 25% of the Fund's total market value may be invested in foreign equity securities and investments in foreign convertibles are limited to 25% (at market) of the investment manager's portfolio. The Plan's foreign investment as of September 30, 2013 comprised mutual funds in international equity, which amounted to \$9,322,667 or 11.1% of the Plan's total assets at fair market value.

At September 30, 2013, the Police Officers' Pension Plan investments, other than stocks and stock related funds, were as follows:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities in Years</b>			
		<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More than 10</b>
Money market	\$ 3,008,500	\$ 3,008,500	\$ -	\$ -	\$ -
U.S. government and agency securities	3,658,401	-	1,809,419	-	1,848,982
Corporate bonds	8,075,689	-	-	8,075,689	-
Convertible bonds	5,500,642	-	2,956,001	1,117,602	1,427,039
Convertible preferred	1,993,985	1,993,985	-	-	-
Mortgage backed securities	5,869,802	-	4,857	3,695,503	2,169,442
<b>Total investments</b>	<b>\$ 28,107,019</b>	<b>\$ 5,002,485</b>	<b>\$ 4,770,277</b>	<b>\$ 12,888,794</b>	<b>\$ 5,445,463</b>

**NOTE 5 – RESTRICTED ASSETS**

Certain assets of the proprietary funds at September 30, 2013 are restricted for certain purposes. These assets included cash and cash equivalents, investments and interest receivable. The negative balance in the Yacht Basin Nonmajor Business-type Fund was due to timing differences between the disbursement of funds from a grant agency and the expenses in that fund.

<b>Purpose</b>	<b>Proprietary Funds</b>		
	<b>Water- Wastewater Utility Fund</b>	<b>Solid Waste Fund</b>	<b>Nonmajor Business-type Funds</b>
Customer deposits	\$ 5,990,697	\$ -	\$ -
Revenue bonds debt service accounts	12,648,198	51,465	49,148
Impact fee capital contributions accounts	798,720	-	-
Revenue bond renewal and replacement accounts	7,304,097	322,208	140,537
Revenue bond and note construction accounts	11,619,337	-	511,338
Capital project accounts	2,298,681	7,109	(126,640)
Other purposes	-	-	285,525
<b>Total restricted assets</b>	<b>\$ 40,659,730</b>	<b>\$ 380,782</b>	<b>\$ 859,908</b>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 6 – RECEIVABLES**

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Receivables as of September 30, 2013 for the City's governmental activities, individual major governmental funds, nonmajor governmental funds in the aggregate, internal service funds and applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Transportation Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
<b>Receivables:</b>					
Accounts	\$ 671,950	\$ 4,368,762	\$ 78,121	\$ 1,764	\$ 5,120,597
Utility Taxes and Fees	1,505,054	-	-	-	1,505,054
Code Enforcement	1,154,714	-	-	-	1,154,714
Accounts, gross	<u>3,331,718</u>	<u>4,368,762</u>	<u>78,121</u>	<u>1,764</u>	<u>7,780,365</u>
Less: Allowance for uncollectibles	<u>(655,764)</u>	<u>(4,368,762)</u>	<u>-</u>	<u>-</u>	<u>(5,024,526)</u>
Accounts, net	<u>2,675,954</u>	<u>-</u>	<u>78,121</u>	<u>1,764</u>	<u>2,755,839</u>
Notes	-	-	4,712,393	-	4,712,393
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>(4,712,393)</u>	<u>-</u>	<u>(4,712,393)</u>
Notes, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net receivables	<u>\$ 2,675,954</u>	<u>\$ -</u>	<u>\$ 78,121</u>	<u>\$ 1,764</u>	<u>\$ 2,755,839</u>

**Significant uncollectibles**

The allowance for uncollectible accounts receivable in the General Fund includes \$179,501 owed to the City of Fort Myers by the Dunbar Industrial Action Development Corporation (DIAD), resulting from State Housing Initiative Program (SHIP) funds, and \$447,373 in allowance for code enforcement fees.

In the Transportation Capital Projects Fund, the City set up an allowance for the final installment of \$4,368,762 due from a Developer Agreement. Due to the economic downturn, the cash payment has not been made and the City expects to receive road capital improvements if the cash payment is not feasible.

The amount of \$4,712,393 for the allowance for uncollectible notes receivable in the Non-major Governmental Funds relates to mortgage assistance provided by the Attainable Workforce Housing Fund, State Housing Initiative Partnership (SHIP) Fund, and Community Development Block Grant Fund. The Attainable Workforce Housing Fund provides loans to eligible residents with income of 150% of the median income for Lee County. The SHIP program provides a deferred payment loan with no interest to eligible recipients to fund the gap between what the financial institution will lend and what the homebuyer can afford to pay for newly constructed single-family homes and existing homes within the City.

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

	<u>Water - Wastewater Utility Fund</u>	<u>Solid Waste Fund</u>	<u>Other Business-Type Funds</u>	<u>Total</u>
<b>Receivables:</b>				
Accounts (gross)	\$ 6,479,705	\$ 1,277,467	\$ 1,249,629	\$ 9,006,801
Allowance for uncollectibles	<u>(904,288)</u>	<u>(161,208)</u>	<u>(879,151)</u>	<u>(1,944,647)</u>
Accounts (net)	<u>\$ 5,575,417</u>	<u>\$ 1,116,259</u>	<u>\$ 370,478</u>	<u>\$ 7,062,154</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 7 – ASSETS HELD FOR RESALE**

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**Community Redevelopment Agency**

The asset held for resale in the Community Redevelopment Agency (CRA) fund consists of the McCollum Hall property acquired by the Fort Myers Redevelopment Agency (FMRA) on May 13, 2008 to preserve the existing historical building and eventually sell the property to a private developer for further restoration and revitalization. The purchase by the City consisted of an upfront payment of \$217,335 and twenty-four monthly payments totaling \$165,165 at an interest rate of 6.000%.

The carrying value of property held for resale at September 30, 2013 is \$419,457, which comprises the City's acquisition costs and expenses incurred for architectural design and stabilization. The carrying value is comparable to the just and assessed property data according to Lee County Property Appraiser 2013 tax roll. The amount of the asset held for resale is offset by nonspendable fund balance in the CRA fund.

After soliciting proposals, the FMRA chose Urban Development Solutions, Inc. (UDS) based on the company's history in Pinellas and Manatee Counties. They are a 501(c) 3 development firm dedicated to helping municipalities, non-profits, and private firms develop and finance commercial projects in underserved and low-income markets. On June 19, 2012, the FMRA and UDS signed a Development Agreement to preserve, renovate and revitalize McCollum Hall. City Council supported the project by approving a resolution on October 15, 2012 to apply for a Community Development Block Grant (CDBG) Section 108 Loan for \$1,000,000 to provide some of the necessary financing for the restoration project. UDS is in the process of seeking additional funds to replace the historic preservation tax credits funding portion of the capital stack. As of September 30, 2013, no funds have been received from the Section 108 Loan by the City or UDS.

**Community Development Block Grant**

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

In fiscal year 2009, the City was allocated \$2,297,318 of Neighborhood Stabilization Program 1 (NSP1) funding, which was provided through HUD's Community Development Block Grant (CDBG) Program under the Housing and Economic Recovery Act of 2008. In fiscal year 2011, the City received \$1,537,642 from an NSP 3 funding allocation, which was released by HUD as authorized in the Dodd Frank Wall Street Reform and Consumer Protection Act to continue to assist state and local governments in the redevelopment of abandoned and foreclosed residential properties.

The City is utilizing NSP funds in the following ways:

- Purchase foreclosed and vacant single or multi-family residential properties in target areas,
- Improve property condition via rehabilitation,
- Incorporate energy saving features,
- Resell to households with income less than 120% AMI,
- Provide housing assistance to households below 50% AMI, which includes affordable rental units,
- Offer financial aid in the form of a silent second mortgage and help with reasonable closing costs.

With the NSP 1 funds, the City set a benchmark to fund the acquisition and rehabilitation of approximately 25 housing units for households at or below 120 percent of area median income. The expected timeline for the City's NSP 1 Plan was February 2009 through July 2013, and a rehabilitation project was considered complete upon transfer to an eligible homeowner or when the unit is rented to an eligible tenant. As of September 30, 2013, the City held four rehabilitated single-family homes, which comprise new construction on foreclosed, city-owned property, as assets held for resale for a total of \$300,000. These four properties, which complete the NSP 1 Plan, are currently being rented while renters improve their credit scores and attain bank loans.



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

**Community Development Block Grant (continued)**

The NSP 3 grant application contained more defined target areas than was required by the NSP1 grant notice. It is expected that the City will acquire, rehab and sell at least twelve housing units with NSP 3 funds. In fiscal year 2012, the City completed construction of five new single-family homes and sold two of those homes in the current fiscal year. Rehabilitation projects comprised three properties in fiscal year 2012 and three properties in fiscal year 2013, of which three properties were completed in the current fiscal year and one property sold. The combined value of the remaining five rehabilitation properties and the three single family homes is \$493,708 as assets held for resale as of September 30, 2013.

The City also earmarked \$574,329 for the acquisition, rehabilitation, financing, and resale of multi-family rental properties. After the completion of the rehabilitation of these properties, the units will be transferred to local non-for-profit agencies to provide rental assistance to households with incomes less than 50% AMI.

During fiscal year 2009, one multi-family rental unit was purchased for \$217,872 with NSP 1 funds and rehabilitated with the intent for resale. On September 17, 2012, City Council approved a Community Development Block Grant Neighborhood Stabilization Program Subrecipient Agreement with Goodwill Industries of Southwest Florida, Inc. for the property management of this unit. The agreement provides for Goodwill to receive clear title in 2027 if all obligations are fulfilled. In addition to other requirements, Goodwill must provide quarterly reports to the City through 2017 and yearly reporting for the remaining years of the Subrecipient Agreement. If Goodwill fails to meet the agreement guidelines, the property will revert back to the City. Based on agreement by both parties, a Quit Claim Deed was issued by the City on November 8, 2012 and filed with the Lee County Clerk of Circuit Court.

**NOTE 8 – CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2013, was as follows:

	Beginning Balance	Additions and Transfers In	Retirements and Transfers Out	Ending Balance
<b>Governmental Activities</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 25,377,905	\$ 27,870	\$ (21,346)	\$ 25,384,429
Antiques and Exhibits <sup>(1)</sup>	251,871	-	-	251,871
Construction in progress	9,289,970	349,355	(5,748,321)	3,891,004
Intangibles-easements	3,560,054	-	-	3,560,054
Total capital assets, not being depreciated	<u>38,479,800</u>	<u>377,225</u>	<u>(5,769,667)</u>	<u>33,087,358</u>
<b>Capital assets, being depreciated:</b>				
Buildings	21,269,337	935,425	-	22,204,762
Improvements	39,890,218	5,919,654	-	45,809,872
Equipment	24,098,138	630,557	(595,519)	24,133,176
Intangibles-software	128,100	-	-	128,100
Infrastructure	260,755,890	3,547,869	-	264,303,759
Total capital assets, being depreciated	<u>346,141,683</u>	<u>11,033,505</u>	<u>(595,519)</u>	<u>356,579,669</u>
<b>Less accumulated depreciation for:</b>				
Buildings	9,933,199	607,610	-	10,540,809
Improvements	16,616,061	2,291,477	-	18,907,538
Equipment	20,023,028	1,318,993	(589,387)	20,752,634
Intangibles-software	90,480	25,620	-	116,100
Infrastructure	177,444,720	6,338,641	-	183,783,361
Total accumulated depreciation	<u>224,107,488</u>	<u>10,582,341</u>	<u>(589,387)</u>	<u>234,100,442</u>
Total capital assets being depreciated, net	<u>122,034,195</u>	<u>451,164</u>	<u>(6,132)</u>	<u>122,479,227</u>
Total governmental activities capital assets, net	<u>\$ 160,513,995</u>	<u>\$ 828,389</u>	<u>\$ (5,775,799)</u>	<u>\$ 155,566,585</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

**Governmental Activities:**

General government	\$ 2,273,960
Public Safety:	
Police	117,564
Fire	309,717
Protective services	22,377
Physical environment	247,308
Transportation	6,433,045
Economic environment	234,256
Culture and recreation	944,114
Total depreciation expense - governmental activities	<u>\$ 10,582,341</u>

	<u>Beginning Balance</u>	<u>Additions and Transfers In</u>	<u>Retirements and Transfers Out</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 3,788,143	\$ -	\$ -	\$ 3,788,143
Intangibles	150,153	33,457	-	183,610
Construction in progress	6,503,802	1,671,272	(3,859,712)	4,315,362
Total capital assets, not being depreciated	<u>10,442,098</u>	<u>1,704,729</u>	<u>(3,859,712)</u>	<u>8,287,115</u>
<b>Capital assets, being depreciated:</b>				
Buildings	91,187,306	2,006,311	-	93,193,617
Improvements other than buildings	22,341,798	1,260,729	-	23,602,527
Equipment	18,761,518	3,801,469	(1,972,528)	20,590,459
Utility Systems	376,542,201	6,981,232	-	383,523,433
Antiques and Exhibits <sup>(1)</sup>	160,500	-	-	160,500
Total capital assets, being depreciated	<u>508,993,323</u>	<u>14,049,741</u>	<u>(1,972,528)</u>	<u>521,070,536</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(52,688,019)	(3,163,325)	-	(55,851,344)
Improvements other than buildings	(9,175,666)	(684,713)	-	(9,860,379)
Equipment	(14,134,549)	(1,867,521)	1,965,916	(14,036,154)
Utility Systems	(110,630,233)	(10,175,524)	-	(120,805,757)
Antiques and Exhibits <sup>(1)</sup>	(160,500)	-	-	(160,500)
Total accumulated depreciation	<u>(186,788,967)</u>	<u>(15,891,083)</u>	<u>1,965,916</u>	<u>(200,714,134)</u>
Total capital assets being depreciated, net	<u>322,204,356</u>	<u>(1,841,342)</u>	<u>(6,612)</u>	<u>320,356,402</u>
Total business-type activities capital assets, net	<u>\$ 332,646,454</u>	<u>\$ (136,613)</u>	<u>\$ (3,866,324)</u>	<u>\$ 328,643,517</u>

<sup>(1)</sup> The City owns various collections of works of art, historical treasures, educational exhibits and similar assets that are housed in the Imaginarium and Edison-Ford Estates. In compliance with the City's Capital Asset Capitalization Policy, the City capitalizes the collections.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

**1. Accrued Liabilities**

Accrued liabilities at September 30, 2013 were as follows:

	<u>Salaries and Benefits</u>	<u>Due to Fiduciary Funds</u>	<u>Other Liabilities</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General Fund	\$ 3,822,715	\$ 347,082	\$ 213,294	\$ 4,383,091
Revenue Bonds and Notes Fund	-	-	15,000	15,000
Transportation Capital Projects	-	-	3,000,000	3,000,000
Nonmajor Governmental Funds	-	-	18,333	18,333
Internal Service Fund	-	-	147,850	147,850
Total Governmental Activities	<u>\$ 3,822,715</u>	<u>\$ 347,082</u>	<u>\$ 3,394,477</u>	<u>\$ 7,564,274</u>
<b>Business-type activities:</b>				
Water-Wastewater Utility Fund	\$ -	\$ -	\$ 116,106	\$ 116,106
Solid Waste Fund	-	-	11,855	11,855
Nonmajor Business-type Funds	-	-	59,474	59,474
Total Business-type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,435</u>	<u>\$ 187,435</u>

**2. Unearned Revenue**

As a result of implementing Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, revenues previously recorded as deferred revenue in the governmental funds until both measurable and available are reported as deferred inflows of resources until such time the revenue becomes available. The governmental fund financial statements may also report unearned revenue from receivables for revenues that are not received within the availability period to liquidate liabilities for the current period. The components of unearned revenue as of September 30, 2013 are as follows:

	<u>General Fund</u>	<u>Transportation Capital Projects</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Unearned revenues:					
Special Assessments	\$ 33,796	\$ -	\$ -	\$ -	\$ 33,796
Communications Service Tax	33,868	-	-	-	33,868
Code Enforcement	691,550	-	-	-	691,550
Reimbursable expenses	57,724	-	-	-	57,724
Developer contributions	-	-	-	78,050	78,050
Grant receipts	285	1,222,986	476,611	145,662	1,845,544
Total Unearned revenues	<u>\$ 817,223</u>	<u>\$ 1,222,986</u>	<u>\$ 476,611</u>	<u>\$ 223,712</u>	<u>\$ 2,740,532</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 10 – PENSION OBLIGATIONS**

**Plan Descriptions and Contribution Information:** The City maintains three separate single-employer plans: one for the police officers, one for the firefighters and one for the general employees that covers substantially all other full-time City employees. These plans are defined benefit plans and are maintained as pension trust funds and included as part of the City's reporting entity. City ordinance and state law require contributions be determined by actuarial studies at least every three years. Stand-alone financial reports are not issued.

Membership in each plan consisted of the following on October 1, 2013, the date of the latest actuarial valuation.

	<b>General Employees' Pension Plan</b>	<b>Police Officers' Retirement System</b>	<b>Municipal Firefighters' Pension Trust Fund</b>
Retiree and beneficiaries receiving benefits	451	139	82
Terminated plan members entitled to but not yet receiving benefits	238	9	13
DROP plan members entitled to but not yet receiving benefits	32	4	8
Active plan members	499	167	122
Total	<u>1,220</u>	<u>319</u>	<u>225</u>

**General Employees' Pension Plan**

**Plan Description:** The General Employees' Pension Plan (GEPP) provides retirement, disability and death benefits to plan members and their beneficiaries. The City Council has the authority to establish and amend the benefit provisions of the plan. On September 3, 2013, City Council adopted Ordinance No. 3676, which amended the plan to comply with changes in the Internal Revenue Code. In addition, the Board adopted the following changes to the actuarial assumptions and methods: 1) the investment return assumption was reduced from 8.0% to 7.9%, net of fees; 2) a change in the mortality rates from a static table to one projected with mortality improvements to the valuation year; and 3) a change in the salary scale from a flat 6.0% per year to one based on years of service.

The payroll growth assumption used in amortizing the unfunded actuarial accrued liability is limited to the historical 10-year average increase in pensionable payroll. Last year, 2.1% was used for this assumption and this year, 1.4% was used.

**Contributions:** Contribution requirements are established by the City Code Section 62-185. This section may be amended by the City Council. Member contributions vary based on the rate and tier selected by the employee. The City is required to contribute at actuarially determined amounts. Administrative costs of the GEPP are financed through plan contributions and investment earnings.

**Funded Status and Funding Progress:** As of October 1, 2013, the most recent actuarial valuation date, the plan was 58.16 percent funded. The actuarial accrued liability for benefits was \$136,679,325 and the actuarial value of assets was \$79,486,877, resulting in an unfunded actuarial accrued liability (UAAL) of \$57,192,448. The covered payroll (annual payroll of active employees) was \$21,092,818, and the ratio of the UAAL to the covered payroll was 271.15 percent.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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**Police Officers' Retirement System**

**Plan Description:** The Police Officers' Retirement System (PORS) provides retirement, disability, death benefits and cost of living adjustments to plan members and their beneficiaries. The City Council has the authority to establish and amend the benefit provisions of the plan. On August 5, 2013, City Council adopted Ordinance No. 3674, which amended the plan to comply with changes in the Internal Revenue Code. This ordinance was an Internal Revenue Service compliance ordinance and had no impact on the funding requirements to the plan. Although there were no changes to the plan this year, the payroll growth assumption used in amortizing the unfunded actuarial accrued liability was reduced from 4.78% used last year to 4.08% this year. The payroll growth assumption used in amortizing the unfunded actuarial accrued liability is limited to the historical 10-year average increase in pensionable payroll.

**Contributions:** Contribution requirements are established by City Code Section 62-75. This section may be amended by the City Council. Members of the plan are required to contribute 10% of their annual covered salary. The city is required to contribute at actuarially determined rates less amounts received from the State of Florida for insurance surcharges on policies sold within the City. The State's contribution to the PORS for fiscal year 2013 was \$561,818. The City recognizes these on-behalf payments as revenues and expenditures in the governmental funds financial statements.

**Funded Status and Funding Progress:** As of October 1, 2013, the most recent actuarial valuation date, the plan was 52.28 percent funded. The actuarial accrued liability for benefits was \$153,600,950 and the actuarial value of assets was \$80,306,844, resulting in an unfunded actuarial accrued liability (UAAL) of \$73,294,106. The covered payroll (annual payroll of active employees) was \$11,573,866, and the ratio of the UAAL to the covered payroll was 633.27 percent.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Municipal Firefighter's Pension Trust Fund**

**Plan Description:** The Municipal Firefighters' Pension Trust Fund (MFPTF) provides retirement, disability, death benefits and cost of living adjustments to plan members and their beneficiaries. The City Council has the authority to establish and amend the benefit provisions of the plan. Since the prior valuation, the following changes were made to the actuarial assumptions and methods: 1) the investment return assumption was reduced from 8.5% to 8.0%, net of fees; 2) the final salary load was changed from a flat 30% to one based on individual accruals; and 3) the salary scale assumption was lowered from 7.0% to 6.0% per year.

**Contributions:** Contribution requirements are established by City Code Section 62-135. This section may be amended by the City Council. Members of the plan are required to contribute 8% of their annual covered salary. The City is required to contribute at actuarially determined rates less amounts received from the State of Florida for insurance surcharges on policies sold within the City. The State's contribution to the MFPTF for fiscal year 2013 was \$701,835. The City recognizes these on-behalf payments as revenues and expenditures in the governmental funds financial statements.

**Funded Status and Funding Progress:** As of October 1, 2013, the most recent actuarial valuation date, the plan was 55.87 percent funded. The actuarial accrued liability for benefits was \$101,177,134 and the actuarial value of assets was \$56,524,943, resulting in an unfunded actuarial accrued liability (UAAL) of \$44,652,191. The covered payroll (annual payroll of active employees) was \$7,941,816, and the ratio of the UAAL to the covered payroll was 562.24 percent.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

**Annual Pension Costs and Net Pension Obligations:** The City's annual pension costs for the fiscal year ended September 30, 2013 were \$5,427,872 for GEPP, \$9,897,942 for PORS and \$5,444,898 for MFPTF. The City had a net pension obligation at September 30, 2013 of \$14,375,096. This includes contributions due of \$9,336,124 for PORS and \$5,038,972 for MFPTF. 100% of each year's contribution for the PORS and MFPTF is paid shortly after year end.

The following table shows the components of the City's pension costs for the fiscal year, the amount contributed to the plans and the changes in the City's net pension obligation:

	General Employees' Pension Plan	Police Officers' Retirement System	Municipal Firefighters' Pension Trust Fund
Annual required contribution	\$ 5,427,855	\$ 9,897,942	\$ 5,444,898
Annual pension cost	5,427,855	9,897,942	5,444,898
Contributions made - City	(5,427,855)	(8,940,276)	(4,740,833)
Contributions made - State	-	(561,818)	(405,926)
Increase in net pension obligation	-	395,848	298,139
Net pension obligation beginning of year	-	8,940,276	4,740,833
Net pension obligation end of year	\$ -	\$ 9,336,124	\$ 5,038,972

**Other Information**

The annual required contribution for the current year, for each plan, was determined as part of the most recent actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions include the following: (a) 8.4% rate of return on investment and 6.0% projected salary increase, which includes 5.0% inflation, for GEPP, (b) 8.0% rate of return on investment and 6.0% projected salary increase, which includes 3.0% inflation, for PORS and (c) 8.5% rate of return on investments and 7.0% projected salary increase, which includes 3.0% inflation, for MFPTF.

Effective October 1, 2008, the actuarial value of assets for all three plans is determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four year period. Likewise, the unfunded actuarial accrued liability (UAAL) for all three plans will be amortized using the level percentage of the pay-closed method with various components of the UAAL being amortized over remaining periods that vary from one to thirty years.

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

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

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

**Contributions (continued)**

As of September 30, 2013, the City Manager, one Council member and the Chief of Police were the only participants in the 401(a) Plan and the total 2013 contributions were \$46,909.

<b>Three-Year Trend Information</b>				
	<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
<b>GEPP</b>	09/30/11	\$ 5,680,028	100%	\$ -
	09/30/12	6,379,046	100	-
	09/30/13	5,427,855	100	-
<b>PORS <sup>(1)</sup></b>	09/30/11	7,750,395	96.77	7,171,282
	09/30/12	9,491,235	81.66	8,940,276
	09/30/13	9,897,942	95.89	9,336,124
<b>MFPTF <sup>(1)</sup></b>	09/30/11	4,983,291	93.89	4,577,364
	09/30/12	5,146,760	96.82	4,740,833
	09/30/13	5,444,898	94.52	5,038,972

<sup>(1)</sup> Figures for PORS and MFPTF include applicable premium tax refunds from the State of Florida that were passed through the City to the respective trust funds.

The information presented in the required supplementary schedules was determined as a part of the actuarial valuations at the dates indicated.

	<b>General Employees' Pension Plan</b>	<b>Police Officers' Retirement System</b>	<b>Municipal Firefighters' Pension Trust Fund</b>
Valuation date	10/1/11	10/1/12	10/1/12
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level percent of pay, closed	Level percent of pay, closed	Level percent of pay, closed
Remaining amortization period	30	25	25
Asset valuation method	4 years smooth of market value	4 years smooth of market value	4 years smooth of market value
Actuarial assumptions:			
Investment rate of return net of investment related expenses	8.4%	8.0%	8.5%
Projected salary increase *	6.0%	6.0%	7.0%
* Includes inflation at	5.0%	3.0%	3.0%
Cost-of-living adjustment			
Rate at age 60	2.5% **	3.0%	3.0%

\*\* COLA's for Tier 3 & Tier 4 members only

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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

	<b>General Employees' Pension Plan</b>	<b>Police Officers' Retirement System</b>	<b>Municipal Firefighters' Pension Trust Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,130,526	\$ 4,624,829	\$ 6,061,660	\$ 14,817,015
Receivables				
Accounts receivable, net	437	-	-	437
Employer	54,825	9,336,124	5,038,972	14,429,921
Tax reclaims	-	3,075	-	3,075
Interest and dividends	111,404	250,850	97,709	459,963
Total receivables	<u>166,666</u>	<u>9,590,049</u>	<u>5,136,681</u>	<u>14,893,396</u>
Investments, at fair value				
U.S. government and agency securities	4,042,227	3,658,401	89,594	7,790,222
Municipal bonds	1,178,609	-	1,402,580	2,581,189
Corporate stock	33,074,702	27,435,050	29,832,717	90,342,469
Corporate stocks - ADR	314,766	-	-	314,766
Corporate bonds	3,596,143	8,075,689	5,727,542	17,399,374
Convertible bonds	-	5,500,642	-	5,500,642
Convertible preferred	-	1,993,985	-	1,993,985
Mortgage backed securities	7,939,981	5,869,802	-	13,809,783
Asset backed securities	960,813	-	642,498	1,603,311
Mutual funds:				
Fixed income	11,065,318	-	2,440,201	13,505,519
Equity	2,616,170	7,553,137	-	10,169,307
International equity	-	9,322,667	8,203,520	17,526,187
Commingled funds:				
Real estate	-	-	3,893,045	3,893,045
International equity	10,811,460	-	-	10,811,460
Private placements	60,186	-	-	60,186
Real estate investment trusts	261,100	-	-	261,100
International securities:				
Bonds and notes	704,826	-	-	704,826
Stocks	2,401,094	-	-	2,401,094
Total investments	<u>79,027,395</u>	<u>69,409,373</u>	<u>52,231,697</u>	<u>200,668,465</u>
Total assets	<u>83,324,587</u>	<u>83,624,251</u>	<u>63,430,038</u>	<u>230,378,876</u>
<b>LIABILITIES</b>				
Accrued and other liabilities	2,528	322	-	2,850
Total liabilities	<u>2,528</u>	<u>322</u>	<u>-</u>	<u>2,850</u>
<b>NET POSITION</b>				
Net position held in trust for pension benefits	<u>\$ 83,322,059</u>	<u>\$ 83,623,929</u>	<u>\$ 63,430,038</u>	<u>\$ 230,376,026</u>

(A schedule of funding progress for each pension plan is presented on page 94.)



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

**Statement of Changes in Net Position - Pension Trust Funds**

	<b>General Employees' Pension Plan</b>	<b>Police Officers' Retirement System</b>	<b>Municipal Firefighters' Pension Trust Fund</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 5,427,855	\$ 9,336,124	\$ 5,038,971	\$ 19,802,950
State of Florida	-	561,818	701,835	1,263,653
Plan members	1,065,174	1,148,880	624,952	2,839,006
Total contributions	<u>6,493,029</u>	<u>11,046,822</u>	<u>6,365,758</u>	<u>23,905,609</u>
Investment income				
Net appreciation in fair value of investments	8,615,257	6,806,367	6,611,586	22,033,210
Interest and dividends	1,519,324	1,971,158	1,207,272	4,697,754
Total investment gains	10,134,581	8,777,525	7,818,858	26,730,964
Less: investment expenses	426,561	317,777	326,518	1,070,856
Net investment gains	<u>9,708,020</u>	<u>8,459,748</u>	<u>7,492,340</u>	<u>25,660,108</u>
Miscellaneous revenue	14,504	7,152	4,973	26,629
Total increases	<u>16,215,553</u>	<u>19,513,722</u>	<u>13,863,071</u>	<u>49,592,346</u>
<b>DEDUCTIONS</b>				
Benefits paid	7,727,817	7,697,430	4,178,170	19,603,417
Administrative expenses	152,949	83,266	83,003	319,218
Total deductions	<u>7,880,766</u>	<u>7,780,696</u>	<u>4,261,173</u>	<u>19,922,635</u>
Change in net position	8,334,787	11,733,026	9,601,898	29,669,711
<b>NET POSITION</b>				
Net position held in trust for pension benefits				
Net position - beginning	74,987,272	71,890,903	53,828,140	200,706,315
Net position - ending	<u>\$ 83,322,059</u>	<u>\$ 83,623,929</u>	<u>\$ 63,430,038</u>	<u>\$ 230,376,026</u>

**NOTE 11 – DEFERRED COMPENSATION PLAN**

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS**

In addition to providing pension benefits, the City has a single-employer healthcare plan that allows retirees to purchase health, life, vision and dental benefits at the same rate as active employees, in accordance with state statutes. To be eligible for this benefit, the employee must retire from the City, have no break between his/her active employment and retirement, and be collecting pension benefits from one of the City's three pension plans. The retirees pay all premiums for the coverage elected.

In order to comply with the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, the City contracted with a certified actuarial firm to provide an actuarial valuation of postemployment benefits. The postemployment health insurance benefits will continue to be offered on a pay-as-you-go basis with the same premium subsidy rates that active employees receive. As required by the State of Florida Statute 112.0801(1), the claims experience of the retirees is co-mingled with that of active employees in determining the health plan cost. In accordance with GASB Statement No. 45, the co-mingling of claims requirement equates to an implicit subsidy to retirees that creates an OPEB liability on the part of the City. Therefore, the City has incurred a liability for the implicit rate subsidy as the City implemented GASB Statement No. 45. The City does not intend to fund the actuarial accrued liability.

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The calculation produced an unfunded obligation of \$9,941,419 and an ARC as 5.8% of average projected payroll. The following table shows the components of the City's OPEB cost for the year, the amount contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution (ARC)	\$ 2,052,751
Interest on net OPEB obligation	297,799
Adjustment to ARC	<u>(327,251)</u>
Annual OPEB cost	2,023,299
Contributions made	<u>(590,409)</u>
Increase in net OPEB obligation	1,432,890
Net OPEB obligation-beginning of year	<u>8,508,529</u>
Net OPEB obligation-end of year	<u>\$ 9,941,419</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year are as follows:

<u>Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
09/30/11	\$ 2,004,954	36.47%	\$ 7,157,040
09/30/12	2,099,767	35.64%	8,508,529
09/30/13	2,023,299	29.18%	9,941,419

As of October 1, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$20,978,235, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$20,978,235. The covered payroll (annual payroll of active employees) was \$35,623,010, and the ratio of the UAAL to the covered payroll was 58.89 percent.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. A separate, publicly available postemployment benefit plan report is not prepared for the defined benefit plans.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

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

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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The information presented in the required supplementary schedule was determined as a part of the actuarial valuation at the date indicated:

Valuation date	10/1/2012
Actuarial cost method	Entry Age
Amortization method	Level percent, closed
Remaining amortization period	26 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return*	3.5% per year, compounded annually
Projected salary increase*	6%-7% per year
Healthcare cost trend	0.0% initially 5.4% ultimately, in 2020

\* Includes general price inflation at 3.0%

**NOTE 13 – COMMITMENTS**

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**Construction Contracts**

The Water–Wastewater Utility Fund had outstanding commitments of uncompleted construction contracts totaling \$4,653,210. These projects relate primarily to neighborhood utility improvements and relocations, and the Central Wastewater Treatment Plant influent pump replacement. Funding for these projects is pay-as-you-go, the State Revolving Fund Loan Program, the Utility System Revenue Note, Series 2008, the Utility System Revenue Bonds, Series 2006, and the Utility System Refunding and Revenue Bonds, Series 2011. The Solid Waste Fund had outstanding commitments of uncompleted construction contracts totaling \$1,204,529. These projects relate to a vehicle wash station and five Peterbilt trucks, which are funded with pay-as-you-go.

Other non-major enterprise funds had construction contract commitments totaling \$1,192,608, primarily for the Manuels Branch watershed improvements and for citywide drainage rehabilitation. The funding for these projects is provided by pay-as-you-go, federal grants, and the Improvement and Refunding Revenue Bonds, Series 2006.

The Transportation Capital Projects Fund had outstanding commitments of \$2,458,368, primarily for engineering design costs for the Hanson Street Extension – US 41 to Ortiz Avenue corridor and the funding for this project comprises road impact fees. The General Capital Projects Fund had commitments outstanding of \$1,007,258, mainly for the purchase of a Peterbilt truck and the design of a new fire station and administration. Funding for these projects is provided by the Improvement and Refunding Revenue Bonds, Series 2006.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 13 – COMMITMENTS (continued)**

**Construction Contracts (continued)**

The remaining commitment amounts were encumbered at fiscal year end. As discussed in Note 1, 6., Budgetary information, Budgetary basis of accounting, the encumbrances and related appropriations lapse at the end of the fiscal year, but are re-appropriated and become part of the subsequent year's budget because performance under the contract is expected in the next year.

**Encumbrances**

As discussed in Note 1, 6., Budgetary information, Budgetary basis of accounting, encumbrance accounting is used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

	Governmental Activities				Total
	General Fund	Transportation Capital Projects Fund	General Capital Projects Fund	Other Governmental Funds	
Encumbrances Outstanding	\$ 372,113	\$ 2,458,368	\$ 1,007,258	\$ 399,806	\$ 4,237,545

Transportation Capital Projects Fund – of this amount, \$1,526,133 is restricted for the Hanson Street Extension – US 41 to Ortiz Avenue corridor.

**Road, Water, Wastewater and Fire Impact Fees Credits**

The City offers road, water and wastewater and fire impact fee credits to developers who construct or provide certain infrastructure improvements. Credits may be earned in special assessment districts, which are financed by the City, and residential and commercial projects. The credits may be used to offset future impact fees and have a standard life of twenty years for road and fire credits and ten years for water and wastewater from date of issuance, unless a longer period is specifically authorized by City Council. The developer who earned them may use the credits or the credits may be transferred to another party under certain circumstances. If the credits are not used within the authorized timeframe, they will expire.

Chapter 122, Land Development Code allows the City to create water and sewer impact fee credits for capital improvements of utility mains. The credits are created when the construction is completed and accepted by the City for maintenance. The road impact fee credits include credits for land dedicated to the City. The City also participates with the Lee County Road Impact Fee Ordinance through an interlocal agreement. The Lee County Road Impact Fee Ordinance allows for the issuance of impact fee credits for land dedication for approved roads shown on the City's transportation element of the Capital Improvement Program.

As of September 30, 2013, there was approximately \$25 million of total potential impact fee credits earned and outstanding.

	Available	Earned
Water	\$ 174,678	\$ 174,678
Sewer	150,033	150,033
Road	23,225,264	23,225,264
Fire	1,857,988	1,857,988
Total	\$ 25,407,963	\$ 25,407,963

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 14 – RISK MANAGEMENT**

The City, including its component units, uses the Risk Management Internal Service Fund to account for and finance risks for workers' compensation, general liability and property damage. For workers' compensation claims less than \$600,000 and greater than \$2,000,000 per occurrence, the City is self-insured. The City has also purchased commercial excess coverage for workers' compensation, which covers claims greater than \$600,000 and less than \$2,000,000 for each occurrence. The City is self-insured for general liability risk in the amount of \$200,000 per individual and \$300,000 for any claims or judgments or portions thereof, which, when totaled with all other claims or judgments paid by the City arising out of the same incident or occurrence, is in accordance with Section 768.28, Florida Statutes. The City has purchased commercial excess coverage for general liability up to \$2,000,000 per occurrence, \$6,000,000 per aggregate for claims that may exceed statutory limits. The City has purchased commercial insurance to cover property damage. This coverage provides a loss limit of \$10,000,000 all risk property coverage and \$10,000,000 additional all risk with wind damage excluded. Flood insurance through National Flood Insurance Program provides coverage of \$11,200,500 with \$2,908,900 coverage for personal property on scheduled structures. Settlements have not exceeded insurance coverage for the past nineteen years.

Additional coverage includes EMT Liability, Law Enforcement Liability, Public Officials' Liability, Excess Auto Liability, Crime/Employee Dishonesty, and Statutory Death.

The City of Fort Myers provides all eligible employees a group medical plan and group term life coverage equal to one times the annual salary rounded to the next higher thousand. In addition, the City makes a defined contribution of \$200 per month per employee or will pay 70% of the dependent medical coverage. The defined contribution may be applied to the cost of dependent medical, or; applied to the cost of any optional employee benefit, or; taken as taxable income.

Premiums are charged by the City's Risk Management Internal Service Fund to City departments and are available to pay claims, claim reserves and administrative costs of the program. Liabilities of the Risk Management fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are actuarially calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors, utilizing a 2% discount.

The unpaid claim estimates and funding recommendations were developed by the actuary using the following methodology:

1. Estimate ultimate losses for all past fiscal accident periods and prospective fiscal accident periods by coverage, net of specific excess reinsurance, based on various actuarial projection methods.
2. Subtract cumulative paid losses from our ultimate loss estimates by accident period to determine the estimated reserves, net of specific excess coverage, as of September 30, 2013.
3. Determine funding indications by discounting both the estimated reserve by accident period and the prospective year estimated ultimate loss estimates to reflect investment income, and then adding a margin for adverse deviation.

The liability for the claims and judgments is reported as self-insurance claims payable in the Risk Management Internal Service Fund. Activity in the balances of claims liabilities for the years ending September 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Workers Compensation and General Liability:		
Unpaid claims, beginning of the fiscal year	\$ 5,405,812	\$ 5,550,133
Claims incurred, including IBNRs	2,603,387	1,646,361
Claim payments	<u>(2,555,826)</u>	<u>(1,790,682)</u>
Unpaid claims, end of the fiscal year	<u>\$ 5,453,373</u>	<u>\$ 5,405,812</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 15 – LONG-TERM LIABILITIES**

**Arbitrage**

The bonds and notes in Governmental and Business-type Activities are subject to arbitrage. The arbitrage rebate requirement requires issuers of tax exempt debt to rebate to the U.S. Treasury investment income arising from proceeds of tax exempt debt to the extent that such income results from an investment yield in excess of the bond yield. There is no arbitrage liability as of September 30, 2013.

Bonds and notes outstanding at September 30, 2013 consist of the following for governmental activities:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maximum Annual Debt Service</u>
<b>Governmental Activities:</b>					
Revenue Bonds:					
Gulf Breeze Loan Pool, 1999	Refunding	\$ 10,420,000	\$ 4,360,000	5.56%	\$ 1,753,763
Series 2004A Gas Tax League of Cities Loan Pool, 2005C	Transportation	18,335,000	8,805,000	2.000% - 5.000%	1,678,394
Series 2006	Refunding	4,970,000	3,555,000	3.000% - 5.000%	603,925
Series 2007	Refunding	58,195,000	57,095,000	4.000% - 5.000%	4,752,659
		33,743,640	26,587,225	5.000%	5,124,061
Total Revenue Bonds		<u>125,663,640</u>	<u>100,402,225</u>		
Notes Payable:					
Section 108 Housing Loan, 1996	Housing Projects	300,000	50,000	(1)	25,000 <sup>(2)</sup>
Revenue Improvement Note, Series 2005 DRA	Streetscape Project	7,450,000	4,465,384	4.010%	677,703
Total Notes		<u>7,750,000</u>	<u>4,515,384</u>		
<b>Total for Governmental Activities</b>		<u>\$ 133,413,640</u>	<u>\$ 104,917,609</u>		

(1) Interest is set on an index of 3 month LIBOR plus 20 basis points as published in the Wall Street Journal. As of September 30, 2013, the 3 month LIBOR was 0.24800.

(2) Principal portion only has been disclosed, as interest is a variable rate, thus maximum interest is not known.

**Pledged Revenues**

The City pledged revenues, which comprise the Utilities Tax, Franchise Fees, Communications Services Tax, Guaranteed Entitlement Funds, Occupational License Tax, Sales Tax, Five Cents Local Gas Tax, Six Cents Local Gas Tax and tax increment financing revenues as the sources of repayment for the following debt issues. Pledged revenues received in 2013 totaled \$30,294,911.

Governmental Unit Note (Gulf Breeze Loan Pool) refunded the outstanding Taxable Improvement Revenue Bonds, Series 1992B; Taxable Capital Improvement Revenue Bonds, Series 1998A; Taxable Capital Improvement Revenue Bonds, Series 1998B. The note is payable through December 1, 2015, with total principal and interest remaining to be paid of \$4,757,328. Principal and interest paid for the current fiscal year totaled \$1,260,973, which is 4.16% of total 2013 pledged revenues.

Gas Tax Revenue Bonds, Series 2004A, were issued to provide funds to finance various road and transportation capital improvement within the City and refund certain outstanding indebtedness of the City. The bonds are payable through February 1, 2019, with total principal and interest remaining to be paid of \$10,050,996. Principal and interest paid for the current fiscal year totaled \$1,681,964, which is 5.55% of total 2013 pledged revenues.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 15 – LONG-TERM LIABILITIES (continued)**

**Pledged Revenues (continued)**

Community Redevelopment Revenue Note, Series 2005, was issued to finance the cost of community redevelopment projects and to refund certain outstanding obligations of the City. The bonds are payable through January 1, 2022, with total principal and interest remaining to be paid of \$5,373,571. Principal and interest paid for the current fiscal year totaled \$698,428, which is 2.31% of total 2013 pledged revenues.

Improvement and Refunding Revenue Bonds, Series 2006, were issued to provide funds to finance various capital improvements within the City and advance refund a portion of the outstanding Improvement Revenue Bonds, Series 2001A. The bonds are payable through December 1, 2036, with total principal and interest remaining to be paid of \$98,706,450. Principal and interest paid for the current fiscal year totaled \$3,152,006, which is 10.40% of total 2013 pledged revenues.

Improvement Revenue Refunding Bonds, Series 2007, refunded a portion of the outstanding Improvement Refunding Revenue Bonds, Series 1997A. The bonds are payable through December 1, 2022, with total principal and interest remaining to be paid of \$33,848,875. Principal and interest paid for the current fiscal year totaled \$5,276,625, which is 17.42% of total 2013 pledged revenues.

Bonds and notes outstanding at September 30, 2013 consist of the following for business-type activities:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maximum Annual Debt Service</u>
<b>Business-type Activities:</b>					
Utility System Revenue Bonds:					
Series 1993A – Includes a capital appreciation series	Refunding	\$ 48,920,000	\$ 15,485,000	3.750% - 5.850%	\$ 3,193,446
Series 2006A	Refunding	38,925,000	37,760,000	4.000% - 5.750%	5,229,975
Series 2011	Refunding	68,605,000	67,650,000	2.000% - 5.000%	6,993,513
Series 2012	Refunding	17,025,000	17,025,000	2.000% - 4.000%	2,257,649
Total Utility System Revenue Bonds		173,475,000	137,920,000		
State Revolving Fund Loans	Utility System	100,684,185	77,625,723 <sup>(1)</sup>	2.310% - 3.160%	6,452,815
Utility Revenue Note, Series 2008A	Utility System	50,000,000	49,471,745	5.060%	6,585,477
Total Utility System		324,159,185	265,017,468		
Solid Waste Revenue Bonds					
Series 2007	Refunding	478,584	377,085	5.000%	72,674
Total Solid Waste System		478,584	377,085		
Other Revenue Bonds					
Series 2007	Refunding	457,776	360,690	5.000%	69,515
Total Other Revenue Bonds		457,776	360,690		
Yacht Basin Note, Series 2005		5,000,000	4,148,531	4.630%	386,877
<b>Total Business-type Activities</b>		<b>\$ 330,095,545</b>	<b>\$ 269,903,774</b>		

<sup>(1)</sup> Total amount authorized is \$100,896,849, including service fees. As of September 30, 2013, \$102,784,696, including service fees and capitalized interest, was drawn down.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 15 – LONG-TERM LIABILITIES (continued)**

The business-type outstanding debt consists of Revenue Bonds and Notes for the Water-Wastewater Fund, the Solid Waste Fund, and for the non-major funds for the Fort Myers Country Club and Yacht Basin. These Revenue Bonds and Notes are obligations of the City and are payable solely from the operations of the System, net of specified operating expenses.

Changes in governmental long term debt for the year ended September 30, 2013 are summarized as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Amounts Due Within One Year</u>
Revenue bonds payable	\$ 107,344,220	\$ -	\$ 6,941,995	\$ 100,402,225	\$ 7,262,000
Unamortized premium	2,718,136	-	211,913	2,506,223	-
Net bonds payable	110,062,356	-	7,153,908	102,908,448	7,262,000
Notes payable	5,036,538	-	521,154	4,515,384	521,154
Capital leases	-	598,622	10,050	588,572	82,454
Compensated absences	3,392,692	483,385	286,597	3,589,480	1,453,318
Other postemployment benefits	6,404,985	1,086,586	-	7,491,571	-
Net pension liability	13,681,109	14,375,096	13,681,109	14,375,096	14,375,096
Claims and judgments	5,405,812	8,403,387	2,555,826	11,253,373	8,627,800
<b>Governmental-type Totals</b>	<b>\$ 143,983,492</b>	<b>(\$ 24,947,076)</b>	<b>\$ 24,208,644</b>	<b>\$ 144,721,924</b>	<b>\$ 32,321,822</b>

Changes in business-type long term debt for the year ended September 30, 2013 are summarized as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Amounts Due Within One Year</u>
<b>Water-Wastewater Utility Fund</b>					
Water-Wastewater bonds	\$ 136,823,362	\$ -	\$ 1,487,150	\$ 135,336,212	(1) \$ 3,900,000
Unamortized premium and defeasance costs	4,493,118	(2) -	80,275	4,412,843	-
Net bonds payable	141,316,480	(2) -	1,567,425	139,749,055	3,900,000
State Revolving Loan	82,018,243	-	4,392,520	77,625,723	4,463,913
Revenue Note, Series 2008A	50,000,000	-	528,255	49,471,745	559,486
Due to private sources	2,832,963	-	-	2,832,963	-
Compensated absences	344,252	97,437	27,626	414,063	110,446
Other postemployment benefits	1,007,543	168,029	-	1,175,572	-
Fund totals	277,519,481	(2) 265,466	6,515,826	271,269,121	9,033,845

(1) Difference between the \$135,336,212 and \$137,920,000 shown on the "Amount Outstanding" schedule is due to the 1993A capital appreciation bonds. The difference of \$2,583,788 is compounded interest on those bonds.

(2) Restated, as noted in Note 25.

The amount that is due to private sources relates to a developer agreement for the design and management of the construction of a new clubhouse for Eastwood Golf Course, with the total cost to be used as a credit toward future land purchases for development. The developer completed the construction of the clubhouse in fiscal year 2009. The land related to the agreement is an asset in the Water-Wastewater Utility Fund. Due to the collapse of the local real estate market, it cannot be determined when the land purchases will take place.



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 15 – LONG-TERM LIABILITIES (continued)**

Business-type long term debt (continued)

	Beginning Balances	Additions	Reductions	Ending Balances	Amounts Due Within One Year
<b>Solid Waste Fund</b>					
Revenue bonds	429,732	-	52,647	377,085	55,200
Unamortized premium	22,484 <sup>(1)</sup>	-	2,194	20,290	-
Net bonds payable	452,216 <sup>(1)</sup>	-	54,841	397,375	55,200
Compensated absences	105,635	31,432	8,156	128,911	29,901
Other postemployment benefits	330,484	50,048	-	380,532	-
Fund totals	888,335 <sup>(1)</sup>	81,480	62,997	906,818	85,101
<b>Other Enterprise Funds</b>					
Other revenue bonds	411,048	-	50,358	360,690	52,800
Unamortized premium	21,506 <sup>(1)</sup>	-	2,098	19,408	-
Net bonds payable	432,554 <sup>(1)</sup>	-	52,456	380,098	52,800
Note payable	4,335,186	-	186,655	4,148,531	195,572
Compensated absences	310,161	74,420	48,469	336,112	124,726
Other postemployment benefits	765,517	128,227	-	893,744	-
Fund totals	5,843,418 <sup>(1)</sup>	202,647	287,580	5,758,485	373,098
<b>Business-type totals</b>	<b>\$ 284,251,234 <sup>(1)</sup></b>	<b>\$ 549,593</b>	<b>\$ 6,866,403</b>	<b>\$ 277,934,424</b>	<b>\$ 9,492,044</b>

<sup>(1)</sup> Restated, as noted in Note 25.

Annual debt service requirements to maturity for general revenue bonds and notes are as follows:

Fiscal Year	Governmental Activities					
	Revenue Bonds			Notes and Loans		
	Principal	Interest	Total Required	Principal	Interest	Total Required
2014	\$ 7,262,000	\$ 4,543,571	\$ 11,805,571	\$ 521,154	\$ 184,774	\$ 705,928
2015	6,288,035	4,208,718	10,496,753	521,154	162,999	684,153
2016	6,599,930	3,892,386	10,492,316	496,154	141,205	637,359
2017	5,111,825	3,610,657	8,722,482	496,154	121,364	617,518
2018	5,373,180	3,364,380	8,737,560	496,154	100,861	597,015
2019-2023	20,677,255	13,493,879	34,171,134	1,984,614	201,832	2,186,446
2024-2028	14,070,000	9,653,159	23,723,159	-	-	-
2029-2033	17,705,000	5,934,256	23,639,256	-	-	-
2034 and thereafter	17,315,000	1,550,671	18,865,671	-	-	-
Total	100,402,225	\$ 50,251,677	\$ 150,653,902	4,515,384	\$ 913,035	\$ 5,428,419
Current portion	(7,262,000)			(521,154)		
Unamortized premium	2,506,223			-		
Long term portion	\$ 95,646,448			\$ 3,994,230		

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 15 – LONG-TERM LIABILITIES (continued)**

Annual debt service requirements to maturity for business-type revenue bonds and notes are as follows:

<b>Business-Type Activities</b>						
<b>Fiscal Year</b>	<b>Water-Wastewater Revenue Bonds</b>			<b>Water-Wastewater Notes</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total Required</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Required</b>
	2014	\$ 3,900,000	\$ 6,061,111	\$ 9,961,111	\$ 5,023,399	\$ 4,478,016
2015	5,875,000	5,862,170	11,737,170	5,165,951	4,332,070	9,498,021
2016	5,980,000	5,628,634	11,608,634	5,323,319	4,181,454	9,504,773
2017	7,865,000	5,354,373	13,219,373	5,478,321	4,025,931	9,504,252
2018	8,045,000	5,040,782	13,085,782	5,633,900	3,865,624	9,499,524
2019-2023	32,365,000	20,608,992	52,973,992	42,183,995	15,892,418	58,076,413
2024-2028	20,955,000	14,047,725	35,002,725	54,714,352	6,277,662	60,992,014
2029-2033	19,850,000	10,414,591	30,264,591	3,574,231	83,416	3,657,647
2034 and thereafter	33,085,000	4,852,463	37,937,463	-	-	-
Total	<u>\$ 137,920,000</u>	<u>\$ 77,870,841</u>	<u>\$ 215,790,841</u>	127,097,468	<u>\$ 43,136,591</u>	<u>\$ 170,234,059</u>
Current portion	(3,900,000)			(5,023,399)		
Unamortized premium and defeasance costs	4,412,843			-		
Long-term portion	<u>\$ 138,432,843</u>			<u>\$ 122,074,069</u>		

<b>Fiscal Year</b>	<b>Solid Waste Revenue Bonds</b>			<b>Other Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total Required</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Required</b>
	2014	\$ 55,200	\$ 17,474	\$ 72,674	\$ 52,800	\$ 16,715
2015	31,671	15,302	46,973	30,294	14,637	44,931
2016	33,258	13,679	46,937	31,812	13,085	44,897
2017	34,845	11,977	46,822	33,330	11,456	44,786
2018	36,708	10,188	46,896	35,112	9,745	44,857
2019-2023	185,403	21,409	206,812	177,342	20,478	197,820
Total	<u>\$ 377,085</u>	<u>\$ 90,029</u>	<u>\$ 467,114</u>	360,690	<u>\$ 86,116</u>	<u>\$ 446,806</u>
Current portion	(55,200)			(52,800)		
Unamortized premium	20,290			19,408		
Long-term portion	<u>\$ 342,175</u>			<u>\$ 327,298</u>		

<b>Fiscal Year</b>	<b>Other Revenue Notes</b>			<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Total Required</b>	<b>Requirements</b>
	2014	\$ 195,572	\$ 191,305	\$ 386,877
2015	204,916	181,961	386,877	21,713,972
2016	214,219	172,657	386,876	21,592,117
2017	224,940	161,936	386,876	23,202,109
2018	235,687	151,190	386,877	23,063,936
2019-2023	1,358,072	576,312	1,934,384	113,389,421
2024-2028	1,715,125	219,260	1,934,385	97,929,124
2029-2033	-	-	-	33,922,238
2034 and thereafter	-	-	-	37,937,463
Total	4,148,531	<u>\$ 1,654,621</u>	<u>\$ 5,803,152</u>	<u>\$ 392,741,972</u>
Current portion	(195,572)			
Long-term portion	<u>\$ 3,952,959</u>			

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 15 – LONG-TERM LIABILITIES (continued)**

**Capital Lease Obligations**

This year, the City entered into two lease agreements as a lessee for financing the acquisition of certain capital assets for the City's Fire Department valued at a total of \$588,572. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception dates.

On April 15, 2013, the City entered into a lease agreement to finance the purchase of a fire engine, which has a 12-year estimated useful life. The fire engine has an anticipated delivery date of December 15, 2013 and outside delivery date of February 15, 2014; therefore, depreciation expense is not applicable for the current fiscal year. In accordance with the terms of the lease agreement, the agreement may terminate if the truck delivery does not take place by the outside delivery date and the City does not agree to revise the outside delivery date. The future minimum lease obligation and the net present value of these minimum lease payments, as reported in the governmental activities, are as follows:

Year ending September 30	Governmental Activities
2014	\$ 86,417
2015	86,417
2016	86,417
2017	86,417
2018	86,417
2019	86,417
2020	86,417
Total minimum lease payments	604,919
Less: amount representing interest	(55,179)
Present value of minimum lease payments	<u>\$ 549,740</u>

On May 31, 2013, the City entered into a lease agreement to finance the purchase of web-based software for incident reporting, staff and inventory tracking for the City's Fire Department. The software has a 5-year estimated useful life and this year, \$3,259 was included in depreciation expense. The future minimum lease obligation and the net present value of these minimum lease payments, as reported in the governmental activities, are as follows:

Year ending September 30	Governmental Activities
2014	\$ 10,050
2015	10,050
2016	10,050
2017	10,050
Total minimum lease payments	40,200
Less: amount representing interest	(1,368)
Present value of minimum lease payments	<u>\$ 38,832</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 16 – SPECIAL ASSESSMENT DEBT WITH NO GOVERNMENTAL COMMITMENT**

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On May 27, 1994, the City issued a bond in the amount of \$2,630,000 to finance the Special Assessment Geographical Area No. 35, Carillon Woods Drainage Project. This bond was to be repaid solely by special assessments levied against the property owners benefiting from the project. The bond documents contained a covenant that the City would appropriate, if necessary, legally available non-ad valorem revenues to replenish deficiencies in the Debt Service Fund or the reserve fund until the project was completed. Upon completion of the project, the bond resolution provides for the release of this covenant.

In September 2000, the bondholder, a local financial institution, released the City from this covenant. At that point, the City's only obligations were to invoice property owners, collect the payments of the special assessment levies (including initiating and prosecuting foreclosure action, if necessary) and remit the amounts collected to the bondholder. The City has no other obligations in this matter. Accordingly, the City removed the debt from its books, and accounted for the collection of the assessment levies and the payment to the bondholder in an agency fund. The City prepaid the principal balance without penalty in April 2013 and the balance of the bond outstanding at September 30, 2013 is \$0.

**NOTE 17 – PRIOR YEAR DEFEASED DEBT**

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In prior years, the City defeased certain revenue bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. On September 30, 2013, \$1,180,000 of the defeased governmental Improvement Series 1982-1 Revenue Bonds remains outstanding.

**NOTE 18 – FUND BALANCE**

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**Minimum Fund Balance/Net Position Policy**

The City adopted a fund balance policy on September 26, 2011 to ensure the maintenance of adequate fund balance / net assets and reserves in the City's various operating funds to provide the capacity to: 1) provide sufficient cash flow for daily financial needs, 2) secure and maintain investment grade bond ratings, 3) offset significant economic downturns and revenue shortfalls, and 4) provide funds for unforeseen expenditures related to emergencies.

General Fund – The City will strive to maintain a minimum unassigned fund balance of 10% with a target of 10% - 17% of the total general fund budget. For the purposes of the calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30<sup>th</sup> for the subsequent fiscal year. The drawdown of unassigned fund balance may be utilized to respond and provide relief and recovery to emergencies which include, but are not limited to:

- Hurricanes or tropical storms
- Flooding
- Wildfires
- Terrorist activity

Replenishment of Deficiencies – In the event that unassigned fund balance in the General Fund is used for unanticipated expenditures or emergencies, and subsequently causes the balance to fall below the minimum of 10%, the fund balance should be replenished in order to prepare for future events. The City will strive to replenish the fund balance within a one year period from the time the event occurs or as quickly as economic conditions allow.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 18 – FUND BALANCE (continued)**

**Minimum Fund Balance/Net Position Policy (continued)**

Other Governmental Funds – The various other governmental funds of the City have vastly differing objectives, cash flows and revenue patterns. As a result, no one level of reserves is appropriate for them all. Therefore, the appropriate level of fund balance in the other governmental funds will be determined on a case-by-case basis due to the specific needs of the fund. The City Manager, Director of Finance, or other designee shall determine this level.

Enterprise Funds – The City will strive to maintain unrestricted net position equal to 20% of the budgeted annual operating expenditures for the current year in the Utility Operating Fund and Solid Waste Fund to provide approximately a two month cushion for operating expenses. For the purposes of the calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30<sup>th</sup> for the subsequent fiscal year. The reserve is needed to cover short-term cash flow variations, economic downturns and emergencies. Unrestricted net position under the 20% goal should be used only for unanticipated expenditures. The various other enterprise and internal service funds of the City have vastly differing objectives, cash flows and revenue patterns. As a result, no one level of reserves is appropriate for them all. Therefore, the appropriate level of net position in all enterprise and internal service funds, other than the Utility Operating Fund and the Solid Waste Fund, will be determined on a case-by-case basis due to the specific needs of the fund. The City Manager, Director of Finance, or other designee shall determine this level.

**NOTE 19 – INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund balances as of September 30, 2013 is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 896,602
	Internal Service Funds	17,644
	School Board Impact Fees Agency Fund	2,364
	Total due to General Fund	<u>\$ 916,610</u>

The outstanding balance between the General Fund and the School Board Impact Fees Agency Fund relates to a developer refund after the City remitted the impact fees to Lee County. The remainder of the receivable amount in the General Fund relates to interim end of year funding. The General Fund expects to collect the balances in the subsequent year.

**Advances to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 617,000

The amount payable to the General Fund by the Nonmajor Governmental Funds comprises advances to the Dr. Martin Luther King, Jr. Boulevard Redevelopment and Cleveland Avenue Redevelopment TIF Districts. None of the balance is scheduled to be collected in the subsequent year.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 20 – INTERFUND TRANSFERS**

	Transfers In:			
	General Fund	Revenue Bonds and Notes Fund	Transportation Capital Projects Fund	General Capital Projects Fund
<b>Transfers Out:</b>				
General Fund <sup>(1)</sup>	\$ -	\$ 9,468,231	\$ 167,953	\$ 449,485
Transportation Capital Projects <sup>(2)</sup>	-	1,706,930	-	-
General Capital Projects Funds <sup>(2)</sup>	-	-	1,059,836	-
Nonmajor Governmental Funds <sup>(3)</sup>	-	399,316	94,919	26,112
Water-Wastewater Utility Fund <sup>(4)</sup>	5,854,300	-	-	-
Solid Waste Fund <sup>(4)</sup>	4,642,400	-	-	-
Internal Service Fund <sup>(5)</sup>	2,801,000	82,300	-	-
Nonmajor Business-type Funds <sup>(6)</sup>	114,500	178,496	5,854	-
Total Transfers	<u>\$ 13,412,200</u>	<u>\$ 11,835,273</u>	<u>\$ 1,328,562</u>	<u>\$ 475,597</u>

	Transfers In:		
	Nonmajor Governmental Funds	Nonmajor Business-type Funds	Total Transfers
<b>Transfers Out:</b>			
General Fund <sup>(1)</sup>	\$ 2,059,636	\$ 2,406,400	\$ 14,551,705
Transportation Capital Projects <sup>(2)</sup>	-	-	1,706,930
General Capital Projects Funds <sup>(2)</sup>	-	743,017	1,802,853
Nonmajor Governmental Funds <sup>(3)</sup>	-	-	520,347
Water-Wastewater Utility Fund <sup>(4)</sup>	-	-	5,854,300
Solid Waste Fund <sup>(4)</sup>	-	-	4,642,400
Internal Service Fund <sup>(5)</sup>	-	-	2,883,300
Nonmajor Business-type Funds <sup>(6)</sup>	-	46,500	345,350
Total Transfers	<u>\$ 2,059,636</u>	<u>\$ 3,195,917</u>	<u>\$ 32,307,185</u>

<sup>(1)</sup> Transfers from the General Fund were used to fund debt service needs, capital improvements and grant matching. Transfers to Revenue Bonds and Notes include \$9,273,856 for General Parity sinking fund deposits. The transfers to the Nonmajor Governmental Funds include \$1,931,352 for tax increment funding. Transfers to the Nonmajor Business-type Funds relate to subsidies for the Yacht Basin, Harborside Event Center, Skatium and Department of Cultural and Historic Affairs enterprise funds.

<sup>(2)</sup> Transfers from the two major Capital Projects Funds were used for funding debt service and capital projects.

<sup>(3)</sup> Transfers from Nonmajor Governmental Funds funded debt service and capital project needs.

<sup>(4)</sup> Transfers from the Water-Wastewater Utility Fund and Solid Waste Fund were used to contribute to General Fund operations.

<sup>(5)</sup> Transfers from the Internal Service Fund were used to contribute to operations of the General Fund and to fund debt service needs.

<sup>(6)</sup> Transfers from the Nonmajor Business-type funds were used to contribute to General Fund operations, to fund debt service needs and to fund a Stormwater capital project. The transfer between the Nonmajor Business-type funds relates to funding from the Fort Myers Country Club operations to the Eastwood Golf Course operations.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 21 – REDEVELOPMENT TRUST FUND**

Pursuant to Florida Statute 163.387, the schedule below provides a summary of the sources and amounts of deposits into, and the amount and purpose of withdrawals from, the Redevelopment Trust Fund (Community Redevelopment Agency Fund) for the fiscal year ended September 30, 2013.

	<u>Deposits</u>	<u>Withdrawals</u>
Sources of deposits:		
Tax increment revenue	\$ 2,734,747	\$ -
Charges for services	7,618	-
Operating contributions	45,000	-
Interest and Investment Income	6,928	-
Purpose of withdrawals:		
Personnel services	-	491,158
Professional services	-	113,374
Contract services	-	54,116
Utilities	-	69,377
Rentals and leases	-	145,506
ITS service charges and capital recovery	-	46,800
Insurance	-	23,400
Repairs and maintenance	-	41,991
Printing and binding	-	7,377
Advertising	-	14,309
Public relations	-	2,943
Public relations, special events	-	170,000
Tax increment rebates	-	674,590
General administrative expense	-	142,200
Office supplies	-	15,490
Travel and transportation	-	2,894
Freight and postage	-	475
Improvements	-	28,807
Equipment	-	8,549
Dues and subscriptions	-	5,033
Debt service, principal payments	-	496,154
Debt service, interest payments	-	202,274
Funding for capital projects and equipment	-	3,073
Totals	<u>\$ 2,794,293</u>	<u>\$ 2,759,890</u>

**NOTE 22 – RELATED ORGANIZATION TRANSACTIONS**

The Housing Authority of the City of Fort Myers is considered a related organization. A related organization is one for which the primary government (The City of Fort Myers appoints a voting majority of the board but does not exercise financial control) is not financially accountable. During the fiscal year that ended September 30, 2013, the City received \$103,553 from the Housing Authority for providing additional police protection.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 23 – CONSTRUCTION PROJECT INTEREST COSTS**

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In accordance with Statement of Financial Accounting Standards (SFAS) No. 34, *Capitalization of Interest Cost*, and No. 62, *Capitalization of Interest Costs in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*, the City capitalizes construction in progress interest costs in the Water-Wastewater, Solid Waste, and Yacht Basin fund. For fiscal year ended September 30, 2013, total interest expense was \$10,199,517, of which \$198,097 was capitalized in the Water-Wastewater fund.

**NOTE 24 – CONTINGENCIES**

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**Grants**

The City participates in various federal and state grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures that may be disallowed by the granting agencies cannot be determined at this time. City management anticipates such amounts, if any, will be immaterial.

**Litigation, Claims and Assessments**

There are several pending claims and lawsuits arising from the normal course of business in which the City is involved. Estimated liabilities related to most unsettled claims have been accrued under the City's self-insurance program, and management believes the self-insurance reserves recorded in the Risk Management Fund are adequate to cover losses for which the City may be liable. Although the outcome of these lawsuits and pending claims are not presently determinable, the City's attorneys are not aware of any such claims against the City that would have a material effect on the basic financial statements or the adequacy of the appropriate reserves on deposit in the Risk Management Fund.

On January 21, 2014, City Council approved a settlement agreement in the amount of \$5,800,000 that ended a lawsuit in which the City was defendant for a breach of contract. Settlement avoided the cost and uncertainty of further litigation and appeals. Since the settlement was determined prior to the issuance of the City's financial statements and the lawsuit relates to prior periods, the City accrued the settlement in the governmental fund financial statements as of September 30, 2013.

**NOTE 25 – NEW ACCOUNTING PRONOUNCEMENT**

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For fiscal year ended September 30, 2013, the City implemented Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

As a result of implementing GASB 65, revenues previously recorded as deferred revenue in governmental funds until both measurable and available are reported as deferred inflows of resources until such time the revenue becomes available. Debt refunding amounts previously recorded as contra amounts are reported as deferred outflows or deferred inflows of resources until fully amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. In addition, the implementation of GASB 65 recognizes costs of bond issuance as an expense. Therefore, the adoption of this statement resulted in an increase in fund balance for governmental activities and a decrease to the net position for business-type activities as follows:



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2013**

**NOTE 25 – NEW ACCOUNTING PRONOUNCEMENT (continued)**

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**Governmental Activities:**

Fund balance for the year ended September 30, 2012	\$ 150,466,296
Expense bond issuance costs	(1,280,822)
Deferred outflows	<u>1,903,730</u>
Fund balance for the year ended September 30, 2012, restated	<u>\$ 151,089,204</u>

**Business-type Activities:**

Net position for the year ended September 30, 2012	\$ 123,753,018
Expense bond issuance costs	(3,558,956)
Expense defeasance	(4,374,949)
Deferred outflows	471,158
Deferred inflows	<u>(2,813,589)</u>
Net position for the year ended September 30, 2012, restated	<u>\$ 113,476,682</u>

**NOTE 26 – SUBSEQUENT EVENTS**

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To comply with certain buyback provisions in two Developer Agreements, the City is obligated to buy back impact fee credits apportioned to a local developer, beginning in fiscal year 2014. Under the original Developer Agreements signed in fiscal year 2007, the landowners essentially “prepaid” their proportionate share of traffic impacts, through cash or a combination of cash and land, in exchange for the right to develop a certain level of development without paying impact fees at potentially higher rates in the future and for the “vesting” of that development for concurrency purposes. The Developer Agreements were amended in fiscal year 2009 to decrease the anticipated level of development, which resulted in a decrease in the landowners’ proportionate share; to provide that the proportionate share obligations comprised a cash payment and conveyance of land, and; to recognize that the landowners could convert the prepaid impact fees to impact fee credits at the rate currently provided for such development under Lee County’s impact fee ordinance.

The Amended Developer Agreements also contained buyback provisions for the City to buy back 70% of the Developer’s value of total impact fee credits if certain events transpire that reduce the value of the credits on January 1, 2014, or thereafter. One of these events occurred when Lee County adopted an ordinance that reduced the impact fee rate schedule by an average of 27%.

The City received the Developer’s written request on January 10, 2014. Insufficient information exists at the date of this report to reasonably determine the total amount due to the Developer. As a result, the City recorded a liability of \$3.0 million in the governmental fund financial statements as of September 30, 2013 to recognize this liability. The City is currently negotiating with the Developers and the County to determine the final adjustment amounts.



**Required Supplementary Information  
Other than Management's Discussion & Analysis**

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2013**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive/(Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 45,758,400	\$ 47,022,054	\$ 48,275,377	\$ 1,253,323
Permits and fees	6,611,000	6,611,000	6,418,830	(192,170)
Intergovernmental revenue	6,197,000	6,197,000	6,380,772	183,772
Charges for services	5,718,100	5,723,300	5,714,055	(9,245)
Fines and forfeitures	721,000	721,000	696,997	(24,003)
Miscellaneous	5,138,160	7,560,353	661,511	(6,898,842)
Contributions - private source	2,500	8,198	8,199	1
<b>Total revenues</b>	<b>70,146,160</b>	<b>73,842,905</b>	<b>68,155,740</b>	<b>(5,687,164)</b>
<b>EXPENDITURES</b>				
Current:				
General Government -				
Council - Mayor Pro Tem	7,200	7,200	3,971	3,229
Council - Ward 1	77,800	77,800	74,810	2,990
Council - Ward 2	86,400	86,400	83,506	2,894
Council - Ward 3	70,300	70,300	68,480	1,820
Council - Ward 4	73,600	73,600	72,025	1,575
Council - Ward 5	79,300	79,300	72,057	7,243
Council - Ward 6	83,800	83,800	77,193	6,607
Council - Mayor	124,600	124,600	116,119	8,481
City Manager	674,500	640,700	595,948	44,752
Legal	795,100	835,555	786,894	48,661
City Clerk	1,397,200	1,115,400	1,013,487	101,913
Financial Services	2,785,500	2,626,770	2,600,932	25,838
Human Resources	984,500	881,878	847,323	34,555
Real Estate	379,200	369,725	360,989	8,736
Community Development	773,000	818,528	755,320	63,208
Contributions	188,200	205,000	205,000	-
General Contingencies	20,000	-	-	-
Insurance	182,500	182,530	182,530	-
<b>Total General Government</b>	<b>8,782,700</b>	<b>8,279,086</b>	<b>7,916,585</b>	<b>362,501</b>
Public Safety -				
Police	32,041,300	33,769,717	33,719,460	50,257
Fire	17,399,800	17,662,547	17,639,181	23,366
Protective Inspections	1,516,800	1,573,623	1,473,063	100,560
<b>Total Public Safety</b>	<b>50,957,900</b>	<b>53,005,887</b>	<b>52,831,703</b>	<b>174,184</b>
Transportation -				
Public Works	437,600	443,256	434,232	9,024
Insurance	7,300	7,300	7,300	-
<b>Total Transportation</b>	<b>444,900</b>	<b>450,556</b>	<b>441,532</b>	<b>9,024</b>
Physical Environment - Public Works	5,377,700	5,504,846	5,157,049	347,797
Culture and Recreation -				
Public Works	2,279,900	2,239,000	2,234,229	4,770
Contributions	153,000	153,000	153,000	-
Special Events	141,500	141,500	118,420	23,080
Arts and Culture	145,000	48,000	48,000	-
<b>Total Culture and Recreation</b>	<b>2,719,400</b>	<b>2,581,500</b>	<b>2,553,649</b>	<b>27,851</b>
<b>Total Current</b>	<b>68,282,600</b>	<b>69,821,875</b>	<b>68,900,518</b>	<b>921,357</b>
<b>Total expenditures</b>	<b>68,282,600</b>	<b>69,821,875</b>	<b>68,900,518</b>	<b>921,357</b>
Excess of revenues over expenditures	1,863,560	4,021,030	(744,778)	(4,765,808)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	13,557,500	13,412,200	13,412,200	-
Transfers out:				
Debt service transfers out	(9,617,100)	(9,529,000)	(9,468,231)	60,769
Capital funding transfers out	(420,000)	(2,453,592)	(617,438)	1,836,154
General transfers out	(5,383,960)	(5,450,638)	(5,440,736)	9,902
<b>Total transfers out</b>	<b>(15,421,060)</b>	<b>(17,433,230)</b>	<b>(15,526,405)</b>	<b>1,906,825</b>
<b>Total other financing sources and uses</b>	<b>(1,863,560)</b>	<b>(4,021,030)</b>	<b>(2,114,205)</b>	<b>1,906,825</b>
Net change in fund balances	-	-	(2,858,983)	(2,858,983)
<b>Fund balances - beginning</b>	<b>19,207,137</b>	<b>19,207,137</b>	<b>19,207,137</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 19,207,137</b>	<b>\$ 19,207,137</b>	<b>\$ 16,348,154</b>	<b>\$ (2,858,983)</b>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to Required Supplementary Information**  
**For the Year Ended September 30, 2013**

**Note 1 - BUDGETARY REPORTING**

**A. Reconciliation of Budgetary Basis Reporting Differences**

The *Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General Fund* presents comparisons of the legally adopted budget with actual data on a budgetary basis. Governmental funds applied to develop data on a budgetary basis differ from those presented in the governmental fund financial statement due to the implementation of GASB 54. The following describes the major differences between budgetary financial data and the governmental fund financials.

**Perspective differences** - Certain funds not included in the General Fund's annual budget but which are presented in the General Fund for purposes of the governmental financial statements.

The following table presents a reconciliation of General Fund fund balance perspective differences on a budgetary basis to the fund balances shown on a GAAP basis on the governmental fund financial statements at September 30, 2012:

	General Fund
	<hr/>
Fund Balance - actual on a budgetary basis	\$ 16,348,154
Perspective Differences:	
Beautification	79,362
Business Development Center	13,651
Cemetery Maintenance	979,069
Facilities Management and Construction	406,026
Land Acquisition	503,421
Off Duty Pay	441,752
Submerged Land Lease	73,135
	<hr/>
Fund balance - actual on a GAAP basis on governmental fund financial statements	<u>\$ 18,844,569</u>

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Funding Progress**  
**For the Year Ended September 30, 2013**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age Normal (b)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Annual Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
<b>City of Fort Myers General Employees' Pension Plan (GEPP)</b>						
10/01/13	\$ 79,486,877	\$ 136,679,325	\$ 57,192,448	58.16%	\$ 21,092,818	271.15%
10/01/12	74,235,307	129,474,676	55,239,369	57.34%	20,847,217	264.97%
10/01/11	68,620,695	123,124,219	54,503,524	55.73%	23,572,017	231.22%
10/01/10	70,436,426	137,465,641	67,029,215	51.24%	25,753,922	260.27%
10/01/09	68,557,608	131,773,409	63,215,801	52.03%	27,501,914	229.86%
10/01/08	67,568,410	125,300,972	57,732,562	53.92%	27,702,349	208.40%
<b>City of Fort Myers Police Officers' Retirement System (PORS)</b>						
10/01/13	\$ 80,306,844	\$ 153,600,950	\$ 73,294,106	52.28%	\$ 11,537,866	633.27%
10/01/12	71,107,120	146,236,582	75,129,462	48.62%	11,359,363	661.39%
10/01/11	63,608,039	138,042,162	74,434,123	46.08%	11,090,359	671.16%
10/01/10	63,010,078	132,363,083 <sup>(1)</sup>	69,353,005 <sup>(1)</sup>	47.60% <sup>(1)</sup>	11,433,914	606.56% <sup>(1)</sup>
10/01/09	59,939,152	118,630,585	58,691,433	50.53%	10,581,863	554.64%
10/01/08	60,180,721	109,844,156	49,663,435	54.79%	8,809,084	563.78%
<b>City of Fort Myers Municipal Firefighters' Pension Trust Fund (MFPTF)</b>						
10/01/13	\$ 56,524,943	\$ 101,177,134	\$ 44,652,191	55.87%	\$ 7,941,816	562.24%
10/01/12	49,342,447	90,654,374	41,311,927	54.43%	8,085,699	510.93%
10/01/11	44,481,776	85,276,600	40,794,824	52.16%	8,096,721	503.84%
10/01/10	43,429,828	84,336,612	40,906,784	51.50%	7,230,421	565.76%
10/01/09	41,426,687	81,722,634	40,295,947	50.69%	7,376,175	546.30%
10/01/08	44,758,888	80,669,695	35,910,807	55.48%	6,775,452	530.01%

<sup>(1)</sup> Figures from revised October 1, 2010, actuarial valuation report issued July 21, 2011. Revision prepared due to request from State of Florida - Division of Retirement that the investment rate assumption be lowered.

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions from Employer and Others**  
**For the Year Ended September 30, 2013**

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
<b>City of Fort Myers General Employees' Pension Plan (GEPP) <sup>(1)</sup></b>		
2013	\$ 5,427,855	100.00%
2012	6,379,046	100.00%
2011	5,680,028	100.00%
2010	6,148,648	100.00%
2009	5,568,800	100.01%
2008	4,556,016	100.77%
<b>City of Fort Myers Police Officers' Retirement System (PORS) <sup>(2)</sup></b>		
2013	\$ 9,897,942	100.00%
2012	9,491,235	100.00%
2011	7,750,395	100.00%
2010	7,500,167	100.00%
2009	5,297,500	100.00%
2008	3,172,079	100.00%
<b>City of Fort Myers Municipal Firefighters' Pension Trust Fund (MFPTF) <sup>(2)</sup></b>		
2013	\$ 5,444,898	100.00%
2012	5,146,760	100.00%
2011	4,983,291	100.00%
2010	4,678,884	100.00%
2009	3,798,438	100.00%
2008	2,864,882	100.00%

<sup>(1)</sup> Includes only required employer contributions.

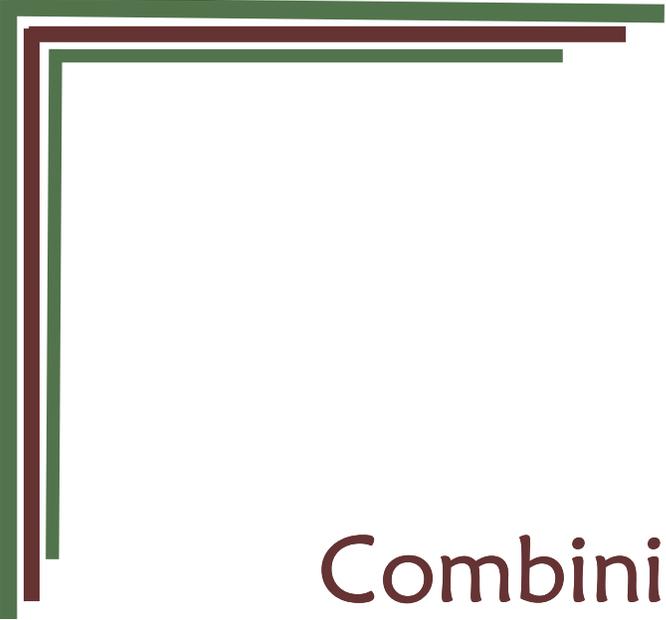
<sup>(2)</sup> Includes required contributions by employer and excise tax refunds on certain insurance policies. The amount of excise tax refunds provided by the State to be included above are "frozen" per Florida Statutes. Monies received in excess of the "frozen" amount are not included above but must be applied to Plan enhancements.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Other Postemployment Benefits (OPEB)**  
**For the Year Ended September 30, 2013**

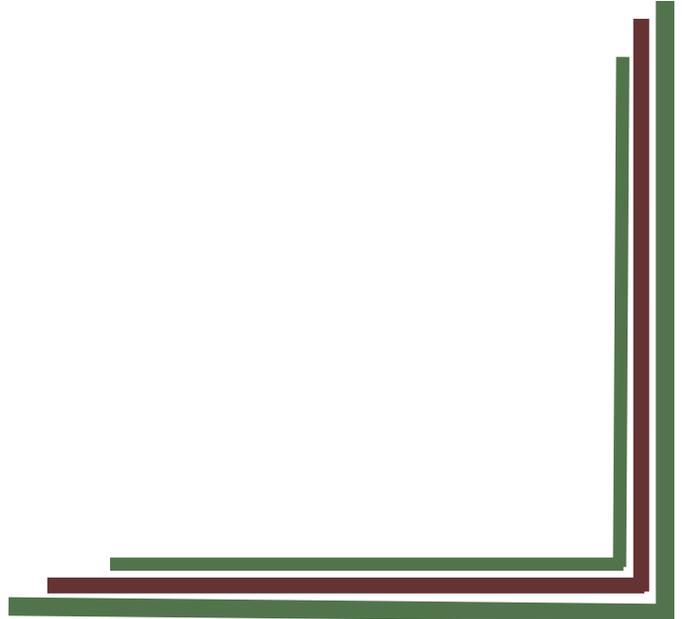
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (Entry Age) (b)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
10/01/12	\$ -	\$ 20,978,235	\$ 20,978,235	0.00%	\$ 35,623,010	58.9%
10/01/10	-	21,285,518	21,285,518	0.00%	39,836,951	53.4%
10/01/08	-	16,271,673	16,271,673	0.00%	40,053,162	40.6%
10/01/07	-	22,351,815	22,351,815	0.00%	49,879,048	44.8%





# Combining Statements and Schedules





**CITY OF FORT MYERS**  
**Major Governmental Funds**

**Debt Service Fund**

**Revenue Bonds and Notes** – To account for the accumulation of resources and the payment of principal and interest related to the City's Governmental Unit Note (Loan from the City of Gulf Breeze, Florida Local Government Loan Program, Series 1985B); Gas Tax Revenue Bonds, Series 2004A; Governmental Unit Note, Series 2005C (Loan from the Florida Municipal Loan Council Revenue Bond, Series 2005C); Improvement and Refunding Revenue Bonds, Series 2006; and Improvement Refunding Revenue Bonds, Series 2007.



**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Revenue Bonds and Notes**  
**For the Year Ended September 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 2,243	\$ 2,243
Total revenues	-	-	2,243	2,243
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	7,092,700	7,004,600	6,941,995	62,605
Interest and fiscal charges	4,894,500	4,894,500	4,892,919	1,581
Total expenditures	11,987,200	11,899,100	11,834,914	64,186
Excess (deficiency) of revenues over (under) expenditures	(11,987,200)	(11,899,100)	(11,832,671)	66,429
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	11,987,200	11,899,100	11,835,273	(63,827)
Total other financing sources and uses	11,987,200	11,899,100	11,835,273	(63,827)
Net change in fund balances	-	-	2,602	2,602
Fund balances - beginning	7,262,753	7,262,753	7,262,753	-
Fund balances - ending	\$ 7,262,753	\$ 7,262,753	\$ 7,265,355	\$ 2,602

# CITY OF FORT MYERS

## Nonmajor Governmental Funds

### Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

**Law Enforcement Trust** – To account for the proceeds collected under the Florida Contraband Forfeiture Act to be used for school resource officers, crime prevention, safe neighborhoods, drug abuse education and prevention programs, and for other law enforcement purposes and providing matching funds to obtain federal grants.

**Federal Forfeiture** – To account for federal forfeiture proceeds, which can be expended for any activity calculated to enhance future investigations, support investigations and operations that may result in further seizures and forfeitures.

**FEMA Disaster Grant** – To account for the expenditures related to the damage caused by Hurricane Charley and the associated cleanup cost to be reimbursed by the Federal government.

**Grants** – To account for monies, received from various Federal, State and local agencies or private foundations, which must be expended according to the terms of grant requirements.

**Special Assessment Geographical Area Administration** – To account for Special Assessment District administration fees.

**Police Training** – To account for the \$2 assessment paid by persons convicted for violation of city ordinances. This assessment may be used for criminal justice education and training for the local government unit's officers and support personnel.

**Street Light Maintenance** – To account for the accumulation of funds to provide repairs and maintenance for certain street light poles and ballasts.

**Street Maintenance** – To account for funds received from the State for traffic light and street maintenance.

**Winkler Safe Neighborhood** – To account for the debt service payments related to bonds issued by the City directly related to the Winkler Safe Neighborhood Improvement District.

**Public Art Fund** – To account for proceeds from in-lieu contributions and all other revenue to support Public Art.

**Law Enforcement Equipment Fund** – To account for donations required of developers for law enforcement equipment purchases necessitated by commercial and residential development.

**Attainable Workforce Housing Fund** – To account for resources from developer contributions to provide loans to eligible residents with income of 150% of the median income for Lee County.

**Hurricane Shelter** – To account for developer contributions made to rehabilitate downtown buildings for use as hurricane shelters.

**Public-Private Parking** – To account for developer fees paid in lieu of the provision for parking.

**East Riverside Community Center** – To account for operations and maintenance of the community center, built for the citizens and visitors of Fort Myers and Lee County.

**CITY OF FORT MYERS**  
**Nonmajor Governmental Funds (continued)**

**Special Revenue Funds (continued)**

**Para-Transit Fund** – To account for developer contributions made annually for a downtown trolley system.

**Patrons of the Palms** – To account for operations and resources related to maintaining palm trees, to enhance the City's identity as the "City of Palms".

**State Housing Initiative Partnership Program** – To account for funds received from the State of Florida to assist very low, low, and moderate income persons or families in becoming single-family homeowners.

**Community Redevelopment Agency:**

**Downtown Redevelopment Area** – To account for the operations and resources related to the Downtown Redevelopment Area.

**Other Redevelopment Areas** – To account for the administration and resources related to implementing the Cleveland Avenue Redevelopment Areas, the Central Fort Myers Redevelopment Area, the Martin Luther King Redevelopment Areas, Velasco Village Redevelopment Area, the East Fort Myers Redevelopment Area, the Eastwood Village Redevelopment Area, and the Dunbar-Michigan Redevelopment Area.

**Community Development Block Grant Program** – To account for monies received from the U.S. Department of Housing and Urban Development for community redevelopment.

**Crime Prevention Fund** – To account for monies received from fines, which are used to advance the crime prevention program.

**Permanent Fund**

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs.

**Ned Fould's Police Award Fund** – To account for a donation to the City to provide an award to the City's Police Officer of the Year. The interest is awarded to the Officer of the Year with the principal being retained in the fund.

**CITY OF FORT MYERS, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	<b>Special Revenue Funds</b>			
	<b>Law Enforcement Trust</b>	<b>Federal Forfeiture</b>	<b>FEMA Disaster Grant</b>	<b>Grants</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 96,921	\$ 59,351	\$ 18,193	\$ -
Investments	37,556	22,997	7,108	-
Accounts receivable, net	-	-	-	-
Interest receivable	149	142	28	-
Due from other governmental agencies	-	6,818	-	615,367
Inventories	-	-	-	150,000
Prepaid items	-	-	-	333
Notes receivable	-	-	-	-
Allowance for notes receivable	-	-	-	-
Assets held for resale	-	-	-	-
<b>Total assets</b>	<b>\$ 134,626</b>	<b>\$ 89,308</b>	<b>\$ 25,329</b>	<b>\$ 765,700</b>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 881	\$ 805	\$ -	\$ 10,051
Accrued and other liabilities	2,434	-	-	3,614
Due to other funds	-	-	-	602,035
Due to other governmental agencies	-	-	-	150,000
Funds held in escrow	-	-	-	-
Unearned revenue	-	-	-	104,447
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>3,315</b>	<b>805</b>	<b>-</b>	<b>870,147</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-grant receipts	-	-	6,255	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>6,255</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Asset held for resale	-	-	-	-
Public safety principal, nonexpendable	-	-	-	-
Restricted for:				
Donations received	-	-	-	-
CRA	-	-	-	-
Debt service	-	-	-	-
Economic environment	-	-	-	-
Law enforcement programs	131,311	88,503	-	-
Physical environment	-	-	19,074	-
Transportation	-	-	-	-
Committed to:				
Law enforcement programs	-	-	-	-
Unassigned	-	-	-	(104,447)
<b>Total fund balances</b>	<b>131,311</b>	<b>88,503</b>	<b>19,074</b>	<b>(104,447)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 134,626</b>	<b>\$ 89,308</b>	<b>\$ 25,329</b>	<b>\$ 765,700</b>



**Special Revenue Funds**

<b>SAGA Admin</b>	<b>Police Training</b>	<b>Street Light Maintenance</b>	<b>Street Maintenance</b>	<b>Winkler Safe Neighborhood</b>	<b>Public Art</b>
\$ 131,091	\$ 77,865	\$ 83,797	\$ 539,739	\$ 108,955	\$ 91,341
50,796	30,172	32,735	209,140	42,219	35,394
-	-	-	-	-	-
233	138	174	917	562	189
-	2,748	-	454,676	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 182,120</u>	<u>\$ 110,923</u>	<u>\$ 116,706</u>	<u>\$ 1,204,472</u>	<u>\$ 151,736</u>	<u>\$ 126,924</u>
\$ -	\$ -	\$ -	\$ 58,569	\$ -	\$ -
-	2,406	-	4,617	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>2,406</u>	<u>-</u>	<u>63,186</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	126,924
-	-	-	-	-	-
-	-	-	-	151,736	-
-	-	-	-	-	-
-	108,517	-	-	-	-
182,120	-	-	-	-	-
-	-	116,706	1,141,286	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>182,120</u>	<u>108,517</u>	<u>116,706</u>	<u>1,141,286</u>	<u>151,736</u>	<u>126,924</u>
<u>\$ 182,120</u>	<u>\$ 110,923</u>	<u>\$ 116,706</u>	<u>\$ 1,204,472</u>	<u>\$ 151,736</u>	<u>\$ 126,924</u>

(continued)

**CITY OF FORT MYERS, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	<b>Special Revenue Funds</b>			
	<b>Law Enforcement Equipment</b>	<b>Attainable Workforce Housing</b>	<b>Hurricane Shelter</b>	<b>Public-Private Parking</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,598	\$ 646,379	\$ 245,622	\$ 265,437
Investments	624	252,506	95,952	102,853
Accounts receivable, net	-	-	-	-
Interest receivable	3	1,317	437	472
Due from other governmental agencies	-	-	-	-
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Notes receivable	-	194,272	-	-
Allowance for notes receivable	-	(194,272)	-	-
Assets held for resale	-	-	-	-
Total assets	<u>\$ 2,225</u>	<u>\$ 900,202</u>	<u>\$ 342,011</u>	<u>\$ 368,762</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts and contracts payable	\$ -	\$ 1,659	\$ -	\$ -
Accrued and other liabilities	-	1,157	-	-
Due to other funds	-	-	-	-
Due to other governmental agencies	-	-	-	-
Funds held in escrow	-	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>2,816</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-grant receipts	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Asset held for resale	-	-	-	-
Public safety principal, nonexpendable	-	-	-	-
Restricted for:				
Donations received	-	897,386	342,011	368,762
CRA	-	-	-	-
Debt service	-	-	-	-
Economic environment	-	-	-	-
Law enforcement programs	2,225	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Committed to:				
Law enforcement programs	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,225</u>	<u>897,386</u>	<u>342,011</u>	<u>368,762</u>
Total liabilities and fund balances	<u>\$ 2,225</u>	<u>\$ 900,202</u>	<u>\$ 342,011</u>	<u>\$ 368,762</u>

**Special Revenue Funds**

<b>East Riverside Community Center</b>	<b>Para-Transit</b>	<b>Patrons of the Palms</b>	<b>State Housing Initiative Partnership</b>	<b>Community Redevelopment Agency</b>	<b>Community Development Block Grant</b>
\$ 16,531	\$ 163,680	\$ 13,271	\$ 350,445	\$ 3,403,610	\$ -
6,406	63,423	5,143	140,051	1,336,943	-
-	-	-	-	78,121	-
29	284	24	491	5,961	-
-	-	-	-	-	395,844
-	-	-	-	-	-
-	-	-	-	12,526	-
-	-	-	1,893,468	-	2,624,653
-	-	-	(1,893,468)	-	(2,624,653)
-	-	-	-	419,457	793,708
<u>\$ 22,966</u>	<u>\$ 227,387</u>	<u>\$ 18,438</u>	<u>\$ 490,987</u>	<u>\$ 5,256,618</u>	<u>\$ 1,189,552</u>
\$ -	\$ -	\$ -	\$ -	\$ 132,954	\$ 88,162
-	-	-	1,546	1,388	771
-	-	-	-	-	294,567
-	-	-	-	16	793,708
-	-	-	-	-	-
-	-	-	-	78,050	41,215
-	-	-	-	617,000	-
-	-	-	1,546	829,408	1,218,423
-	-	-	-	-	-
-	-	-	102,190	-	12,345
-	-	-	102,190	-	12,345
-	-	-	-	419,457	-
-	-	-	-	-	-
22,966	227,387	18,438	-	-	-
-	-	-	-	4,007,753	-
-	-	-	-	-	-
-	-	-	387,251	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(41,216)
<u>22,966</u>	<u>227,387</u>	<u>18,438</u>	<u>387,251</u>	<u>4,427,210</u>	<u>(41,216)</u>
<u>\$ 22,966</u>	<u>\$ 227,387</u>	<u>\$ 18,438</u>	<u>\$ 490,987</u>	<u>\$ 5,256,618</u>	<u>\$ 1,189,552</u>

(continued)

**CITY OF FORT MYERS, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	<u>Special Revenue Funds</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Crime Prevention</u>	<u>Ned Foulds' Police Award Fund</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 40,942	\$ 1,724	\$ 6,356,492
Investments	15,864	673	2,488,555
Accounts receivable, net	-	-	78,121
Interest receivable	67	3	11,620
Due from other governmental agencies	118	-	1,475,571
Inventories	-	-	150,000
Prepaid items	-	-	12,859
Notes receivable	-	-	4,712,393
Allowance for notes receivable	-	-	(4,712,393)
Assets held for resale	-	-	1,213,165
Total assets	<u>\$ 56,991</u>	<u>\$ 2,400</u>	<u>\$ 11,786,383</u>
<b>LIABILITIES</b>			
Accounts and contracts payable	\$ -	\$ -	\$ 293,081
Accrued and other liabilities	-	-	17,933
Due to other funds	-	-	896,602
Due to other governmental agencies	-	-	943,724
Funds held in escrow	-	400	400
Unearned revenue	-	-	223,712
Advances from other funds	-	-	617,000
Total liabilities	<u>-</u>	<u>400</u>	<u>2,992,452</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-grant receipts	-	-	120,790
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>120,790</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Asset held for resale	-	-	419,457
Public safety principal, nonexpendable	-	2,000	2,000
Restricted for:			
Donations received	-	-	2,003,874
CRA	-	-	4,007,753
Debt service	-	-	151,736
Economic environment	-	-	387,251
Law enforcement programs	-	-	330,556
Physical environment	-	-	201,194
Transportation	-	-	1,257,992
Committed to:			
Law enforcement programs	56,991	-	56,991
Unassigned	-	-	(145,663)
Total fund balances	<u>56,991</u>	<u>2,000</u>	<u>8,673,141</u>
Total liabilities and fund balances	<u>\$ 56,991</u>	<u>\$ 2,400</u>	<u>\$ 11,786,383</u>

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2013**

	<b>Special Revenue Funds</b>			
	<b>Law Enforcement Trust</b>	<b>Federal Forfeiture</b>	<b>FEMA Disaster Grant</b>	<b>Grants</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	5,976	3,191,421
Fines and forfeitures	92,428	90,110	-	-
Miscellaneous	9,821	37,098	2	-
Contributions-private source	-	-	-	-
Total revenues	<u>102,249</u>	<u>127,208</u>	<u>5,978</u>	<u>3,191,421</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Police	88,746	147,055	-	504,694
Fire	-	-	-	2,775,802
Transportation	-	-	-	-
Economic environment	-	-	-	-
Debt service:				
Principal retirement	-	-	-	10,050
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>88,746</u>	<u>147,055</u>	<u>-</u>	<u>3,290,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,503</u>	<u>(19,847)</u>	<u>5,978</u>	<u>(99,125)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	41,984
Transfers out	-	-	-	-
Capital lease	-	-	-	48,881
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,865</u>
Net change in fund balances	13,503	(19,847)	5,978	(8,260)
<b>Fund balance - beginning</b>	<u>117,808</u>	<u>108,350</u>	<u>13,096</u>	<u>(96,187)</u>
<b>Fund balance - ending</b>	<u>\$ 131,311</u>	<u>\$ 88,503</u>	<u>\$ 19,074</u>	<u>\$ (104,447)</u>

(continued)

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2013**

	<b>Special Revenue Funds</b>			
	<b>SAGA Admin</b>	<b>Police Training</b>	<b>Street Light Maintenance</b>	<b>Street Maintenance</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 2,330,342
Intergovernmental revenue	-	-	-	513,313
Fines and forfeitures	-	-	-	-
Miscellaneous	271	37,485	144	567,130
Contributions-private source	-	-	-	-
Total revenues	<u>271</u>	<u>37,485</u>	<u>144</u>	<u>3,410,785</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Police	-	38,773	-	-
Fire	-	-	-	-
Transportation	-	-	3,517	3,399,217
Economic environment	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>38,773</u>	<u>3,517</u>	<u>3,399,217</u>
Excess (deficiency) of revenues over (under) expenditures	<u>271</u>	<u>(1,288)</u>	<u>(3,373)</u>	<u>11,568</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	41,300
Transfers out	-	-	-	(94,919)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,619)</u>
Net change in fund balances	271	(1,288)	(3,373)	(42,051)
<b>Fund balance - beginning</b>	<u>181,849</u>	<u>109,805</u>	<u>120,079</u>	<u>1,183,337</u>
<b>Fund balance - ending</b>	<u>\$ 182,120</u>	<u>\$ 108,517</u>	<u>\$ 116,706</u>	<u>\$ 1,141,286</u>

**Special Revenue Funds**

<b>Winkler Safe Neighborhood</b>	<b>Public Art</b>	<b>Law Enforcement Equipment</b>	<b>Attainable Workforce Housing</b>	<b>Hurricane Shelter</b>	<b>Public-Private Parking</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,377	261	3	999	355	549
-	130	-	-	-	-
<u>1,377</u>	<u>391</u>	<u>3</u>	<u>999</u>	<u>355</u>	<u>549</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	121,056	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>121,056</u>	<u>-</u>	<u>-</u>
<u>1,377</u>	<u>391</u>	<u>3</u>	<u>(120,057)</u>	<u>355</u>	<u>549</u>
-	-	-	-	-	-
(399,316)	(20,764)	-	-	-	-
-	-	-	-	-	-
<u>(399,316)</u>	<u>(20,764)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(397,939)	(20,373)	3	(120,057)	355	549
549,675	147,297	2,222	1,017,443	341,656	368,213
<u>\$ 151,736</u>	<u>\$ 126,924</u>	<u>\$ 2,225</u>	<u>\$ 897,386</u>	<u>\$ 342,011</u>	<u>\$ 368,762</u>

(continued)

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2013**

	<b>Special Revenue Funds</b>			
	<b>East Riverside Community Center</b>	<b>Para-Transit</b>	<b>Patrons of the Palms</b>	<b>State Housing Initiative Partnership</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	25,976
Fines and forfeitures	-	-	-	-
Miscellaneous	34	2,498	28	353
Contributions-private source	-	86,247	-	-
<b>Total revenues</b>	<u>34</u>	<u>88,745</u>	<u>28</u>	<u>26,329</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Transportation	-	109,508	-	-
Economic environment	-	-	-	21,350
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>109,508</u>	<u>-</u>	<u>21,350</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34</u>	<u>(20,763)</u>	<u>28</u>	<u>4,979</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing     sources and uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	34	(20,763)	28	4,979
<b>Fund balance - beginning</b>	<u>22,932</u>	<u>248,150</u>	<u>18,410</u>	<u>382,272</u>
<b>Fund balance - ending</b>	<u>\$ 22,966</u>	<u>\$ 227,387</u>	<u>\$ 18,438</u>	<u>\$ 387,251</u>



	Special Revenue Funds		Permanent Fund	Total
Community Redevelopment Agency	Community Development Block Grant	Crime Prevention	Ned Foulds' Police Award Fund	Nonmajor Governmental Funds
\$ 803,395	\$ -	\$ -	\$ -	\$ 3,133,737
-	1,388,630	-	-	5,125,316
-	-	3,975	-	186,513
14,546	201,217	71	-	874,242
-	-	-	-	86,377
<u>817,941</u>	<u>1,589,847</u>	<u>4,046</u>	<u>-</u>	<u>9,406,185</u>
-	-	-	-	779,268
-	-	-	-	2,775,802
-	-	-	-	3,512,242
2,058,389	1,409,501	-	-	3,610,296
496,154	25,000	-	-	531,204
202,274	4,808	-	-	207,082
<u>2,756,817</u>	<u>1,439,309</u>	<u>-</u>	<u>-</u>	<u>11,415,894</u>
<u>(1,938,876)</u>	<u>150,538</u>	<u>4,046</u>	<u>-</u>	<u>(2,009,709)</u>
1,976,352	-	-	-	2,059,636
(3,073)	(2,275)	-	-	(520,347)
-	-	-	-	48,881
<u>1,973,279</u>	<u>(2,275)</u>	<u>-</u>	<u>-</u>	<u>1,588,170</u>
34,403	148,263	4,046	-	(421,539)
4,392,807	(189,479)	52,945	2,000	9,094,680
<u>\$ 4,427,210</u>	<u>\$ (41,216)</u>	<u>\$ 56,991</u>	<u>\$ 2,000</u>	<u>\$ 8,673,141</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Law Enforcement Trust Fund**  
**For the Year Ended September 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 5,000	\$ 20,000	\$ 92,428	\$ 72,428
Miscellaneous	95,000	95,000	9,821	(85,179)
Total revenues	<u>100,000</u>	<u>115,000</u>	<u>102,249</u>	<u>(12,751)</u>
<b>EXPENDITURES</b>				
Current:				
Police	<u>100,000</u>	<u>115,000</u>	<u>88,746</u>	<u>26,254</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>13,503</u>	<u>13,503</u>
Net change in fund balances	-	-	13,503	13,503
Fund balances - beginning	117,808	117,808	117,808	-
Fund balances - ending	<u>\$ 117,808</u>	<u>\$ 117,808</u>	<u>\$ 131,311</u>	<u>\$ 13,503</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Federal Forfeiture Fund**  
**For the Year Ended September 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 40,000	\$ 79,500	\$ 90,110	\$ 10,610
Miscellaneous	60,500	70,118	37,098	(33,020)
Total revenues	<u>100,500</u>	<u>149,618</u>	<u>127,208</u>	<u>(22,410)</u>
<b>EXPENDITURES</b>				
Current:				
Police	<u>100,500</u>	<u>149,618</u>	<u>147,055</u>	<u>2,563</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(19,847)</u>	<u>(19,847)</u>
Net change in fund balances	-	-	(19,847)	(19,847)
Fund balances - beginning	108,350	108,350	108,350	-
Fund balances - ending	<u>\$ 108,350</u>	<u>\$ 108,350</u>	<u>\$ 88,503</u>	<u>\$ (19,847)</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**FEMA Disaster Grant**  
**For the Year Ended September 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 5,976	\$ 5,976
Miscellaneous	-	-	2	2
Total revenues	-	-	5,978	5,978
Excess (deficiency) of revenues over (under) expenditures	-	-	5,978	5,978
Net change in fund balances	-	-	5,978	5,978
Fund balances - beginning	13,096	13,096	13,096	-
Fund balances - ending	<u>\$ 13,096</u>	<u>\$ 13,096</u>	<u>\$ 19,074</u>	<u>\$ 5,978</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Grants**  
**For the Year Ended September 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental revenue	\$ 955,521	\$ 6,770,567	\$ 3,191,421	\$ (3,579,146)
Total revenues	955,521	6,770,567	3,191,421	(3,579,146)
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Police	660,481	970,007	504,694	465,313
Fire	335,700	5,842,745	2,775,802	3,066,943
Total current	996,181	6,812,752	3,280,496	3,532,256
Debt service:				
Principal retirement	-	-	10,050	(10,050)
Total debt service	-	-	10,050	(10,050)
Total expenditures	996,181	6,812,752	3,290,546	3,522,206
Excess (deficiency) of revenues over (under) expenditures	(40,660)	(42,185)	(99,125)	(56,940)
<b>OTHER FINANCING SOURCES (USES)</b>				
Installment purchase proceeds	-	-	48,881	48,881
Transfers in	40,660	42,185	41,984	(201)
Total other financing sources and uses	40,660	42,185	90,865	48,680
Net change in fund balances	-	-	(8,260)	(8,260)
Fund balances - beginning	(96,187)	(96,187)	(96,187)	-
Fund balances - ending	\$ (96,187)	\$ (96,187)	\$ (104,447)	\$ (8,260)

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Special Assessment Geographical Area Administration**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 271	\$ 271
Total revenues	-	-	271	271
Excess (deficiency) of revenues over (under) expenditures	-	-	271	271
Net change in fund balances	-	-	271	271
Fund balances - beginning	181,849	181,849	181,849	-
Fund balances - ending	<u>\$ 181,849</u>	<u>\$ 181,849</u>	<u>\$ 182,120</u>	<u>\$ 271</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Police Training Fund**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ 61,300	\$ 61,300	\$ 37,485	\$ (23,815)
Total revenues	<u>61,300</u>	<u>61,300</u>	<u>37,485</u>	<u>(23,815)</u>
<b>EXPENDITURES</b>				
Current:				
Police	<u>61,300</u>	<u>61,300</u>	<u>38,773</u>	<u>22,527</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(1,288)</u>	<u>(1,288)</u>
Net change in fund balances	-	-	(1,288)	(1,288)
Fund balances - beginning	109,805	109,805	109,805	-
Fund balances - ending	<u>\$ 109,805</u>	<u>\$ 109,805</u>	<u>\$ 108,517</u>	<u>\$ (1,288)</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Street Light Maintenance Fund**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ 3,517	\$ 3,517	\$ 144	\$ (3,373)
Total revenues	<u>3,517</u>	<u>3,517</u>	<u>144</u>	<u>(3,373)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	<u>3,517</u>	<u>3,517</u>	<u>3,517</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(3,373)</u>	<u>(3,373)</u>
Net change in fund balances	-	-	(3,373)	(3,373)
Fund balances - beginning	<u>120,079</u>	<u>120,079</u>	<u>120,079</u>	<u>-</u>
Fund balances - ending	<u>\$ 120,079</u>	<u>\$ 120,079</u>	<u>\$ 116,706</u>	<u>\$ (3,373)</u>



**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Street Maintenance Fund**  
**For the Year Ended September 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 2,275,000	\$ 2,275,000	\$ 2,330,342	\$ 55,342
Intergovernmental revenue	530,000	530,000	513,313	(16,687)
Miscellaneous	1,158,500	1,212,943	567,130	(645,813)
Total revenues	<u>3,963,500</u>	<u>4,017,943</u>	<u>3,410,785</u>	<u>(607,158)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	<u>3,694,800</u>	<u>3,721,417</u>	<u>3,399,217</u>	<u>322,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>268,700</u>	<u>296,526</u>	<u>11,568</u>	<u>(284,958)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	31,300	41,300	41,300	-
Transfers out	<u>(300,000)</u>	<u>(337,826)</u>	<u>(94,919)</u>	<u>242,907</u>
Total other financing sources and uses	<u>(268,700)</u>	<u>(296,526)</u>	<u>(53,619)</u>	<u>242,907</u>
Net change in fund balances	-	-	(42,051)	(42,051)
Fund balances - beginning	<u>1,183,337</u>	<u>1,183,337</u>	<u>1,183,337</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,183,337</u>	<u>\$ 1,183,337</u>	<u>\$ 1,141,286</u>	<u>\$ (42,051)</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Winkler Safe Neighborhood Fund**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ 401,400	\$ 401,400	\$ 1,377	\$ (400,023)
Total revenues	<u>401,400</u>	<u>401,400</u>	<u>1,377</u>	<u>(400,023)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>401,400</u>	<u>401,400</u>	<u>1,377</u>	<u>(400,023)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(401,400)</u>	<u>(401,400)</u>	<u>(399,316)</u>	<u>2,084</u>
Total other financing sources and uses	<u>(401,400)</u>	<u>(401,400)</u>	<u>(399,316)</u>	<u>2,084</u>
Net change in fund balances	-	-	(397,939)	(397,939)
Fund balances - beginning	<u>549,675</u>	<u>549,675</u>	<u>549,675</u>	<u>-</u>
Fund balances - ending	<u>\$ 549,675</u>	<u>\$ 549,675</u>	<u>\$ 151,736</u>	<u>\$ (397,939)</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Public Art Fund**  
**For the Year Ended September 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 124,484	\$ 261	\$ (124,223)
Contributions - private source	-	-	130	130
Total revenues	-	124,484	391	(124,093)
Excess (deficiency) of revenues over (under) expenditures	-	124,484	391	(124,093)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(124,484)	(20,764)	103,720
Total other financing sources and uses	-	(124,484)	(20,764)	103,720
Net change in fund balances	-	-	(20,373)	(20,373)
Fund balances - beginning	147,297	147,297	147,297	-
Fund balances - ending	<u>\$ 147,297</u>	<u>\$ 147,297</u>	<u>\$ 126,924</u>	<u>\$ (20,373)</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Law Enforcement Equipment Fund**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
Excess (deficiency) of revenues over (under) expenditures	-	-	3	3
Net change in fund balances	-	-	3	3
Fund balances - beginning	2,222	2,222	2,222	-
Fund balances - ending	<u>\$ 2,222</u>	<u>\$ 2,222</u>	<u>\$ 2,225</u>	<u>\$ 3</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Attainable Workforce Housing Fund**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 409,537	\$ 999	\$ (408,538)
Total revenues	-	409,537	999	(408,538)
<b>EXPENDITURES</b>				
Current:				
Economic environment	-	409,537	121,056	288,481
Excess (deficiency) of revenues over (under) expenditures	-	-	(120,057)	(120,057)
Net change in fund balances	-	-	(120,057)	(120,057)
Fund balances - beginning	1,017,443	1,017,443	1,017,443	-
Fund balances - ending	\$ 1,017,443	\$ 1,017,443	\$ 897,386	\$ (120,057)

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Hurricane Shelter Fund**  
**For the Year Ended September 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 355	\$ 355
Total revenues	-	-	355	355
Excess (deficiency) of revenues over (under) expenditures	-	-	355	355
Net change in fund balances	-	-	355	355
Fund balances - beginning	341,656	341,656	341,656	-
Fund balances - ending	<u>\$ 341,656</u>	<u>\$ 341,656</u>	<u>\$ 342,011</u>	<u>\$ 355</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Public-Private Parking Fund**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 549	\$ 549
Total revenues	-	-	549	549
Excess (deficiency) of revenues over (under) expenditures	-	-	549	549
Net change in fund balances	-	-	549	549
Fund balances - beginning	368,213	368,213	368,213	-
Fund balances - ending	<u>\$ 368,213</u>	<u>\$ 368,213</u>	<u>\$ 368,762</u>	<u>\$ 549</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**East Riverside Community Center Fund**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 34	\$ 34
Total revenues	-	-	34	34
Excess (deficiency) of revenues over (under) expenditures	-	-	34	34
Net change in fund balances	-	-	34	34
Fund balances - beginning	22,932	22,932	22,932	-
Fund balances - ending	<u>\$ 22,932</u>	<u>\$ 22,932</u>	<u>\$ 22,966</u>	<u>\$ 34</u>



**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Para-Transit Fund**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 113,355	\$ 2,498	\$ (110,857)
Contributions - private source	-	-	86,247	86,247
Total revenues	-	113,355	88,745	(24,610)
<b>EXPENDITURES</b>				
Current:				
Transportation	-	113,355	109,508	3,847
Excess (deficiency) of revenues over (under) expenditures	-	-	(20,763)	(20,763)
Net change in fund balances	-	-	(20,763)	(20,763)
Fund balances - beginning	248,150	248,150	248,150	-
Fund balances - ending	<u>\$ 248,150</u>	<u>\$ 248,150</u>	<u>\$ 227,387</u>	<u>\$ (20,763)</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Patrons of the Palms Fund**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 28	\$ 28
Total revenues	-	-	28	28
Excess (deficiency) of revenues over (under) expenditures	-	-	28	28
Net change in fund balances	-	-	28	28
Fund balances - beginning	18,410	18,410	18,410	-
Fund balances - ending	<u>\$ 18,410</u>	<u>\$ 18,410</u>	<u>\$ 18,438</u>	<u>\$ 28</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**State Housing Initiative Partnership Program (SHIP)**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenue	\$ -	\$ 147,709	\$ 25,976	\$ (121,733)
Miscellaneous	-	-	353	353
Total revenues	-	147,709	26,329	(121,380)
<b>EXPENDITURES</b>				
Current:				
Economic environment	-	147,709	21,350	126,359
Excess (deficiency) of revenues over (under) expenditures	-	-	4,979	4,979
Net change in fund balances	-	-	4,979	4,979
Fund balances - beginning	382,272	382,272	382,272	-
Fund balances - ending	<u>\$ 382,272</u>	<u>\$ 382,272</u>	<u>\$ 387,251</u>	<u>\$ 4,979</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Community Redevelopment Agency**  
**For the Year Ended September 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 800,400	\$ 803,395	\$ 803,395	\$ -
Miscellaneous	437,700	810,711	14,546	(796,165)
Total revenues	<u>1,238,100</u>	<u>1,614,106</u>	<u>817,941</u>	<u>(796,165)</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	2,508,900	2,868,663	2,058,389	810,274
Total current	<u>2,508,900</u>	<u>2,868,663</u>	<u>2,058,389</u>	<u>810,274</u>
Debt service:				
Principal retirement	496,100	496,100	496,154	(54)
Interest and fiscal charges	202,300	202,300	202,274	26
Total debt service	<u>698,400</u>	<u>698,400</u>	<u>698,428</u>	<u>(28)</u>
Total expenditures	<u>3,207,300</u>	<u>3,567,063</u>	<u>2,756,817</u>	<u>810,246</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,969,200)</u>	<u>(1,952,957)</u>	<u>(1,938,876)</u>	<u>14,081</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,969,200	1,976,353	1,976,352	(1)
Transfers out	-	(23,396)	(3,073)	20,323
Total other financing sources and uses	<u>1,969,200</u>	<u>1,952,957</u>	<u>1,973,279</u>	<u>20,322</u>
Net change in fund balances	-	-	34,403	34,403
Fund balances - beginning	4,392,807	4,392,807	4,392,807	-
Fund balances - ending	<u>\$ 4,392,807</u>	<u>\$ 4,392,807</u>	<u>\$ 4,427,210</u>	<u>\$ 34,403</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Community Development Block Grant Program**  
**For the Year Ended September 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental revenue	\$ 660,063	\$ 2,542,047	\$ 1,388,630	\$ (1,153,417)
Miscellaneous	-	190,818	201,217	10,399
Total revenues	<u>660,063</u>	<u>2,732,865</u>	<u>1,589,847</u>	<u>(1,143,018)</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	<u>630,263</u>	<u>2,618,037</u>	<u>1,409,501</u>	<u>1,208,536</u>
Total current	<u>630,263</u>	<u>2,618,037</u>	<u>1,409,501</u>	<u>1,208,536</u>
Debt service:				
Principal retirement	25,000	25,000	25,000	-
Interest and fiscal charges	<u>4,800</u>	<u>4,828</u>	<u>4,808</u>	<u>20</u>
Total debt service	<u>29,800</u>	<u>29,828</u>	<u>29,808</u>	<u>20</u>
Total expenditures	<u>660,063</u>	<u>2,647,865</u>	<u>1,439,309</u>	<u>1,208,556</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>85,000</u>	<u>150,538</u>	<u>65,538</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>(85,000)</u>	<u>(2,275)</u>	<u>82,725</u>
Total other financing sources and uses	<u>-</u>	<u>(85,000)</u>	<u>(2,275)</u>	<u>82,725</u>
Net change in fund balances	-	-	148,263	148,263
Fund balances - beginning	(189,479)	(189,479)	(189,479)	-
Fund balances - ending	<u>\$ (189,479)</u>	<u>\$ (189,479)</u>	<u>\$ (41,216)</u>	<u>\$ 148,263</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Crime Prevention Fund**  
**For the Year Ended September 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 3,975	\$ (1,025)
Miscellaneous	20,000	20,000	71	(19,929)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>4,046</u>	<u>(20,954)</u>
<b>EXPENDITURES</b>				
Current:				
Police	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>4,046</u>	<u>4,046</u>
Net change in fund balances	-	-	4,046	4,046
Fund balances - beginning	<u>52,945</u>	<u>52,945</u>	<u>52,945</u>	<u>-</u>
Fund balances - ending	<u>\$ 52,945</u>	<u>\$ 52,945</u>	<u>\$ 56,991</u>	<u>\$ 4,046</u>

# CITY OF FORT MYERS

## Nonmajor Enterprise Funds

The City's nonmajor enterprise funds report activities for which fees are charged to external users for goods or services.

**Building Permits and Inspections** – To account for operations and maintenance related to the City's issuance of building permits and the subsequent inspections.

**Stormwater** – To account for the operations and maintenance of stormwater run-off mechanisms throughout the City.

**Fort Myers Country Club** – To account for the operations and maintenance related to the City-owned Fort Myers Country Club.

**Eastwood Golf Course** – To account for the operations and maintenance related to the City-owned Eastwood Golf Course.

**Yacht Basin** – To account for the operations and maintenance of the City-owned yacht basin and dock facilities.

**Harborside Event Center** – To account for the operations and maintenance of the Harborside Convention Center and Exhibition Hall. These facilities are available to the public on a rental basis or for City-sponsored functions.

**Downtown Parking Garages** – To account for the operations and maintenance related to the City-owned Main Street Parking Garage and City of Palms Parking Garage.

**Skatium** – To account for the operations and maintenance related to the City-owned skating and recreation center.

**Department of Cultural and Historic Affairs** – To consolidate and account for the operations and maintenance of the Imaginarium Science Center, the Burrough's Home, and Southwest Florida Museum of History.

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2013**

	<u>Building Permits and Inspections</u>	<u>Stormwater</u>	<u>Fort Myers Country Club</u>	<u>Eastwood Golf Course</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 3,922,699	\$ 1,919,003	\$ 6,904	\$ 167,284
Investments	1,519,726	847,147	2,670	64,814
Restricted cash and cash equivalents	33,804	-	50,744	1,778
Restricted investments	13,206	-	623	695
Accounts receivable, net	-	269,805	-	-
Interest receivable	6,335	3,391	102	278
Restricted interest receivable	-	-	-	-
Due from other governments	-	574,841	-	-
Inventories	-	-	-	-
Prepaid items	-	-	33,282	33,219
Total current assets	<u>5,495,770</u>	<u>3,614,187</u>	<u>94,325</u>	<u>268,068</u>
Noncurrent assets:				
Capital assets:				
Intangible assets	-	42,065	-	-
Land and improvements	-	-	168,966	729,261
Construction in progress	-	2,435,164	-	-
Buildings, net	-	-	223,124	1,698,197
Improvements other than building, net	-	7,358,465	-	1,603,676
Equipment, net	4,217	637,873	45,588	41,906
Total noncurrent assets	<u>4,217</u>	<u>10,473,567</u>	<u>437,678</u>	<u>4,073,040</u>
Total assets	<u>5,499,987</u>	<u>14,087,754</u>	<u>532,003</u>	<u>4,341,108</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts on refunding	-	-	6,930	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>6,930</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and contracts payable	4,136	386,030	3,626	8,289
Accrued and other liabilities	2,392	4,287	4,581	12,599
Due to other governments	21,230	-	2,219	2,473
Customer deposits	25,780	-	-	-
Compensated absences	28,263	6,549	12,214	24,902
Accrued interest payable	-	-	6,012	-
Notes payable	-	-	-	-
Revenue bonds	-	-	52,800	-
Total current liabilities	<u>81,801</u>	<u>396,866</u>	<u>81,452</u>	<u>48,263</u>
Noncurrent liabilities:				
Compensated absences	38,785	45,010	21,415	5,448
Other postemployment benefits payable	294,645	97,821	61,702	67,606
Notes payable	-	-	-	-
Revenue bonds	-	-	327,298	-
Total noncurrent liabilities	<u>333,430</u>	<u>142,831</u>	<u>410,415</u>	<u>73,054</u>
Total liabilities	<u>415,231</u>	<u>539,697</u>	<u>491,867</u>	<u>121,317</u>
<b>NET POSITION</b>				
Net investment in capital assets	4,217	10,169,944	64,510	4,073,040
Restricted:				
Capital projects	-	309,134	-	-
Debt service	-	-	43,137	-
Renewal and replacement	-	-	-	-
Transportation	-	-	-	-
Unrestricted	5,080,539	3,068,979	(60,581)	146,751
Total net position	<u>\$ 5,084,756</u>	<u>\$ 13,548,057</u>	<u>\$ 47,066</u>	<u>\$ 4,219,791</u>



<u>Yacht Basin</u>	<u>Harborside Event Center</u>	<u>Downtown Parking Garages</u>	<u>Skatium</u>	<u>Dept of Cultural and Historic Affairs</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 150,803	\$ 222,270	\$ 227,690	\$ 15,050	\$ 96,703	\$ 6,728,406
57,605	85,942	88,214	5,362	36,473	2,707,953
137,402	63,239	19,321	1,541	244,791	552,620
169,598	24,689	1,569	602	95,464	306,446
12,094	75,016	350	13,213	-	370,478
190	521	233	-	272	11,322
654	33	-	-	155	842
300,000	-	6,618	-	-	881,459
119,495	-	-	3,553	27,848	150,896
-	-	47,083	-	-	113,584
<u>947,841</u>	<u>471,710</u>	<u>391,078</u>	<u>39,321</u>	<u>501,706</u>	<u>11,824,006</u>
-	-	-	-	-	42,065
195,315	399,327	551,713	-	788,866	2,833,448
-	-	-	-	-	2,435,164
3,532	3,129,513	3,359,990	23,384	754,070	9,191,810
4,708,270	38,988	-	13,534	19,215	13,742,148
1,856	6,008	-	1,714	-	739,162
<u>4,908,973</u>	<u>3,573,836</u>	<u>3,911,703</u>	<u>38,632</u>	<u>1,562,151</u>	<u>28,983,797</u>
<u>5,856,814</u>	<u>4,045,546</u>	<u>4,302,781</u>	<u>77,953</u>	<u>2,063,857</u>	<u>40,807,803</u>
-	-	-	-	-	6,930
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,930</u>
46,955	79,646	42,143	24,794	212,438	808,057
4,750	8,738	-	5,527	16,600	59,474
6,019	2,361	3,015	1,103	791	39,211
25,609	78,396	2,569	1,040	97,449	230,843
6,292	15,203	-	21,946	9,357	124,726
15,473	-	-	-	-	21,485
195,572	-	-	-	-	195,572
-	-	-	-	-	52,800
<u>300,670</u>	<u>184,344</u>	<u>47,727</u>	<u>54,410</u>	<u>336,635</u>	<u>1,532,168</u>
16,943	30,208	-	17,610	35,967	211,386
63,702	125,707	-	75,080	107,481	893,744
3,952,959	-	-	-	-	3,952,959
-	-	-	-	-	327,298
<u>4,033,604</u>	<u>155,915</u>	<u>-</u>	<u>92,690</u>	<u>143,448</u>	<u>5,385,387</u>
<u>4,334,274</u>	<u>340,259</u>	<u>47,727</u>	<u>147,100</u>	<u>480,083</u>	<u>6,917,555</u>
760,442	3,573,836	3,911,703	38,632	1,562,151	24,158,475
498,762	170	-	-	-	808,066
-	-	-	-	-	43,137
61,791	6,869	-	-	71,877	140,537
-	-	15,305	-	-	15,305
201,545	124,412	328,046	(107,779)	(50,254)	8,731,658
<u>\$ 1,522,540</u>	<u>\$ 3,705,287</u>	<u>\$ 4,255,054</u>	<u>\$ (69,147)</u>	<u>\$ 1,583,774</u>	<u>\$ 33,897,178</u>

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2013**

	<b>Building Permits and Inspections</b>	<b>Stormwater</b>	<b>Fort Myers Country Club</b>	<b>Eastwood Golf Course</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,824,205	\$ 2,881,944	\$ 1,302,367	\$ 1,688,696
Rent	-	-	14,875	27,581
Miscellaneous	332	12,408	600	7,580
Total operating revenues	<u>2,824,537</u>	<u>2,894,352</u>	<u>1,317,842</u>	<u>1,723,857</u>
<b>OPERATING EXPENSES</b>				
Personnel services	1,678,676	1,081,293	458,949	489,125
Contractual services	35,532	270,064	446,504	492,676
Materials and supplies	34,821	338,726	108,475	123,167
General and administrative	178,474	271,819	86,360	101,943
Utilities	11,959	255	68,822	167,413
Depreciation	1,965	451,395	43,155	183,045
Insurance	29,300	58,500	58,500	58,500
Repairs and maintenance	806	38,274	28,935	33,907
Travel	1,251	463	-	-
Rentals	366,255	166,157	103,485	122,073
Total operating expenses	<u>2,339,039</u>	<u>2,676,946</u>	<u>1,403,185</u>	<u>1,771,849</u>
Operating income (loss)	<u>485,498</u>	<u>217,406</u>	<u>(85,343)</u>	<u>(47,992)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Operating grants and contributions	-	-	-	-
Interest income	6,637	1,194	107	214
Gain (loss) on disposal of capital assets	-	10,650	-	-
Interest expense and bond issue costs	-	-	(17,049)	-
Total nonoperating revenues (expenses)	<u>6,637</u>	<u>11,844</u>	<u>(16,942)</u>	<u>214</u>
Income (loss) before contributions and transfers	<u>492,135</u>	<u>229,250</u>	<u>(102,285)</u>	<u>(47,778)</u>
Capital grants and contributions	-	531,134	-	-
Transfers in	-	512,893	46,500	-
Transfers out	-	(120,354)	-	(123,735)
Total contributions and transfers in (out)	<u>-</u>	<u>923,673</u>	<u>46,500</u>	<u>(123,735)</u>
Change in net position	492,135	1,152,923	(55,785)	(171,513)
<b>Net position - beginning</b>	<u>4,592,621</u>	<u>12,395,134</u>	<u>102,851</u> <sup>(1)</sup>	<u>4,391,304</u>
<b>Net position - ending</b>	<u>\$ 5,084,756</u>	<u>\$ 13,548,057</u>	<u>\$ 47,066</u>	<u>\$ 4,219,791</u>

<sup>(1)</sup> Restated, as noted in Note 25

<b>Yacht Basin</b>	<b>Harborside Event Center</b>	<b>Downtown Parking Garages</b>	<b>Skatium</b>	<b>Dept of Cultural and Historic Affairs</b>	<b>Total Nonmajor Enterprise Funds</b>
\$ 2,167,815	\$ -	\$ 800,819	\$ 994,248	\$ 523,985	\$ 13,184,079
31,093	875,557	53,328	-	-	1,002,434
44,601	144	11,372	592	250	77,879
<u>2,243,509</u>	<u>875,701</u>	<u>865,519</u>	<u>994,840</u>	<u>524,235</u>	<u>14,264,392</u>
448,432	876,582	-	482,756	730,065	6,245,878
9,249	62,065	722,124	101,816	68,793	2,208,823
1,345,401	38,033	215	164,332	136,557	2,289,727
121,643	197,397	26,873	72,576	155,752	1,212,837
124,957	161,820	3,118	207,120	136,902	882,366
212,633	420,651	307,236	19,099	56,058	1,695,237
58,500	117,000	-	58,500	73,100	511,900
65,987	68,395	7,691	48,932	163,326	456,253
-	-	-	-	5,937	7,651
39,458	84,180	-	63,101	157,667	1,102,376
<u>2,426,260</u>	<u>2,026,123</u>	<u>1,067,257</u>	<u>1,218,232</u>	<u>1,684,157</u>	<u>16,613,048</u>
<u>(182,751)</u>	<u>(1,150,422)</u>	<u>(201,738)</u>	<u>(223,392)</u>	<u>(1,159,922)</u>	<u>(2,348,656)</u>
-	-	-	-	886	886
913	705	-	-	918	10,688
-	-	-	-	-	10,650
<u>(199,526)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(216,575)</u>
<u>(198,613)</u>	<u>705</u>	<u>-</u>	<u>-</u>	<u>1,804</u>	<u>(194,351)</u>
<u>(381,364)</u>	<u>(1,149,717)</u>	<u>(201,738)</u>	<u>(223,392)</u>	<u>(1,158,118)</u>	<u>(2,543,007)</u>
89,124	-	-	-	-	620,258
430,500	848,064	-	208,700	1,149,260	3,195,917
<u>(33,553)</u>	<u>(40,517)</u>	<u>-</u>	<u>(27,191)</u>	<u>-</u>	<u>(345,350)</u>
<u>486,071</u>	<u>807,547</u>	<u>-</u>	<u>181,509</u>	<u>1,149,260</u>	<u>3,470,825</u>
104,707	(342,170)	(201,738)	(41,883)	(8,858)	927,818
1,417,833 <sup>(1)</sup>	4,047,457	4,456,792	(27,264)	1,592,632	32,969,360
<u>\$ 1,522,540</u>	<u>\$ 3,705,287</u>	<u>\$ 4,255,054</u>	<u>\$ (69,147)</u>	<u>\$ 1,583,774</u>	<u>\$ 33,897,178</u>

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2013**

	<b>Building Permits and Inspections</b>	<b>Stormwater</b>	<b>Fort Myers Country Club</b>	<b>Eastwood Golf Course</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 2,855,687	\$ 3,568,718	\$ 1,317,242	\$ 1,716,277
Cash payments to suppliers for goods and services	(663,590)	(746,550)	(913,955)	(1,100,468)
Cash payments to employees for services	(1,626,266)	(1,046,596)	(444,296)	(476,473)
Other operating revenue	332	12,408	600	7,580
Other operating payments	-	(267,997)	(160)	(1,097)
Net cash provided by (used in) operating activities	<u>566,163</u>	<u>1,519,983</u>	<u>(40,569)</u>	<u>145,819</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Grants and private contributions	-	-	-	-
Receipt on interfund loans	(13,773)	(9,891)	(4,200)	(4,315)
Transfers in	-	2,241,963	46,500	-
Transfers out	-	(1,849,423)	-	(123,735)
Net cash provided by (used in) noncapital financing activities	<u>(13,773)</u>	<u>382,649</u>	<u>42,300</u>	<u>(128,050)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	(1,267,120)	-	-
Bond issuance	-	-	13,377	-
Grants and private contributions	-	531,134	-	-
Interest paid on notes, bonds and advances	-	-	(32,671)	-
Principal paid on notes and bonds	-	-	(50,358)	-
Proceeds from sale of capital assets	-	10,650	-	-
Net cash used in capital and related financing activities	<u>-</u>	<u>(725,336)</u>	<u>(69,652)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received on investments	6,954	3,844	-	213
Purchase of investment securities	(234,842)	(147,398)	-	(8,471)
Proceeds from the sale of investments	-	-	17,599	-
Net cash provided by (used) in investing activities	<u>(227,888)</u>	<u>(143,554)</u>	<u>17,599</u>	<u>(8,258)</u>
Net increase (decrease) in cash and cash equivalents	324,502	1,033,742	(50,322)	9,511
Cash and cash equivalents at beginning of year	3,632,001	885,261	107,970	159,551
Cash and cash equivalents at end of year	<u>\$ 3,956,503</u>	<u>\$ 1,919,003</u>	<u>\$ 57,648</u>	<u>\$ 169,062</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 485,498	\$ 217,406	\$ (85,343)	\$ (47,992)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	1,965	451,395	43,155	183,045
Other postemployment benefits	35,879	20,698	9,036	8,595
Changes in assets and liabilities:				
Increase (decrease) in accounts payable - other	31,482	-	2	(1,097)
Increase (decrease) in accounts payable - supplier	(5,961)	129,711	(12,323)	(137)
(Increase) decrease in bad debt	-	136,129	-	-
Increase (decrease) in compensated absences	16,531	13,999	5,618	4,056
(Increase) decrease in customer receivables	-	550,645	-	-
(Increase) decrease in inventory	769	-	(714)	(651)
Net cash provided by (used in) operating activities	<u>\$ 566,163</u>	<u>\$ 1,519,983</u>	<u>\$ (40,569)</u>	<u>\$ 145,819</u>
<b>Noncash investing, capital, and financing activities:</b>				
Interest receivable / unrealized gain (loss)	\$ (317)	\$ (2,650)	\$ 107	\$ 1
Donation of utility improvements	-	25,266	-	-

<u>Yacht Basin</u>	<u>Harborside Event Center</u>	<u>Downtown Parking Garages</u>	<u>Skatium</u>	<u>Dept of Cultural and Historic Affairs</u>	<u>Total Non-Major Enterprise Funds</u>
\$ 2,113,514	\$ 837,183	\$ 850,264	\$ 1,030,805	\$ 624,670	\$ 14,914,360
(1,776,315)	(787,630)	(711,481)	(713,156)	(685,091)	(8,098,236)
(436,714)	(886,127)	-	(459,555)	(715,673)	(6,091,700)
44,601	144	11,372	592	250	77,879
(7,236)	(153)	(823)	(1,235)	(637)	(279,338)
<u>(62,150)</u>	<u>(836,583)</u>	<u>149,332</u>	<u>(142,549)</u>	<u>(776,481)</u>	<u>522,965</u>
-	-	-	-	886	886
(3,861)	(7,049)	-	(17,593)	(6,259)	(66,941)
470,500	848,064	-	208,700	1,427,820	5,243,547
<u>(73,553)</u>	<u>(40,517)</u>	<u>-</u>	<u>(27,191)</u>	<u>(278,560)</u>	<u>(2,392,979)</u>
<u>393,086</u>	<u>800,498</u>	<u>-</u>	<u>163,916</u>	<u>1,143,887</u>	<u>2,784,513</u>
-	-	-	-	(228,960)	(1,496,080)
-	-	-	-	-	13,377
89,124	-	-	-	-	620,258
(200,222)	-	-	-	-	(232,893)
(186,655)	-	-	-	-	(237,013)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,650</u>
<u>(297,753)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(228,960)</u>	<u>(1,321,701)</u>
943	540	240	36	1,171	13,941
(53,503)	-	(42,241)	(5,366)	(44,477)	(536,298)
-	3,173	-	-	-	20,772
<u>(52,560)</u>	<u>3,713</u>	<u>(42,001)</u>	<u>(5,330)</u>	<u>(43,306)</u>	<u>(501,585)</u>
(19,377)	(32,372)	107,331	16,037	95,140	1,484,192
307,582	317,881	139,680	554	246,354	5,796,834
<u>\$ 288,205</u>	<u>\$ 285,509</u>	<u>\$ 247,011</u>	<u>\$ 16,591</u>	<u>\$ 341,494</u>	<u>\$ 7,281,026</u>
\$ (182,751)	\$ (1,150,422)	\$ (201,738)	\$ (223,392)	\$ (1,159,922)	\$ (2,348,656)
212,633	420,651	307,236	19,099	56,058	1,695,237
8,823	18,839	-	10,762	15,595	128,227
(7,320)	10,238	38,327	(282)	94,447	165,797
(6,644)	(59,704)	3,241	1,944	214,135	264,262
(848)	(108)	-	-	-	135,173
2,895	(28,383)	-	12,439	(1,204)	25,951
(84,546)	(47,694)	(3,883)	36,557	6,000	457,079
(4,392)	-	6,149	324	(1,590)	(105)
<u>\$ (62,150)</u>	<u>\$ (836,583)</u>	<u>\$ 149,332</u>	<u>\$ (142,549)</u>	<u>\$ (776,481)</u>	<u>\$ 522,965</u>
\$ (30)	\$ 165	\$ (240)	\$ (36)	\$ (253)	\$ (3,253)
-	-	-	-	-	25,266



# CITY OF FORT MYERS

## Internal Service Funds

Internal service funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

**Central Garage** – To account for repair operations and maintenance related to City-owned vehicles.

**Information Technology Services** – To account for the City's information systems, hardware, software and maintenance.

**Public Works Warehouse Operations** – To account for all inventory received into the warehouse along with the issues out to user departments.

**Risk Management** – To account for the activities related to general liability, auto liability and physical damage, police and firefighters' professional liability and workers' compensation provided to other departments of the City.

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2013**

	<b>Central Garage</b>	<b>Information Technology Services</b>	<b>Public Works Warehouse Operations</b>	<b>Risk Management</b>	<b>Total</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 646,708	\$ 648,524	\$ -	\$ 5,854,200	\$ 7,149,432
Investments	250,590	251,293	-	2,609,402	3,111,285
Restricted cash and cash equivalents	-	-	-	3,595,870	3,595,870
Accounts receivable, net	-	-	-	1,764	1,764
Interest receivable	931	1,398	-	13,898	16,227
Due from other governments	-	-	-	385	385
Inventories	191,460	-	490,449	-	681,909
Prepaid items	-	105,658	-	47,134	152,792
Total current assets	<u>1,089,689</u>	<u>1,006,873</u>	<u>490,449</u>	<u>12,122,653</u>	<u>14,709,664</u>
Noncurrent assets:					
Capital assets:					
Intangible assets	-	12,000	-	-	12,000
Buildings, net	5,165	-	-	-	5,165
Equipment, net	836,553	177,963	-	-	1,014,516
Total noncurrent assets	<u>841,718</u>	<u>189,963</u>	<u>-</u>	<u>-</u>	<u>1,031,681</u>
Total assets	<u>1,931,407</u>	<u>1,196,836</u>	<u>490,449</u>	<u>12,122,653</u>	<u>15,741,345</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts and contracts payable	301,445	5,931	81,275	210,295	598,946
Accrued and other liabilities	7,759	139,298	-	793	147,850
Due to other funds	-	-	17,644	-	17,644
Compensated absences	7,828	5,846	-	2,687	16,361
Claims and judgments	-	-	-	2,827,800	2,827,800
Total current liabilities	<u>317,032</u>	<u>151,075</u>	<u>98,919</u>	<u>3,041,575</u>	<u>3,608,601</u>
Noncurrent liabilities:					
Compensated absences	40,477	60,856	-	528	101,861
Other postemployment benefits payable	141,851	201,403	-	27,799	371,053
Claims and judgments	-	-	-	2,625,573	2,625,573
Total noncurrent liabilities	<u>182,328</u>	<u>262,259</u>	<u>-</u>	<u>2,653,900</u>	<u>3,098,487</u>
Total liabilities	<u>499,360</u>	<u>413,334</u>	<u>98,919</u>	<u>5,695,475</u>	<u>6,707,088</u>
<b>NET POSITION</b>					
Net investment in capital assets	841,718	189,963	-	-	1,031,681
Unrestricted	590,329	593,539	391,530	6,427,178	8,002,576
Total net position	<u>\$ 1,432,047</u>	<u>\$ 783,502</u>	<u>\$ 391,530</u>	<u>\$ 6,427,178</u>	<u>\$ 9,034,257</u>



**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2013**

	<b>Central Garage</b>	<b>Information Technology Services</b>	<b>Public Works Warehouse Operations</b>	<b>Risk Management</b>	<b>Total</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,311,670	\$ 4,547,900	\$ 485,082	\$ 4,775,715	\$ 15,120,367
Miscellaneous	52,967	483	-	138,075	191,525
Total operating revenues	<u>5,364,637</u>	<u>4,548,383</u>	<u>485,082</u>	<u>4,913,790</u>	<u>15,311,892</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,068,030	1,446,216	-	206,791	2,721,037
Contractual services	391,426	35,037	357	296,468	723,288
Materials and supplies	2,779,021	256,094	424,781	2,968	3,462,864
General and administrative	268,265	214,307	18,800	191,731	693,103
Utilities	48,762	560,224	-	-	608,986
Depreciation	363,914	129,623	-	-	493,537
Insurance	29,300	4,400	-	1,347,470	1,381,170
Self insurance claims	-	-	-	2,555,826	2,555,826
Repairs and maintenance	4,951	1,052,798	-	8	1,057,757
Travel	1,193	9,442	-	-	10,635
Rentals	98,900	337,675	9,400	21,300	467,275
Total operating expenses	<u>5,053,762</u>	<u>4,045,816</u>	<u>453,338</u>	<u>4,622,562</u>	<u>14,175,478</u>
Operating income (loss)	<u>310,875</u>	<u>502,567</u>	<u>31,744</u>	<u>291,228</u>	<u>1,136,414</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	239	1,395	-	17,720	19,354
Gain (loss) on disposal of capital assets	8,800	-	-	-	8,800
Total nonoperating revenues (expenses)	<u>9,039</u>	<u>1,395</u>	<u>-</u>	<u>17,720</u>	<u>28,154</u>
Income (loss) before contributions and transfers	<u>319,914</u>	<u>503,962</u>	<u>31,744</u>	<u>308,948</u>	<u>1,164,568</u>
Transfers out	<u>(355,600)</u>	<u>(506,100)</u>	<u>-</u>	<u>(2,021,600)</u>	<u>(2,883,300)</u>
Total contributions and transfers in (out)	<u>(355,600)</u>	<u>(506,100)</u>	<u>-</u>	<u>(2,021,600)</u>	<u>(2,883,300)</u>
Change in net position	(35,686)	(2,138)	31,744	(1,712,652)	(1,718,732)
<b>Net position - beginning</b>	<u>1,467,733</u>	<u>785,640</u>	<u>359,786</u>	<u>8,139,830</u>	<u>10,752,989</u>
<b>Net position - ending</b>	<u>\$ 1,432,047</u>	<u>\$ 783,502</u>	<u>\$ 391,530</u>	<u>\$ 6,427,178</u>	<u>\$ 9,034,257</u>

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2013**

	<b>Central Garage</b>	<b>Information Technology Services</b>	<b>Public Works Warehouse Operations</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 5,311,670	\$ 4,547,900	\$ 485,082
Cash payments to suppliers for goods and services	(3,558,839)	(2,776,259)	(399,858)
Cash payments to employees for services	(1,041,536)	(1,403,038)	-
Other operating revenue	52,967	483	-
Net cash provided operating activities	<u>764,262</u>	<u>369,086</u>	<u>85,224</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Payment on interfund loans	(9,143)	(13,346)	(85,224)
Transfers out	(355,600)	(506,100)	-
Net cash used in noncapital financing activities	<u>(364,743)</u>	<u>(519,446)</u>	<u>(85,224)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(236,170)	(39,176)	-
Proceeds from sale of capital assets	8,800	-	-
Net cash used in capital and related financing activities	<u>(227,370)</u>	<u>(39,176)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received on investments	492	755	-
Purchase of investment securities	(59,940)	-	-
Proceeds from the sale of investments	-	35,857	-
Net cash provided by (used in) investing activities	<u>(59,448)</u>	<u>36,612</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	112,701	(152,924)	-
Cash and cash equivalents at beginning of year	534,007	801,448	-
Cash and cash equivalents at end of year	<u>\$ 646,708</u>	<u>\$ 648,524</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income	\$ 310,875	\$ 502,567	\$ 31,744
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	363,914	129,623	-
Other postemployment benefits	20,163	29,497	-
Changes in assets and liabilities:			
Increase (decrease) in accounts payable - supplier	68,693	(457,315)	72,326
Increase (decrease) in compensated absences	6,331	13,682	-
(Increase) in customer receivables	-	-	-
(Increase) decrease in inventory	(5,714)	151,032	(18,846)
Net cash provided by operating activities	<u>\$ 764,262</u>	<u>\$ 369,086</u>	<u>\$ 85,224</u>
<b>Noncash investing, capital, and financing activities:</b>			
Interest receivable / unrealized gain (loss)	\$ (253)	\$ 640	\$ -

<u>Risk Management</u>	<u>Total Internal Service</u>
\$ 4,774,840	\$ 15,119,492
(2,205,558)	(8,940,514)
(2,228,621)	(4,673,195)
138,075	191,525
<u>478,736</u>	<u>1,697,308</u>
(2,250)	(109,963)
<u>(2,021,600)</u>	<u>(2,883,300)</u>
<u>(2,023,850)</u>	<u>(2,993,263)</u>
-	(275,346)
-	8,800
-	<u>(266,546)</u>
12,261	13,508
-	(59,940)
<u>244,839</u>	<u>280,696</u>
<u>257,100</u>	<u>234,264</u>
(1,288,014)	(1,328,237)
<u>10,738,084</u>	<u>12,073,539</u>
<u>\$ 9,450,070</u>	<u>\$ 10,745,302</u>
\$ 291,228	\$ 1,136,414
-	493,537
4,118	53,778
164,699	(151,597)
(1,444)	18,569
(874)	(874)
21,009	147,481
<u>\$ 478,736</u>	<u>\$ 1,697,308</u>
\$ 5,459	\$ 5,846



# CITY OF FORT MYERS

## Fiduciary Funds

### Agency Funds

Agency funds are used to account for monies that are collected by the City and held in a custodial capacity until remitted to the proper authority.

**Carillon Woods Special Assessment Geographical Area Fund** – To account for monies that are collected by the City and remitted to the bondholder. The City has met all the conditions in the bond resolution and no longer has any obligation for this debt.

**Regional Park Impact Fees Fund** – To account for the City's collection of regional park fees. The fees are remitted to the County.

**Emergency Medical Services (EMS) Impact Fees Fund** – To account for the City's collection of impact fees for EMS services. The fees are remitted to the County.

**School Board Impact Fees Fund** – To account for the City's collection of impact fees for the School Board. The fees are remitted to the County.

**Unclaimed Funds Fund** – To account for funds that the City has been holding, and if not claimed, will eventually be remitted to the State of Florida.

**Employees' Special Events Fund** – To account for money held for special events for the City's employees. The Special Events Committee raises its own funds and the City provides the tracking and accounting of those funds.

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended September 30, 2013**

	<u>Balance September 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2013</u>
<b>Carillon Woods Special</b>				
<b>Assessment Geographical Area</b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 101	\$ 248,274	\$ (248,375)	\$ -
Certificate of deposits	225,131	131	(225,262)	-
Deferred special assessments receivable	50,416	1,972	(52,388)	-
Total assets	<u>\$ 275,648</u>	<u>\$ 250,377</u>	<u>\$ (526,025)</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 26,714	\$ (26,714)	\$ -
Due to noteholders	275,648	223,663	(499,311)	-
Total liabilities	<u>\$ 275,648</u>	<u>\$ 250,377</u>	<u>\$ (526,025)</u>	<u>\$ -</u>
<b>Regional Park Impact Fees</b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ -	\$ 60,351	\$ (41,421)	\$ 18,930
Total assets	<u>\$ -</u>	<u>\$ 60,351</u>	<u>\$ (41,421)</u>	<u>\$ 18,930</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 36,060	\$ (36,060)	\$ -
Due to other governmental agencies	-	24,291	(5,361)	18,930
Total liabilities	<u>\$ -</u>	<u>\$ 60,351</u>	<u>\$ (41,421)</u>	<u>\$ 18,930</u>
<b>Emergency Medical Services Impact Fees</b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 3,810	\$ 38,810	\$ (35,605)	\$ 7,015
Interest receivable	6	6	(7)	5
Total assets	<u>\$ 3,816</u>	<u>\$ 38,816</u>	<u>\$ (35,612)</u>	<u>\$ 7,020</u>
<b>LIABILITIES</b>				
Due to other governmental agencies	\$ 3,816	\$ 38,816	\$ (35,612)	\$ 7,020
Total liabilities	<u>\$ 3,816</u>	<u>\$ 38,816</u>	<u>\$ (35,612)</u>	<u>\$ 7,020</u>
<b>School Board Impact Fees</b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ -	\$ 252,732	\$ (252,732)	\$ -
Due from other governmental agencies	184,439	68,258	(250,333)	2,364
Total assets	<u>\$ 184,439</u>	<u>\$ 320,990</u>	<u>\$ (503,065)</u>	<u>\$ 2,364</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 184,439	\$ 68,258	\$ (250,333)	\$ 2,364
Total liabilities	<u>\$ 184,439</u>	<u>\$ 68,258</u>	<u>\$ (250,333)</u>	<u>\$ 2,364</u>
<b>Unclaimed Funds</b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 14,927	\$ 24,726	\$ (31,715)	\$ 7,938
Interest receivable	23	23	(46)	-
Total assets	<u>\$ 14,950</u>	<u>\$ 24,749</u>	<u>\$ (31,761)</u>	<u>\$ 7,938</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 18,420	\$ (18,420)	\$ -
Accrued and other liabilities	14,950	6,329	(13,341)	7,938
Total liabilities	<u>\$ 14,950</u>	<u>\$ 24,749</u>	<u>\$ (31,761)</u>	<u>\$ 7,938</u>
<b>Employees' Special Events</b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 33,255	\$ 51,521	\$ (53,553)	\$ 31,223
Interest receivable	51	51	(59)	43
Total assets	<u>\$ 33,306</u>	<u>\$ 51,572</u>	<u>\$ (53,612)</u>	<u>\$ 31,266</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 19	\$ 40,022	\$ (36,906)	\$ 3,135
Accrued and other liabilities	33,287	11,550	(16,706)	28,131
Total liabilities	<u>\$ 33,306</u>	<u>\$ 51,572</u>	<u>\$ (53,612)</u>	<u>\$ 31,266</u>
<b>Total - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 52,093	\$ 676,414	\$ (663,401)	\$ 65,106
Certificate of deposits	225,131	131	(225,262)	-
Deferred special assessments receivable	50,416	1,972	(52,388)	-
Due from other governmental agencies	184,439	68,258	(250,333)	2,364
Interest receivable	80	80	(112)	48
Total assets	<u>\$ 512,159</u>	<u>\$ 746,855</u>	<u>\$ (1,191,496)</u>	<u>\$ 67,518</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 19	\$ 94,502	\$ (91,386)	\$ 3,135
Accrued and other liabilities	48,237	17,879	(30,047)	36,069
Due to other governmental agencies	3,816	63,107	(40,973)	25,950
Due to other funds	184,439	94,972	(277,047)	2,364
Due to noteholders	275,648	223,663	(499,311)	-
Total liabilities	<u>\$ 512,159</u>	<u>\$ 494,123</u>	<u>\$ (938,764)</u>	<u>\$ 67,518</u>

**CITY OF FORT MYERS**

**Capital Assets Used in the Operation of Governmental Funds**

**CITY OF FORT MYERS, FLORIDA**  
**Capital Assets Used in the Operation of Governmental Funds <sup>(1)</sup>**  
**Comparative Schedule by Source**  
**For the Years Ended September 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Governmental Funds Capital Assets:</b>		
Land	\$ 24,920,449	\$ 24,892,578
Land (Infill Development)	463,980	485,327
Buildings	22,143,319	21,207,892
Improvements other than buildings	45,809,872	39,890,218
Equipment	13,421,186	13,277,857
Infrastructure	264,303,759	260,755,890
Antiques and Exhibits	251,871	251,871
Intangibles	3,560,054	3,560,054
Construction in progress	3,891,004	9,289,970
Total government funds capital assets	<u>\$ 378,765,494</u>	<u>\$ 373,611,657</u>

**Investment in Governmental Funds Capital Assets by Source:**

	<u>2013</u>	<u>2012</u>
General Fund	\$ 188,857,291	\$ 188,763,934
Capital Projects Funds	183,719,084	178,658,604
Donations	6,189,119	6,189,119
Total investment in governmental fund capital assets	<u>\$ 378,765,494</u>	<u>\$ 373,611,657</u>

<sup>(1)</sup> This schedule presents only the capital asset balances, at cost, related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.



**CITY OF FORT MYERS, FLORIDA**  
**Capital Assets Used in the Operation of Governmental Funds <sup>(1)</sup>**  
**Schedule by Function and Activity**  
**September 30, 2013**

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Equipment</u>
<u>General Government</u>				
Council	\$ 58,296	\$ 7,000	\$ -	\$ 23,512
Financial and administrative	6,670	308,401	-	168,201
Comprehensive planning	348,544	158,734	191,374	-
Other general government	464,001	1,418,789	6,792,126	1,737,095
Total General Government	<u>877,511</u>	<u>1,892,924</u>	<u>6,983,500</u>	<u>1,928,808</u>
<u>Public Safety</u>				
Law Enforcement	-	483,059	1,001,521	3,646,102
Fire	4,017,108	2,025,575	195,190	5,632,494
Protective Inspections	9,614	-	289,107	105,307
Total Public Safety	<u>4,026,722</u>	<u>2,508,634</u>	<u>1,485,818</u>	<u>9,383,903</u>
<u>Physical Environment</u>				
Conservation and resource management	14,350	-	2,789,264	17,834
Other physical environment	110,175	759,124	5,877,364	559,559
Total Physical Environment	<u>124,525</u>	<u>759,124</u>	<u>8,666,628</u>	<u>577,393</u>
<u>Transportation</u>				
Road and street facilities	5,002,800	710,061	134,629	491,387
Parking facilities	-	-	25,120	91,667
Other transportation	196,171	575,885	878,864	-
Total Transportation	<u>5,198,971</u>	<u>1,285,946</u>	<u>1,038,613</u>	<u>583,054</u>
<u>Economic Environment</u>				
Industry development	475,000	520,230	4,879,877	96,648
Other economic environment	1,336,580	185,000	427,843	-
Total Economic Environment	<u>1,811,580</u>	<u>705,230</u>	<u>5,307,720</u>	<u>96,648</u>
<u>Culture and Recreation</u>				
Parks and recreations	3,108,328	4,487,317	10,545,167	651,381
Special recreation facilities	10,236,792	10,493,606	10,953,721	10,605
Other culture and recreation	-	10,538	828,705	189,394
Total Culture and Recreation	<u>13,345,120</u>	<u>14,991,461</u>	<u>22,327,593</u>	<u>851,380</u>
Construction in progress	-	-	-	-
Total government funds capital assets	<u>\$ 25,384,429</u>	<u>\$ 22,143,319</u>	<u>\$ 45,809,872</u>	<u>\$ 13,421,186</u>

<sup>(1)</sup> This schedule presents only the capital asset balances, at cost, related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF FORT MYERS, FLORIDA**  
**Capital Assets Used in the Operation of Governmental Funds <sup>(1)</sup>**  
**Schedule by Function and Activity (continued)**  
**September 30, 2013**

<u>Function and Activity</u>	<u>Infrastructure</u>	<u>Antiques &amp; Exhibits</u>	<u>Intangibles</u>	<u>Construction in Progress</u>	<u>Total</u>
<u>General Government</u>					
Council	\$ -	\$ -	\$ -	\$ -	\$ 88,808
Financial and administrative	-	-	-	-	483,272
Comprehensive planning	-	-	-	-	698,652
Other general government	-	-	3,194,023	-	13,606,034
Total General Government	-	-	3,194,023	-	14,876,766
<u>Public Safety</u>					
Law Enforcement	-	-	-	-	5,130,682
Fire	-	-	-	-	11,870,367
Protective Inspections	-	-	-	-	404,028
Total Public Safety	-	-	-	-	17,405,077
<u>Physical Environment</u>					
Conservation and resource management	-	-	-	-	2,821,448
Other physical environment	-	-	-	-	7,306,222
Total Physical Environment	-	-	-	-	10,127,670
<u>Transportation</u>					
Road and street facilities	258,220,255	-	366,031	-	264,925,163
Parking facilities	-	-	-	-	116,787
Other transportation	5,166,375	-	-	-	6,817,295
Total Transportation	263,386,630	-	366,031	-	271,859,245
<u>Economic Environment</u>					
Industry development	-	-	-	-	5,971,755
Other economic environment	-	-	-	-	1,949,423
Total Economic Environment	-	-	-	-	7,921,178
<u>Culture and Recreation</u>					
Parks and recreations	917,129	-	-	-	19,709,322
Special recreation facilities	-	251,871	-	-	31,946,595
Other culture and recreation	-	-	-	-	1,028,637
Total Culture and Recreation	917,129	251,871	-	-	52,684,554
Construction in progress	-	-	-	3,891,004	3,891,004
Total government funds capital assets	\$ 264,303,759	\$ 251,871	\$ 3,560,054	\$ 3,891,004	\$ 378,765,494

(1) This schedule presents only the capital asset balances, at cost, related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF FORT MYERS, FLORIDA**  
**Capital Assets Used in the Operation of Governmental Funds <sup>(1)</sup>**  
**Schedule of Changes by Function and Activity**  
**For the Year Ended September 30, 2013**

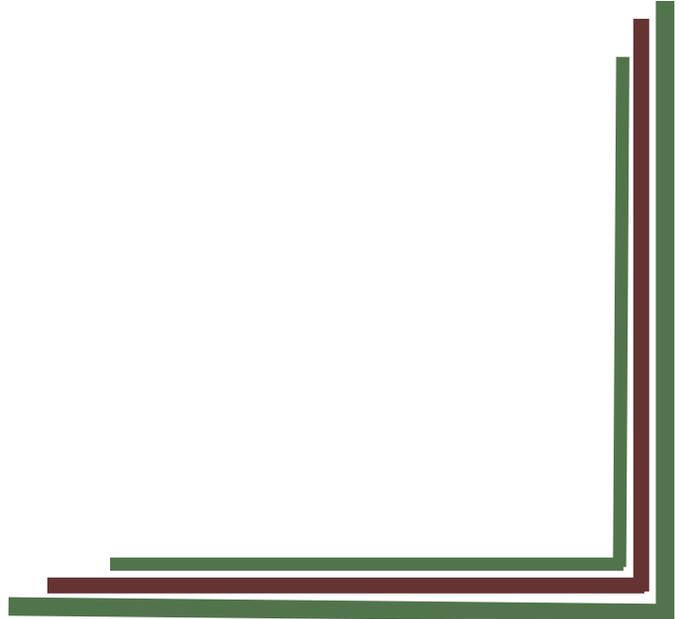
<u>Function and Activity</u>	<u>Balance September 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2013</u>
<u>General Government</u>				
Council	\$ 88,808	\$ -	\$ -	\$ 88,808
Financial and administrative	476,602	6,670	-	483,272
Comprehensive planning	698,652	-	-	698,652
Other general government	13,516,113	111,266	(21,345)	13,606,034
Total General Government	<u>14,780,175</u>	<u>117,936</u>	<u>(21,345)</u>	<u>14,876,766</u>
<u>Public Safety</u>				
Law Enforcement	5,266,408	62,307	(198,033)	5,130,682
Fire	11,735,747	148,470	(13,850)	11,870,367
Protective Inspections	376,557	27,471	-	404,028
Total Public Safety	<u>17,378,712</u>	<u>238,248</u>	<u>(211,883)</u>	<u>17,405,077</u>
<u>Physical Environment</u>				
Conservation and resource management	2,821,448	-	-	2,821,448
Other physical environment	1,457,994	5,848,228	-	7,306,222
Total Physical Environment	<u>4,279,442</u>	<u>5,848,228</u>	<u>-</u>	<u>10,127,670</u>
<u>Transportation</u>				
Road and street facilities	260,669,307	4,255,856	-	264,925,163
Parking facilities	116,787	-	-	116,787
Other transportation	6,817,295	-	-	6,817,295
Total Transportation	<u>267,603,389</u>	<u>4,255,856</u>	<u>-</u>	<u>271,859,245</u>
<u>Economic Environment</u>				
Industry development	5,963,206	8,549	-	5,971,755
Other economic environment	1,949,423	-	-	1,949,423
Total Economic Environment	<u>7,912,629</u>	<u>8,549</u>	<u>-</u>	<u>7,921,178</u>
<u>Culture and Recreation</u>				
Parks and recreations	19,392,108	317,214	-	19,709,322
Special recreation facilities	31,946,595	-	-	31,946,595
Other culture and recreation	1,028,637	-	-	1,028,637
Total Culture and Recreation	<u>52,367,340</u>	<u>317,214</u>	<u>-</u>	<u>52,684,554</u>
Construction in progress	<u>9,289,970</u>	<u>349,355</u>	<u>(5,748,321)</u>	<u>3,891,004</u>
Total government funds capital assets	<u>\$ 373,611,657</u>	<u>\$ 11,135,386</u>	<u>\$ (5,981,549)</u>	<u>\$ 378,765,494</u>

(1) This schedule presents only the capital asset balances, at cost, related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.





# Statistical Section





# CITY OF FORT MYERS

## Statistical Section

This part of the City of Fort Myers's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the City's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	156
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	164
These schedules contain information to help the reader assess the City's most significant revenue sources, the property tax and water and wastewater sales.	
<b>Debt Capacity</b>	168
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Note: The Constitution of the State of Florida (FS200.181) and the City of Fort Myers set no legal debt limit.	
<b>Demographic and Economic Information</b>	174
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	175
These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 1 - Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities				
Net investment in capital assets	\$ (31,182,834)	\$ (31,745,240)	\$ 20,470,042 <sup>(1)</sup>	\$ 34,487,088
Restricted				
Capital projects	20,281,526	22,460,276	25,862,555	22,751,244
Culture and recreation	-	-	-	260,789
Debt service	5,202,726	5,563,914	4,555,317	6,119,514
Economic environment	-	-	-	5,860,914 <sup>(2)</sup>
General government	-	-	-	1,314,159
Impact fee projects	-	-	-	34,824,240
Public safety:				
Expendable	-	-	-	3,646,476
Nonexpendable	-	-	-	2,000
Renewal and replacement	-	-	-	560,448
Transportation	-	-	-	1,902,651
Community development projects	2,230,167	1,291,775	1,347,833	-
Other purposes	2,328,766	2,671,262	3,820,055	-
Unrestricted	(10,889,551)	9,116,853	37,033,475 <sup>(1)</sup>	26,720,050
Total governmental activities net position	<u>\$ (12,029,200)</u>	<u>\$ 9,358,840</u>	<u>\$ 93,089,277 <sup>(1)</sup></u>	<u>\$ 138,449,573 <sup>(2)</sup></u>
Business-type activities				
Net investment in capital assets	\$ 34,620,053	\$ 32,871,231	\$ 30,338,162	\$ 54,548,382 <sup>(2)</sup>
Restricted				
Capital projects	799,897	3,513,430	14,891,747	141,342
Culture and recreation	-	-	-	192,390
Debt service	7,121,780	6,286,650	10,641,510	7,106,456
Impact fee projects	1,904,637	2,650,934	3,785,913	4,469,102
Physical environment	-	-	-	4,708,732
Public safety	-	-	-	101,230
Renewal and replacement	2,948,675	5,022,800	4,096,616	3,616,097
Transportation	-	-	-	28,601
Operations and maintenance	3,597,043	4,381,071	11,660,878	-
Other purposes	1,959,223	-	-	-
Unrestricted	(2,978,319)	15,610,564	12,352,612 <sup>(1)</sup>	31,211,703
Total business-type activities net position	<u>\$ 49,972,989</u>	<u>\$ 70,336,680</u>	<u>\$ 87,767,438 <sup>(1)</sup></u>	<u>\$ 106,124,035 <sup>(2)</sup></u>
Primary government				
Net investment in capital assets	\$ 3,437,219	\$ 1,125,991	\$ 50,808,204 <sup>(1)</sup>	\$ 89,035,470
Restricted				
Capital projects	21,081,423	25,973,706	40,754,302	22,892,586
Culture and recreation	-	-	-	453,179
Debt service	12,324,506	11,850,564	15,196,827	13,225,970
Economic environment	-	-	-	5,358,507
General government	-	-	-	1,314,159
Impact fee projects	1,904,637	2,650,934	3,785,913	39,293,342
Physical environment	-	-	-	4,708,732
Public safety:				
Expendable	-	-	-	3,747,706
Nonexpendable	-	-	-	2,000
Renewal and replacement	2,948,675	5,022,800	4,096,616	4,176,545
Transportation	-	-	-	1,931,252
Community development projects	2,230,167	1,291,775	1,347,833	-
Operations and maintenance	3,597,043	4,381,071	11,660,878	-
Other purposes	4,287,989	2,671,262	3,820,055	-
Unrestricted	(13,867,870)	24,727,417	49,386,087	58,434,160 <sup>(2)</sup>
Total primary government net position	<u>\$ 37,943,789</u>	<u>\$ 79,695,520</u>	<u>\$ 180,856,715 <sup>(1)</sup></u>	<u>\$ 244,573,608 <sup>(2)</sup></u>

Note: The City of Fort Myers implemented the government-wide information required by GASB Statement 44 retroactively to fiscal year 2004.

<sup>(1)</sup> Restated per Note 8 in fiscal year 2007.

<sup>(2)</sup> Restated per Note 8 in fiscal year 2008.

<sup>(3)</sup> Restated per Note 6 in fiscal year 2010.

<sup>(4)</sup> Restated per Note 25 in fiscal year 2013.



**CITY OF FORT MYERS, FLORIDA**  
**Schedule 1 - Net Position by Component (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	43,367,922	\$ 40,276,557	\$ 46,344,509	\$ 51,407,651	\$ 59,741,815 <sup>(4)</sup>	\$ 58,088,422
	42,577,813	46,286,423	51,823,762	41,275,888	43,801,907	40,910,394
	276,244	280,019	255,071	63,445	64,156	168,328
	6,662,297	6,991,217	7,135,436	7,289,473	7,262,753	7,265,355
	7,509,337	9,267,781	8,305,107	4,047,022	4,185,328	5,292,390
	1,276,433	1,255,036	1,271,958	-	-	-
	22,540,220	21,822,142	19,039,083	2,956,361	2,367,429	14,019,479
	2,193,757	2,121,578	1,862,166	1,004,294	838,983	839,717
	2,000	2,000	2,000	2,000	2,000	2,000
	640,338	688,227	619,991	391,971	2,229	3,661
	1,097,513	1,347,675	2,000,218	1,840,923	1,214,186	2,036,261
	-	-	-	-	-	-
	-	-	-	-	-	-
	27,802,898	29,110,288	19,333,583	43,311,168	31,608,418	3,352,665
<u>\$</u>	<u>155,946,772</u>	<u>\$ 159,448,943</u>	<u>\$ 157,992,884</u>	<u>\$ 153,590,196</u>	<u>\$ 151,089,204</u> <sup>(4)</sup>	<u>\$ 131,978,672</u>
\$	53,546,225	\$ 73,491,549 <sup>(3)</sup>	\$ 80,328,915	\$ 77,483,278	\$ 46,140,478 <sup>(4)</sup>	\$ 54,346,522
	12,071,684	6,075,450	1,198,244	2,663,957	13,767,152	12,784,220
	-	-	28	7,299	-	-
	5,335,395	9,552,634	11,400,208	10,527,927	7,853,276	7,933,788
	5,788,394	2,839,477	972,235	862,413	797,517	798,720
	20,814	201,877	142,889	-	-	-
	-	-	-	-	-	-
	5,425,078	6,074,195	6,121,090	6,108,968	6,661,111	7,766,842
	17,430	12,005	7,347	8,827	5,899	15,305
	-	-	-	-	-	-
	-	-	-	-	-	-
	28,307,366	23,926,440	21,024,664	27,827,659	38,251,249	36,333,372
<u>\$</u>	<u>110,512,386</u> <sup>(3)</sup>	<u>\$ 122,173,627</u>	<u>\$ 121,195,620</u>	<u>\$ 125,490,328</u>	<u>\$ 113,476,682</u> <sup>(4)</sup>	<u>\$ 119,978,769</u>
\$	96,914,147	\$ 113,768,106 <sup>(3)</sup>	\$ 126,673,424	\$ 128,890,929	\$ 105,882,293 <sup>(4)</sup>	\$ 112,434,944
	54,649,497	52,361,873	53,022,006	43,939,845	57,569,059	53,694,614
	276,244	280,019	255,099	70,744	64,156	168,328
	11,997,692	16,543,851	18,535,644	17,817,400	15,116,029	15,199,143
	7,509,337	9,267,781	8,305,107	4,047,022	4,185,328	5,292,390
	1,276,433	1,255,036	1,271,958	-	-	-
	28,328,614	24,661,619	20,011,318	3,818,774	3,164,946	14,818,199
	20,814	201,877	142,889	-	-	-
	2,193,757	2,121,578	1,862,166	1,004,294	838,983	839,717
	2,000	2,000	2,000	2,000	2,000	2,000
	6,065,416	6,762,422	6,741,081	6,500,939	6,663,340	7,770,503
	1,114,943	1,359,680	2,007,565	1,849,750	1,220,085	2,051,566
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	56,110,264	53,036,728	40,358,247	71,138,827	69,859,667	39,686,037
<u>\$</u>	<u>266,459,158</u> <sup>(3)</sup>	<u>\$ 281,622,570</u>	<u>\$ 279,188,504</u>	<u>\$ 279,080,524</u>	<u>\$ 264,565,886</u> <sup>(4)</sup>	<u>\$ 251,957,441</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 2 - Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenses</b>				
Governmental Activities:				
General government	\$ 5,021,131	\$ 7,422,156	\$ 11,150,038	\$ 18,412,703
Police	19,612,239	20,437,591	22,782,979	27,757,527
Fire	10,423,509	12,028,065	14,307,615	17,417,874
Protective inspections	1,775,111	2,057,353	2,331,605	2,641,533
Other	76,199	-	69,939	-
Physical environment	7,743,144	5,026,688	7,608,612	6,866,875
Transportation	4,017,322	4,321,224	6,844,796	12,558,630
Economic environment	11,713,598	12,819,838	11,070,787	4,413,260
Culture and recreation	2,665,106	2,844,748	3,367,159	2,289,921
Interest on long-term debt	4,528,927	5,242,840	4,890,033	5,880,340
Total Governmental Activities	<u>67,576,286</u>	<u>72,200,503</u>	<u>84,423,563</u>	<u>98,238,663</u>
Business-type Activities:				
Water-Wastewater	25,794,035	27,369,279	32,752,832	36,136,629
Solid Waste	6,705,705	7,543,459	10,134,684	11,221,911
Building Permits and Inspections	2,110,272	3,079,786	3,785,956	4,543,886
Stormwater	-	-	-	-
Golf Courses	2,914,373	2,988,419	2,893,019	3,038,786
Yacht Basin	1,872,794	2,073,777	2,459,101	2,271,326
Harborside Event Center	1,629,205	2,004,218	2,065,603	2,173,280
Downtown Parking Garages	-	-	-	995,977
Skatium	-	-	-	869,171
Historical Homes	5,600,816	5,212,204	6,606,002	1,923,733
Department of Cultural and Historic Affairs <sup>(3)</sup>	-	-	-	-
Total Business-type Activities	<u>46,627,200</u>	<u>50,271,142</u>	<u>60,697,197</u>	<u>63,174,699</u>
Total primary government expenses	<u>\$ 114,203,486</u>	<u>\$ 122,471,645</u>	<u>\$ 145,120,760</u>	<u>\$ 161,413,362</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services				
General government	\$ 382,190	\$ 421,660	\$ 860,044	\$ 1,219,844
Police	1,088,770	1,477,845	1,624,696	1,846,531
Fire	1,147,250	1,635,872	2,238,483	2,040,100
Protective inspections <sup>(4)</sup>	2,140,524	3,210,468	3,766,564	3,408,549
Other public safety	189,894	-	-	-
Physical environment	1,318,694	2,115,151	5,018,116	4,034,897
Transportation	974,323	897,439	881,853	314,907
Economic environment	8,611	11,904	96,948	190,179
Culture and recreation	537,649	386,808	1,161,852	1,108,748
Operating grants and contributions	5,280,845	13,515,314	11,591,841	3,211,837
Capital grants and contributions	9,360,318	11,461,804	10,132,435	33,886,717
Total Governmental Activities	<u>22,429,068</u>	<u>35,134,265</u>	<u>37,372,832</u>	<u>51,262,309</u>
Business-type Activities:				
Charges for services				
Water-Wastewater	32,931,521	42,579,919	44,690,090	42,791,290
Solid Waste	10,288,935	10,957,668	13,982,379	15,032,009
Building Permits and Inspections	3,353,767	5,018,610	7,133,301	5,189,047
Stormwater	-	-	-	-
Golf Courses	2,999,924	3,157,210	3,154,236	2,988,967
Yacht Basin	1,988,904	2,220,849	2,291,421	1,943,558
Harborside Event Center	846,749	1,037,772	1,255,948	1,211,109
Downtown Parking Garages	-	-	-	896,431
Skatium	-	-	-	649,017
Historical Homes	3,870,333	4,101,195	3,889,273	583,770
Department of Cultural and Historic Affairs <sup>(3)</sup>	-	-	-	-
Operating grants and contributions	84,204	96,689	73,706	34,627
Capital grants and contributions	5,331,177	5,852,210	1,777,206	13,743,922
Total Business-type Activities	<u>61,695,514</u>	<u>75,022,122</u>	<u>78,247,560</u>	<u>85,063,747</u>
Total Program Revenues	<u>\$ 84,124,582</u>	<u>\$ 110,156,387</u>	<u>\$ 115,620,392</u>	<u>\$ 136,326,056</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (45,147,218)	\$ (37,066,238)	\$ (47,050,731)	\$ (46,976,354)
Business-type Activities	15,068,314	24,750,980	17,550,363	21,889,048
Total Net Expense	<u>\$ (30,078,904)</u>	<u>\$ (12,315,258)</u>	<u>\$ (29,500,368)</u>	<u>\$ (25,087,306)</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 2 - Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 16,492,461	\$ 17,629,323	\$ 16,675,130	\$ 13,184,596	\$ 14,026,296 <sup>(5)</sup>	\$ 12,167,626
31,773,124	29,213,985	31,887,208	32,408,078	33,417,494	35,492,533
20,194,245	17,983,913	16,722,815	18,614,040	20,056,573	21,255,783
2,778,609	2,402,582	1,555,000	1,470,340	1,627,330	1,428,519
16,738	-	-	-	-	-
7,621,568	3,248,941	2,357,311	2,260,742	4,879,919	5,094,677
12,777,745	13,144,626	11,558,730	14,306,220	10,505,928	19,528,061
4,984,291	7,131,285	7,830,674	5,269,595	4,515,627	4,183,689
4,195,004	4,158,147	3,781,245	3,453,021	3,628,966	3,501,196
5,455,071	5,314,097	3,658,929	4,060,650	5,328,432	4,981,829
<u>106,288,856</u>	<u>100,226,899</u>	<u>96,027,042</u>	<u>95,027,282</u>	<u>97,986,565</u> <sup>(5)</sup>	<u>107,633,913</u>
39,689,601	36,707,074	45,914,665	44,539,869	65,678,945 <sup>(5)</sup>	45,188,740
12,242,537	11,069,317	10,541,992	9,413,560	8,754,026 <sup>(5)</sup>	8,668,898
4,895,643	3,913,932	2,688,251	2,308,477	2,470,171	2,339,039
-	1,640,896	2,053,906	2,928,303	2,768,189	2,676,947
3,690,953	3,321,542	3,273,457	3,086,750	3,258,666 <sup>(5)</sup>	3,192,083
2,236,830	2,100,472	2,399,954	2,447,680	2,378,769 <sup>(5)</sup>	2,625,787
2,184,100	2,156,990	2,215,480	2,113,002	2,029,197	2,026,123
979,551	1,028,549	1,026,229	1,003,244	984,598	1,067,213
1,140,585	1,252,056	1,174,152	1,185,626	1,219,049	1,218,220
1,962,904	1,703,697	-	-	-	-
-	-	1,757,457	1,772,490	1,629,333	1,684,157
<u>69,022,704</u>	<u>64,894,525</u>	<u>73,045,543</u>	<u>70,799,001</u>	<u>91,170,943</u> <sup>(5)</sup>	<u>70,687,207</u>
<u>\$ 175,311,560</u>	<u>\$ 165,121,424</u>	<u>\$ 169,072,585</u>	<u>\$ 165,826,283</u>	<u>\$ 189,157,508</u> <sup>(5)</sup>	<u>\$ 178,321,120</u>
\$ 1,201,287	\$ 597,963	\$ 520,803	\$ 559,612	\$ 1,168,929	\$ 1,200,252
2,506,830	2,077,930	1,875,559	1,392,569	1,212,211	1,201,938
1,369,961	661,709	556,050	708,595	698,198	656,235
1,142,996	898,571	1,101,054	942,495	1,163,024	232,286
-	-	-	-	-	-
3,403,086	460,202	405,602	644,802	3,651,110	3,164,986
393,104	650	-	-	188,600	193,000
195,428	95,203	115,648	103,525	280,363	501,107
925,664	528,214	446,435	421,326	868,451	877,758
2,909,707	3,233,726	4,881,791	5,060,601	5,440,465	5,096,197
18,611,350	7,754,113	7,261,760	9,183,542	9,290,417	1,279,111
<u>32,659,413</u>	<u>16,308,281</u>	<u>17,164,702</u>	<u>19,017,067</u>	<u>23,961,768</u>	<u>14,402,870</u>
43,495,343	45,692,290	48,300,544	51,136,818	51,977,981	52,961,034
15,829,218	13,973,878	14,123,999	14,068,617	13,969,091	14,109,921
3,181,581	1,581,669	1,707,358	2,087,911	2,542,854	2,824,537
-	1,703,563	2,848,845	2,894,957	2,899,935	2,894,352
2,861,898	3,132,618	3,006,715	3,078,401	3,120,235	3,034,718
1,882,893	1,771,060	1,949,748	2,032,894	1,986,434	2,243,510
1,009,546	822,205	796,651	864,245	791,462	875,557
926,002	794,992	743,828	742,936	803,829	865,519
819,592	868,286	967,376	1,023,102	1,031,456	994,840
530,150	492,281	-	-	-	-
-	-	698,065	562,710	587,833	524,235
20,318	21,339	17,725	95,147	884	886
8,159,203	10,022,669	1,021,427	1,227,391	2,363,621	3,383,428
<u>78,715,744</u>	<u>80,876,850</u>	<u>76,182,281</u>	<u>79,815,129</u>	<u>82,075,615</u>	<u>84,712,537</u>
<u>\$ 111,375,157</u>	<u>\$ 97,185,131</u>	<u>\$ 93,346,983</u>	<u>\$ 98,832,196</u>	<u>\$ 106,037,383</u>	<u>\$ 99,115,407</u>
\$ (73,629,443)	\$ (83,918,618)	\$ (78,862,340)	\$ (76,010,215)	\$ (74,024,797) <sup>(5)</sup>	\$ (93,231,043)
9,693,040	15,982,325	3,136,738	9,016,128	(9,095,328) <sup>(5)</sup>	14,025,330
<u>\$ (63,936,403)</u>	<u>\$ (67,936,293)</u>	<u>\$ (75,725,602)</u>	<u>\$ (66,994,087)</u>	<u>\$ (83,120,125)</u> <sup>(5)</sup>	<u>\$ (79,205,713)</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 2 - Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>General Revenues</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 22,246,598	\$ 23,278,536	\$ 30,911,466	\$ 42,003,527
Public service taxes	8,359,050	9,072,046	9,695,679	10,079,097
Fuel taxes	4,166,216	4,421,926	4,673,335	4,628,004
Local business tax <sup>(4)</sup>	-	-	-	-
Franchise fees	3,595,504	4,091,067	5,142,126	5,639,004
Intergovernmental, unrestricted	16,402,012	7,230,199	12,675,556	9,489,130
Interest and investment income	493,400	1,405,519	3,525,314	7,290,750
Miscellaneous	1,723,735	3,648,960	2,897,638	2,050,485
Special Item - loss on disposal of capital assets	(16,331,552) <sup>(1)</sup>	-	-	-
Transfers	3,221,494	5,306,025	3,490,982	10,654,246
Total general revenues, transfers, and special item	<u>43,876,457</u>	<u>58,454,278</u>	<u>73,012,096</u>	<u>91,834,243</u>
Business-type Activities:				
Intergovernmental, unrestricted	2,089	-	-	3,420
Interest and investment income	161,260	600,800	1,381,079	1,722,726
Miscellaneous	3,553	317,936	488,161	154,688
Special Item - loss on disposal of capital assets	(371,529)	-	-	-
Extraordinary item - loss on disposal of capital assets	-	-	-	(516,073)
Transfers	(3,221,494)	(5,306,025)	(3,490,982)	(10,654,246)
Total Business-type Activities	<u>(3,426,121)</u>	<u>(4,387,289)</u>	<u>(1,621,742)</u>	<u>(9,289,485)</u>
Total primary government	<u>\$ 40,450,336</u>	<u>\$ 54,066,989</u>	<u>\$ 71,390,354</u>	<u>\$ 82,544,758</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (1,270,761)	\$ 21,388,040	\$ 25,961,365	\$ 44,857,889
Business-type activities	11,642,193	20,363,691	15,928,621	12,599,563
Total Change in Net Position	<u>\$ 10,371,432</u>	<u>\$ 41,751,731</u>	<u>\$ 41,889,986</u>	<u>\$ 57,457,452</u>

Note: The City of Fort Myers implemented the government-wide information required by GASB Statement 44 retroactively to fiscal year 2004.

<sup>(1)</sup> In 2004, the City of Fort Myers sold the Boston Red Sox training stadium to Lee County.

<sup>(2)</sup> Footnote 22 in the CAFR for fiscal year ended September 30, 2007, provides an explanation on the loss on disposal of capital assets in 2007.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 3 - Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund				
Nonspendable	\$ 1,025,310	\$ 1,238,470	\$ 1,317,460	\$ 1,314,159
Assigned	6,580,429	7,704,966	8,485,383	8,928,426
Unassigned	6,816,084	10,110,085	18,782,480	16,790,623
Total general fund	<u>\$ 14,421,823</u>	<u>\$ 19,053,521</u>	<u>\$ 28,585,323</u>	<u>\$ 27,033,208</u>
All other governmental funds				
Nonspendable	\$ 190,575	\$ 190,575	\$ 190,575	\$ 460,480
Restricted	26,517,492	41,848,826	47,662,688	115,618,756
Committed	-	-	-	4,609
Assigned	1,315,524	1,878,598	374,998	5,103,243
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 28,023,591</u>	<u>\$ 43,917,999</u>	<u>\$ 48,228,261</u>	<u>\$ 121,187,088</u>
Total Fund Balance All Governmental Funds	<u>\$ 42,445,414</u>	<u>\$ 62,971,520</u>	<u>\$ 76,813,584</u>	<u>\$ 148,220,296</u>

Notes: The City of Fort Myers implemented the government-wide information required by GASB Statement 44 retroactively to fiscal year 2004.

The City of Fort Myers implemented GASB Statement 54 in fiscal year 2011 and applied the statement retroactively to Schedule 3.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 2 - Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	45,442,009	\$ 50,344,893	\$ 40,719,474	\$ 35,438,308	\$ 34,770,474	\$ 34,988,658
	10,409,177	10,457,952	9,241,071	10,141,215	10,610,314	11,043,981
	4,310,420	4,213,436	4,096,370	3,985,344	4,173,345	4,141,260
	1,600,055	1,553,880	1,509,930	1,421,050	1,611,733	2,656,676
	5,848,743	6,003,066	5,276,818	5,301,624	5,121,334	5,086,525
	8,765,202	8,321,085	6,957,210	7,079,177	7,040,744	7,483,242
	6,315,299	3,942,860	1,828,164	556,731	283,168	214,613
	1,226,523	1,077,076	864,496	1,977,477	1,634,139	859,424
	1,044,902	(2,329,858)	-	-	-	-
	6,164,312	3,836,399	6,912,748	5,706,601	6,278,554	7,646,132
	<u>91,126,642</u>	<u>87,420,789</u>	<u>77,406,281</u>	<u>71,607,527</u>	<u>71,523,805</u>	<u>74,120,511</u>
	1,566	-	-	-	-	-
	1,266,242	1,469,320	820,299	479,956	191,203	61,974
	84,861	55,927	1,977,704	505,225	3,169,033	60,915
	(493,046)	-	-	-	-	-
	-	-	-	-	-	-
	(6,164,312)	(3,836,399)	(6,912,748)	(5,706,601)	(6,278,554)	(7,646,132)
	<u>(5,304,689)</u>	<u>(2,311,152)</u>	<u>(4,114,745)</u>	<u>(4,721,420)</u>	<u>(2,918,318)</u>	<u>(7,523,243)</u>
\$	<u>85,821,953</u>	<u>85,109,637</u>	<u>73,291,536</u>	<u>66,886,107</u>	<u>68,605,487</u>	<u>66,597,268</u>
\$	17,497,199	\$ 3,502,171	\$ (1,456,059)	\$ (4,402,688)	\$ (2,500,992) <sup>(5)</sup>	\$ (19,110,532)
	4,388,351	13,671,173	(978,007)	4,294,708	(12,013,646) <sup>(5)</sup>	6,502,087
\$	<u>21,885,550</u>	<u>17,173,344</u>	<u>(2,434,066)</u>	<u>(107,980)</u>	<u>(14,514,638)<sup>(5)</sup></u>	<u>(12,608,445)</u>

<sup>(3)</sup> Department of Cultural and Historic Affairs was created in fiscal year 2010 by transfers of Historical Homes.

<sup>(4)</sup> In fiscal year 2011, Local Business Tax was moved from Charges for Services-Protective Inspections to conform to the change in the State Uniform Chart of Accounts in fiscal year 2008.

<sup>(5)</sup> Restated per Note 25 in fiscal year 2013.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 3 - Fund Balances of Governmental Funds (continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	1,276,433	\$ 1,255,036	\$ 1,271,958	\$ 1,245,428	\$ 663,230	\$ 630,175
	11,136,740	13,127,595	12,740,333	11,382,758	10,244,081	10,068,201
	13,386,387	12,010,174	12,148,678	11,285,161	11,401,537	8,146,193
\$	<u>25,799,560</u>	<u>26,392,805</u>	<u>26,160,969</u>	<u>23,913,347</u>	<u>22,308,848</u>	<u>18,844,569</u>
\$	384,500	\$ 514,102	\$ 514,102	\$ 278,955	\$ 421,457	\$ 421,457
	106,438,932	98,018,804	92,355,223	76,378,558	71,797,817	80,733,854
	20,755	32,209	40,255	46,564	52,945	56,991
	10,931,232	16,840,047	18,442,576	19,582,124	19,598,082	4,778
	-	-	(357,948)	(457,579)	(285,666)	(145,663)
\$	<u>117,775,419</u>	<u>115,405,162</u>	<u>110,994,208</u>	<u>95,828,622</u>	<u>91,584,635</u>	<u>81,071,417</u>
\$	<u>143,574,979</u>	<u>141,797,967</u>	<u>137,155,177</u>	<u>119,741,969</u>	<u>113,893,483</u>	<u>99,915,986</u>

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 4 - Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Revenues</b>				
Taxes	\$ 38,367,367	\$ 40,863,573	\$ 50,355,834	\$ 63,744,859
Permits and fees	3,558,867	5,493,994	7,119,353	5,800,522
Intergovernmental revenue	21,003,688	24,021,809	22,971,635	12,128,101
Charges for services	2,670,077	2,818,568	3,051,386	2,463,448
Fines and forfeitures	1,016,186	1,366,138	1,564,364	1,336,678
Miscellaneous	13,580,032	19,061,604	20,814,296	42,903,188
Contributions-private source	-	-	1,042,629	1,772,843
Total Revenues	<u>80,196,217</u>	<u>93,625,686</u>	<u>106,919,497</u>	<u>130,149,639</u>
<b>Expenditures</b>				
Current:				
General government	8,035,630	9,149,117	10,002,264	12,005,049
Police	19,205,722	19,844,548	22,932,514	29,803,835
Fire	9,882,593	11,941,015	13,354,210	17,290,483
Protective inspections	1,853,761	2,181,067	2,370,527	2,891,600
Other	76,304	79,436	69,939	-
Physical environment	7,435,134	6,746,038	7,864,910	8,271,487
Transportation	3,186,708	4,060,018	4,337,370	3,754,163
Economic environment	11,346,696	11,382,239	10,860,506	4,198,947
Culture and recreation	1,882,958	2,057,640	2,914,911	3,392,226
Debt service:				
Principal retirement	19,232,805	5,678,595	5,915,268	8,944,701
Interest and fiscal charges	5,034,609	5,090,152	4,964,219	7,198,993
Capital outlay:	7,320,141	8,311,087	11,332,507	14,626,593
Total Expenditures	<u>94,493,061</u>	<u>86,520,952</u>	<u>96,919,145</u>	<u>112,378,077</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(14,296,844)</u>	<u>7,104,734</u>	<u>10,000,352</u>	<u>17,771,562</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from capital lease	162,000	-	-	-
Refunding bonds issued	-	4,970,000	-	91,938,640
Loan issuance	18,439,250	10,239,158	350,728	698,122
Premiums on bonds issued	60,500	162,030	-	3,624,802
Payments to bond escrow agent	-	(6,184,141)	-	(44,084,776)
Installment purchase proceeds	-	-	-	-
Transfers in	38,924,918	31,325,838	29,971,744	85,420,893
Transfers out	<u>(36,170,972)</u>	<u>(27,091,513)</u>	<u>(26,480,760)</u>	<u>(83,997,941)</u>
Total Other Financing Sources (Uses)	<u>21,415,696</u>	<u>13,421,372</u>	<u>3,841,712</u>	<u>53,599,740</u>
Net change in fund balances	<u>\$ 7,118,852</u>	<u>\$ 20,526,106</u>	<u>\$ 13,842,064</u>	<u>\$ 71,371,302</u>
Debt service as a percentage of noncapital expenditures	27.8%	13.8%	12.7%	16.5%

Note: The City of Fort Myers implemented the government-wide information required by GASB Statement 44 retroactively to fiscal year 2004.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 4 - Changes in Fund Balances of Governmental Funds (continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	67,214,000	\$ 72,460,443	\$ 56,023,267	\$ 52,034,109	\$ 52,478,122	\$ 53,145,080
	3,945,544	2,653,764	7,769,030	6,715,722	6,755,761	7,313,589
	15,152,934	14,436,061	15,200,316	12,780,655	24,354,437	14,800,700
	2,338,282	2,049,235	1,904,872	1,978,054	6,488,602	6,371,315
	1,746,548	1,710,236	1,627,787	935,618	951,174	883,510
	23,565,634	11,252,513	8,967,946	8,539,044	1,751,368	1,935,388
	495,302	84,019	109,246	77,893	73,892	104,916
	<u>114,458,244</u>	<u>104,646,271</u>	<u>91,602,464</u>	<u>83,061,095</u>	<u>92,853,356</u>	<u>84,554,498</u>
	12,899,973	12,403,450	11,127,904	9,955,159	10,762,378	9,517,063
	30,804,324	31,121,908	31,927,083	31,982,530	33,177,103	35,095,897
	18,849,554	18,354,021	16,175,874	18,220,477	19,397,852	20,414,983
	2,686,967	2,736,868	1,805,083	1,609,798	1,614,959	1,473,063
	16,738	-	-	-	-	-
	7,771,282	6,487,206	5,384,552	5,107,151	5,381,518	5,157,049
	4,044,298	4,016,411	3,556,950	3,700,760	3,854,550	12,753,774
	4,851,521	6,548,851	7,402,593	5,337,223	4,252,182	3,940,848
	3,779,986	3,984,351	3,646,629	2,922,878	2,743,359	2,553,649
	5,864,143	8,008,654	7,725,115	6,762,529	7,077,669	7,473,199
	6,226,430	6,413,745	6,305,523	5,753,630	5,436,958	5,100,001
	29,261,241	14,973,154	12,251,087	16,031,705	16,558,859	6,180,523
	<u>127,056,457</u>	<u>115,048,619</u>	<u>107,308,393</u>	<u>107,383,840</u>	<u>110,257,387</u>	<u>109,660,049</u>
	<u>(12,598,213)</u>	<u>(10,402,348)</u>	<u>(15,705,929)</u>	<u>(24,322,745)</u>	<u>(17,404,031)</u>	<u>(25,105,551)</u>
	-	-	-	-	-	598,621
	-	-	-	-	-	-
	475,000	1,183,982	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	165,165	-	-	-	-	-
	42,781,199	37,706,723	35,596,761	25,864,588	31,451,250	29,111,268
	<u>(35,970,875)</u>	<u>(30,265,369)</u>	<u>(24,533,622)</u>	<u>(18,955,051)</u>	<u>(19,895,705)</u>	<u>(18,581,835)</u>
	<u>7,450,489</u>	<u>8,625,336</u>	<u>11,063,139</u>	<u>6,909,537</u>	<u>11,555,545</u>	<u>11,128,054</u>
\$	<u>(5,147,724)</u>	<u>(1,777,012)</u>	<u>(4,642,790)</u>	<u>(17,413,208)</u>	<u>(5,848,486)</u>	<u>(13,977,497)</u>
	12.4%	14.4%	14.8%	13.7%	13.4%	12.2%

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 5 - Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

Tax Year <sup>(1)</sup>	Real Property	Personal Property	Total Assessed Value	Allowable Exemptions <sup>(2)</sup>	Total Taxable Assessed Value	Assessed Value as a Percentage of Actual Value <sup>(4)</sup>	Estimated Actual Assessed Value <sup>(3)</sup>	Total Direct Tax Rate
2003	\$ 3,186,259	\$ 626,590	\$ 3,812,849	\$ 1,016,964	\$ 2,795,885	73.33%	\$ 3,812,744	7.7816
2004	3,830,193	615,440	4,445,633	1,326,374	3,119,259	70.16%	4,445,922	7.2100
2005	5,298,629	679,982	5,978,611	1,877,768	4,100,843	68.59%	5,978,777	7.2100
2006	7,457,263	751,407	8,208,670	2,272,274	5,936,396	72.32%	8,208,512	6.8000
2007	8,718,202	800,698	9,518,900	2,474,874	7,044,026	74.00%	9,518,954	6.2560
2008	8,552,631	824,237	9,376,868	2,530,069	6,846,799	73.02%	9,376,608	7.1634
2009	6,418,351	802,995	7,221,346	1,837,252	5,384,094	74.56%	7,221,156	7.4000
2010	5,052,642	765,227	5,817,869	1,477,179	4,340,690	74.61%	5,817,839	8.4000
2011	4,808,666	731,437	5,540,103	1,463,061	4,077,042	73.59%	5,540,212	8.4000
2012	5,033,514	653,918	5,687,432	1,621,546	4,065,886	71.49%	5,687,349	8.7760

Source: Lee County Property Appraiser

<sup>(1)</sup> Calendar year basis.

<sup>(2)</sup> Allowable exemptions include the assessment differential value of capped parcels, which is more commonly known as the "Save Our Homes" constitutional amendment.

<sup>(3)</sup> Estimated actual value is calculated by dividing total taxable assessed value by assessed value as a percentage of actual value.

<sup>(4)</sup> Florida Statutes require assessments at just valuation.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 6 - Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(per \$1,000 of assessed value)**

Tax Year <sup>(1)</sup>	Fiscal Year	City of Fort Myers Direct Rates			Overlapping Rates			Total Direct & Overlapping Rates <sup>(4)</sup>
		Operating Millage <sup>(2)</sup>	GO Debt Service Millage	Total Direct Tax Rate	Lee County General	Other <sup>(3)</sup>	School District Millage	
2003	2003/04	7.7816	0.0000	7.7816	4.3277	3.0403	8.346	23.4956
2004	2004/05	7.2100	0.0000	7.2100	4.2612	2.6562	8.065	22.1924
2005	2005/06	7.2100	0.0000	7.2100	3.9332	2.6091	7.882	21.6343
2006	2006/07	6.8000	0.0000	6.8000	3.5216	2.2909	7.012	19.6245
2007	2007/08	6.2560	0.0000	6.2560	3.6506	1.7276	6.960	18.5942
2008	2008/09	7.1634	0.0000	7.1634	3.6506	1.6328	6.868	19.3148
2009	2009/10	7.4000	0.0000	7.4000	3.6506	1.6887	7.508	20.2473
2010	2010/11	8.4000	0.0000	8.4000	3.6506	1.7715	8.015	21.8371
2011	2011/12	8.4000	0.0000	8.4000	3.6506	1.5996	7.854	21.5042
2012	2012/13	8.7760	0.0000	8.7760	3.6506	1.5822	7.584	21.5928

Source: Lee County Tax Collector

<sup>(1)</sup> Calendar year basis.

<sup>(2)</sup> The city's operating millage tax rate may be increased only by a majority vote of the City Council.

<sup>(3)</sup> 'Other' consists of Lee County Capital Improvement, Lee County Library Fund, Lee County All Hazards, and other Special Districts.

<sup>(4)</sup> Total Direct and Overlapping Rates changed in fiscal year 2010 due to the addition of other overlapping rates.



**CITY OF FORT MYERS, FLORIDA**  
**Schedule 7 - Principal Property Taxpayers**  
**September 30, 2013**  
**Current Year and Nine Years Ago**  
**(\$ in thousands)**

Taxpayer	2013 <sup>(1)</sup>			2004 <sup>(2)</sup>		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Edison Mall Business Trust	\$ 78,653	1	1.93%	\$ 86,615	1	3.10%
Gulf Stream Isles Apartments	16,861	2	0.41%			
Fort Myers Imports LLC	14,527	3	0.36%			
Inland Diversified	14,299	4	0.35%			
Cole Mt. Fort Myers	14,022	5	0.34%			
Wal-Mart Stores	12,631	6	0.31%			
Cypress Legends LLC	10,791	7	0.27%			
The Palms at Ft. Myers	9,881	8	0.24%			
Colonial Metro Properties	9,637	9	0.24%			
SptMrt Properties Trust	9,461	10	0.23%			
TGM Gulfstream Inc.				34,994	2	1.25%
FM Properties II LTD				29,511	3	1.06%
SW Florida Regional Medical Center				29,329	4	1.05%
Bay Colony Gateway Inc.				26,702	5	0.96%
Kings Reflections Apartments				24,021	6	0.86%
SptMrt Properties Trust				13,617	7	0.49%
Bernwood Trace Associates LTD				13,298	8	0.48%
Wal-Mart Stores East LP				11,769	9	0.42%
Montego Bay Southwest LLC				10,330	10	0.37%
<b>Total</b>	<b>\$ 190,763</b>		<b>4.68%</b>	<b>\$ 280,186</b>		<b>10.04%</b>

Source: <sup>(1)</sup> Lee County Property Appraiser - 2012 Tax Roll  
City of Fort Myers Budget Office - FY 2012-13 Budget Book

<sup>(2)</sup> Lee County Property Appraiser - 2003 Tax Roll  
City of Fort Myers CAFR September 30, 2004

Notes: 2012 Total Taxable Assessed Value for Fiscal Year 2013 is \$4,065,886.  
2003 Total Taxable Assessed Value for Fiscal Year 2004 is \$2,795,885.

The comparative percentages in the 2004 CAFR are dissimilar due to the fact that Total Assessed Value was used as the basis of that calculation, whereas total Taxable Assessed Value is used as the basis above, in accordance with GASB 44.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 8 - Property Tax Levies and Collections**  
**Last Ten Tax Years**  
**(\$ in thousands)**

<u>Tax Year <sup>(1)</sup></u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent Levy Collected</u>	<u>Prior Years Tax Collections <sup>(2)</sup></u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Current Levy</u>
2003	\$ 21,813	\$ 21,095	96.7%	\$ 30	\$ 21,125	96.8%
2004	22,408	22,062	98.5%	42	22,104	98.6%
2005	29,306	28,988	98.9%	325	29,313	100.0%
2006	40,352	39,816	98.7%	60	39,876	98.8%
2007	43,837	43,286	98.7%	61	43,347	98.9%
2008	48,693	47,918	98.4%	(24)	47,894	98.4%
2009	39,015	38,637	99.0%	395	39,032	100.0%
2010	35,959	35,680	99.2%	(77)	35,603	99.0%
2011	33,676	33,572	99.7%	1,349	34,921	103.7%
2012	35,586	35,454	99.6%	(141)	35,313	99.2%

Source: Lee County Tax Collector

<sup>(1)</sup> Calendar year basis.

<sup>(2)</sup> The Lee County Tax Collector auctions current year delinquent tax certificates in June of each year. The County cannot reasonably provide the amount of delinquent taxes by year.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 9 - Water Sold by Type of Customer and Wastewater Billed by Type of Customer**  
**Last Ten Fiscal Years**  
**(in millions of gallons)**

<b>Water:</b>										
<b>Type of Customer</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Residential	659.8	719.4	1,477.5	1,312.1	1,248.3	1,231.7	1,208.9	1,186.6	1,198.4	1,188.8
Commercial	1,539.4	1,678.7	977.9	1,165.7	2,305.1	2,778.0	2,630.9	2,979.4	3,024.1	2,773.1
<b>Total</b>	<b>2,199.2</b>	<b>2,398.1</b>	<b>2,455.4</b>	<b>2,477.8</b>	<b>3,553.4</b>	<b>4,009.7</b>	<b>3,839.8</b>	<b>4,166.0</b>	<b>4,222.5</b>	<b>3,961.9</b>
Total direct rate per 1,000 gallons	\$ 3.10	\$ 3.26	\$ 3.42	\$ 3.59	\$ 3.31	\$ 3.61	\$ 3.93	\$ 4.28	\$ 4.28 <sup>(1)</sup>	\$ 4.49
<b>Wastewater:</b>										
<b>Type of Customer</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Residential	1,128.2	1,280.7	1,407.3	1,254.8	1,198.0	1,183.6	1,159.6	1,139.8	1,156.5	1,146.7
Commercial	663.6	683.5	681.2	643.4	645.7	670.4	669.3	668.7	665.7	671.7
<b>Total</b>	<b>1,791.8</b>	<b>1,964.2</b>	<b>2,088.5</b>	<b>1,898.2</b>	<b>1,843.7</b>	<b>1,854.0</b>	<b>1,828.9</b>	<b>1,808.5</b>	<b>1,822.2</b>	<b>1,818.4</b>
Total direct rate per 1,000 gallons	\$ 6.68	\$ 7.01	\$ 7.36	\$ 7.73	\$ 8.06	\$ 8.79	\$ 9.58	\$10.44	\$10.44 <sup>(1)</sup>	\$10.96

Source: City of Fort Myers Utility Billing Department

Note: The City of Fort Myers' rates change incrementally with increases in usage of volume.

<sup>(1)</sup> Fiscal year 2012 direct rates corrected in fiscal year 2013 to reflect no rate increase from FY 2011 to FY 2012.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 10 - Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

Fiscal Year	Governmental Activities <sup>(3)</sup>			Business-Type Activities	
	Revenue Bonds	Capital Leases	Notes Payable	Utility Revenue Bonds <sup>(3)</sup>	State Revolving Fund Loans
2004	\$ 105,257	\$ 761	\$ 379	\$ 103,687	\$ 2,394
2005	99,327	286	11,694	101,208	19,579
2006	93,521	48	12,369	136,276	30,711
2007	141,762	-	8,348	132,247	50,939
2008	135,459	-	8,937	127,871	74,014
2009	129,500	-	7,841	124,445	71,552
2010	123,307	-	6,079	119,005	70,144
2011	116,835	-	5,558	114,452	80,750
2012	110,062	-	5,037	136,974	82,018
2013	102,908	589	4,515	139,749	77,626

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

<sup>(1)</sup> See Schedule 14 for personal income and population data. Percentage of Personal Income changed in fiscal year 2010 for 2004-2009 to use City data. Prior ratios were calculated with Lee County data.

<sup>(2)</sup> Debt Per Capita changed in fiscal year 2010 for fiscal years 2004-2009 to use City data.

<sup>(3)</sup> Corrected fiscal years 2004-2012 to report outstanding debt net of related premiums, discounts, and adjustments.

<sup>(4)</sup> Calculation changed for fiscal years 2004-2012 due to reporting change in net outstanding debt amounts.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 11 - Direct and Overlapping Governmental Activities Debt**  
**September 30, 2013**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Fort Myers <sup>(1)</sup>	Amount Applicable to Fort Myers
City of Fort Myers	\$ 108,012,404	100.00%	\$ 108,012,404
<b>Overlapping Bonded Debt:</b>			
Lee County	245,123,000	6.13%	15,020,787
School Board	485,828,039	6.13%	29,770,848
Total Overlapping Bonded Debt	730,951,039		44,791,635
Total net direct and net overlapping bonded debt	\$ 838,963,443		\$ 152,804,039

Sources: Lee County, Finance Division  
Lee County Clerk of Court  
Lee County School Board, Finance Division  
City of Fort Myers Annual Budget Book

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Fort Myers. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>(1)</sup> Calculated as a ratio of taxable valuation of property in the City of Fort Myers (\$4,206,427,000) to total taxable valuation of property in Lee County (\$68,644,339,000).

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 10 - Ratio of Outstanding Debt by Type (continued)**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<b>Business-Type Activities</b>				<b>Total Primary Government</b> <sup>(1)(3)</sup>	<b>Percentage of Personal Income</b> <sup>(1)(4)</sup>	<b>Debt Per Capita</b> <sup>(2)(4)</sup>
<b>Other Utility Debt</b> <sup>(3)</sup>	<b>Other Revenue Bonds</b> <sup>(3)</sup>	<b>Capital Leases</b>	<b>Other Proprietary Debt</b>			
\$ 87	\$ 1,942	\$ 158	\$ -	\$ 214,665	12.42%	\$ 3,728
12,087	1,897	62	660	246,800	11.56%	4,019
550	1,847	-	5,760	281,082	12.08%	4,276
11,219	1,024	-	5,150	350,689	13.11%	5,169
49,202	953	-	5,000	401,436	13.96%	5,844
126,395	931	-	4,845	465,509	16.86%	6,764
83,845	907	-	4,683	407,970	15.25%	5,983
60,823	882	-	4,513	383,813	19.86%	6,029
50,000	853	-	4,335	389,279	13.68%	5,824
49,472	777	-	4,149	379,785	14.18%	5,662

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 12 - General Revenue Bonds - Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<b>General Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Excess Utilities Tax</b>	<b>Communications Tax</b>	<b>Guaranteed Entitlement Funds</b>	<b>Franchise Fees</b>	<b>Occupational License Tax</b>	
2004	\$ 4,689	\$ 3,670	\$ 893	\$ 3,542	\$ 1,368	
2005	5,268	3,804	893	4,037	1,543	
2006	5,507	4,189	893	5,088	1,755	
2007	5,765	4,314	893	5,585	1,825	
2008	5,727	4,682	893	5,794	1,642	
2009	5,923	4,378	893	5,949	1,616	
2010	6,338	3,571	893	5,223	1,568	
2011	6,471	3,557	893	5,248	1,465	
2012	6,694	4,064	893	5,072	1,651	
2013	7,261	3,913	893	5,028	1,693	

Note: Debt service coverage is based on pledged revenues and annual debt service.

<sup>(1)</sup> Added Interest to the Debt Service requirements in fiscal year 2010 for fiscal years 2004 to 2009.

<sup>(2)</sup> Recalculated Bond Coverage for fiscal years 2004 to 2009 due to the addition of Interest to the Debt Service requirements in fiscal year 2010.

<b>General Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Excess Utilities Tax</b>	<b>Communications Tax</b>	<b>Guaranteed Entitlement Funds</b>	<b>Franchise Fees</b>	<b>Occupational License Tax</b>	
2004	\$ 4,689	\$ 3,670	\$ 893	\$ 3,542	\$ 1,368	
2005	5,268	3,804	893	4,037	1,543	
2006	5,507	4,189	893	5,088	1,755	
2007	5,765	4,314	893	5,585	1,825	
2008	5,727	4,682	893	5,794	1,642	
2009	5,923	4,378	893	5,949	1,616	
2010	6,338	3,571	893	5,223	1,568	
2011	6,471	3,557	893	5,248	1,465	
2012	6,694	4,064	893	5,072	1,651	
2013	7,261	3,913	893	5,028	1,693	

Note: Bond coverage is based on the bond document calculation.

<sup>(1)</sup> Recalculated Maximum Principal and Interest, based on maximum per fiscal year, in fiscal year 2010 for fiscal years 2004 to 2008. Prior calculations were based on maximum per bond year.

<sup>(2)</sup> Recalculated Bond Coverages in fiscal year 2010 due to the change in Maximum Principal and Interest for fiscal years 2004 to 2008.

<b>Gas Tax Revenue Bonds, Series 2004A</b>						
<b>Fiscal Year</b>	<b>Five Cents Local Gas Tax</b>	<b>Six Cents Local Gas Tax</b>	<b>Total Pledged Revenues</b>	<b>Maximum Principal and Interest</b>	<b>Bond Coverage</b>	
2004	\$ 1,770	\$ 2,396	\$ 4,166	\$ 1,697	2.45	
2005	1,858	2,564	4,422	1,697	2.61	
2006	1,928	2,678	4,607	1,690	2.73	
2007	1,939	2,613	4,553	1,690	2.69	
2008	1,787	2,445	4,232	1,688	2.51	
2009	1,766	2,370	4,136	1,688	2.45	
2010	1,705	2,319	4,024	1,686	2.39	
2011	1,671	2,259	3,930	1,686	2.33	
2012	1,742	2,337	4,079	1,682	2.43	
2013	1,736	2,330	4,066	1,678	2.42	

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 12 - General Revenue Bonds - Pledged Revenue Coverage (continued)**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

**General Revenue Bonds (continued)**

Half-Cent Sales Tax	Total Pledged Revenues	Debt Service		Bond Coverage <sup>(2)</sup>
		Principal	Interest <sup>(1)</sup>	
\$ 4,771	\$ 18,933	\$ 3,970	\$ 3,985	2.38
5,539	21,084	4,275	3,800	2.61
5,924	23,356	4,475	3,604	2.89
5,531	23,913	4,395	4,564	2.67
4,802	23,540	4,445	4,964	2.50
4,169	22,928	4,310	5,242	2.40
4,184	21,777	5,674	5,032	2.03
4,404	22,038	4,686	4,810	2.32
4,282	22,656	4,965	4,575	2.37
4,660	23,448	5,370	4,320	2.42

**General Revenue Bonds (continued)**

Half-Cent Sales Tax	Total Pledged Revenues	Maximum Principal and Interest <sup>(1)</sup>	Bond Coverage <sup>(2)</sup>
\$ 4,771	\$ 18,933	\$ 8,079	2.34
5,539	21,084	8,079	2.61
5,924	23,356	8,079	2.89
5,531	23,913	9,690	2.47
4,802	23,540	9,690	2.43
4,169	22,928	10,706	2.14
4,184	21,777	10,706	2.03
4,404	22,038	9,690	2.27
4,282	22,656	9,690	2.34
4,660	23,448	9,677	2.42

**Community Redevelopment Revenue Note, Series 2005**

Fiscal Year	Tax Increment Financing Revenues	Maximum Principal and Interest	Bond Coverage
2005	\$ 1,635	\$ 4,556	0.36
2006	3,261	4,556	0.72
2007	4,912	4,556	1.08
2008	5,457	4,556	1.20
2009	7,633	4,556	1.68
2010	5,117	735	6.96
2011	2,899	718	4.04
2012	2,496	698	3.58
2013	2,780	678	4.10

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 13 - Water-Wastewater Utility - Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

Coverage based on current year results and not calculated according to the bond documents.

<b>Fiscal Year</b>	<b>Gross Utility Revenues</b>	<b>Direct Operating Expenses</b>	<b>Net Operating Revenues</b>	<b>Pledged Impact Fees Available</b>	<b>Total Available Revenues</b>
2004	\$ 35,915	\$ 14,379	\$ 21,536	\$ 442	\$ 21,978
2005	42,560	19,677	22,883	677	23,560
2006	44,728	27,071	17,657	1,267	18,924
2007	42,899	29,723	13,176	1,761	14,937
2008	43,579	32,232	11,347	1,228	12,575
2009	45,692	33,194	12,498	52	12,550
2010	48,301	32,822	15,479	-	15,479
2011	51,137	32,594	18,543	-	18,543
2012	51,978	34,034	17,944	-	17,944
2013	52,961	34,941	18,020	-	18,020

Note: Corrected prior years for consistency in interpretation of bond documents.

Coverage calculated according to the bond documents for coverage and additional bonds test.

<b>Fiscal Year</b>	<b>Total Operating Revenues</b>	<b>Total Operating Expenses</b>	<b>Net Operating Revenues</b>	<b>Adjustments Per Bond Documents</b>	<b>Net Operating Revenues Available for Debt Service</b>
2004	\$ 32,526	\$ 18,980	\$ 13,546	\$ 4,582	\$ 18,128
2005	42,560	19,677	22,883	4,369	27,252
2006	44,056	26,291	17,765	5,746	23,511
2007	41,588	26,536	15,052	5,038	20,090
2008	43,548	30,371	13,177	5,980	19,157
2009	46,069	30,262	15,807	9,453	25,260
2010	48,752	26,203	22,549	8,647	31,196
2011	51,433	25,862	25,571	9,380	34,951
2012	52,008	26,891	25,117	9,410	34,527
2013	53,039	27,320	25,719	9,389	35,108

Note: Corrected prior years for consistency in interpretation of bond documents.

<sup>(1)</sup> In fiscal year 2010, the basis for Maximum Debt Service changed from bond year to fiscal year for fiscal years 2004 to 2009.



**CITY OF FORT MYERS, FLORIDA**  
**Schedule 13 - Water-Wastewater Utility - Pledged Revenue Coverage (continued)**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<u>Debt Service</u>		<u>Bonded Coverage</u>	<u>State Revolving Loan Debt Service</u>	<u>Utility Bonds and Notes Coverage</u>
<u>Principal</u>	<u>Interest</u>			
\$ 4,230	\$ 5,361	2.30	\$ -	2.30
3,610	5,250	2.67	-	2.67
6,040	5,948	1.58	649	1.50
5,105	6,747	1.26	1,436	1.12
5,340	6,560	1.06	2,177	0.89
5,405	8,647	0.89	5,174	0.65
4,050	8,344	1.25	5,971	0.84
5,600	8,362	1.33	6,335	0.91
5,865	7,184	1.38	6,450	0.92
2,738	7,651	1.73	6,451	1.07

<u>Impact Fees Available for Debt Service</u>	<u>Total Revenues Available for Debt Service</u>	<u>Maximum Debt Service</u> <sup>(1)</sup>	<u>Coverage NOR Available for Debt Service</u>	<u>Coverage Total Revenues Available</u>	<u>State Revolving Loan Maximum Debt Service</u>	<u>Coverage Total Revenues Debt Service</u>
\$ 442	\$ 18,570	\$ 11,114	1.63	1.67	\$ 1,510	4.94
677	27,929	11,114	2.45	2.51	3,193	5.27
1,267	24,778	12,842	1.83	1.93	3,978	3.00
1,761	21,851	12,842	1.56	1.70	5,409	1.67
1,228	20,385	12,842	1.49	1.59	5,602	1.35
52	25,312	15,875	1.59	1.59	5,694	1.66
-	31,196	15,781	1.98	1.98	7,004	2.20
-	34,951	16,083	2.17	2.17	6,815	2.77
-	34,527	16,271	2.12	2.12	6,453	2.83
-	35,108	16,499	2.13	2.13	6,453	2.88

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 14 - Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Year	Population		Lee County <sup>(1)</sup>				
	City of Fort Myers <sup>(2)</sup>	Lee County <sup>(3)</sup>	Total Personal Income (in thousands) <sup>(4)</sup>	Per Capita Income <sup>(5)</sup>	Labor Force <sup>(6)</sup>	Unemployed <sup>(6)</sup>	Unemployment Rate <sup>(6)</sup>
2004	57,585	521,253	\$ 15,644,366	\$ 29,540	226,516	8,129	3.6%
2005	61,412	549,442	19,098,604	31,487	256,557	8,774	3.4%
2006	65,729	585,608	20,736,965	33,073	278,098	6,823	2.5%
2007	67,851	615,741	24,266,353	39,410	295,730	15,344	5.2%
2008	68,689	623,725	26,111,623	41,864	284,605	26,200	9.2%
2009	68,819	615,124	24,674,348	41,954	272,069	37,789	13.9%
					City of Fort Myers <sup>(1)</sup>		
2010	62,298	618,754	1,422,762	22,838	30,049	3,378	11.2%
2011	63,662	625,310	1,465,062	23,517	29,786	3,034	10.2%
2012	66,835	638,029	1,570,288	23,495	28,211	2,436	8.6%
2013	67,081	643,367	1,579,154	23,541	28,885	1,928	6.7%
					As Projected		
2018	70,539 <sup>(7)</sup>	697,416 <sup>(7)</sup>					

- Sources:
- (1) City of Fort Myers statistics not available until 2010.
  - (2) Lee County Economic Development (2004-2006).  
Office of Economic and Demographic Research - Edr.state.fl (2007-2009). Population is projected.  
US Census Bureau (2010).  
Bureau of Economic and Business Research, University of Florida (2011-2013). Population is projected.
  - (3) Lee County Planning Department (2004-2006).  
Office of Economic and Demographic Research - Edr.state.fl (2007-2009). Population is projected.  
US Census Bureau (2010).  
Bureau of Economic and Business Research, University of Florida (2011-2013). Population is projected.
  - (4) Bureau of Economic and Business Research Population for Counties and Municipalities Revenue (2004-2006).  
Lee County, Florida, Comprehensive Annual Financial Report, Demographic Statistics (2007-2009).  
City of Fort Myers, Geographic Information Systems (2010-2013). Total personal income is estimated.
  - (5) Bureau of Economic and Business Research, Woods & Poole MSA Profile; Sales and Marketing (2004-2006).  
Lee County, Florida, Comprehensive Annual Financial Report, Demographic Statistics (2007-2009).  
City of Fort Myers, Geographic Information Systems (2010-2013). Per capita income is estimated.
  - (6) Florida Department of Labor and Employment, Division of Labor, Employment and Training (2004-2006).  
Florida Agency for Workforce Innovation, Labor Market Statistics Center (2007-2009).  
Florida Department of Economic Opportunity (2010-2013).
  - (7) City of Fort Myers, Geographic Information Systems

**LEE COUNTY, FLORIDA**  
**Schedule 15 - Principal Employers <sup>(1)</sup>**  
**September 30, 2013**  
**Current Year and Nine Years Ago**

<b>Employer</b>	<b>2013 <sup>(2)</sup></b>			<b>2004</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Lee Memorial Health System	10,425	1	3.95%	4,526	2	2.17%
Lee County School District	10,333	2	3.91%	8,558	1	4.10%
Publix Super Markets	4,404	3	1.67%	2,365	4	1.13%
Lee County Administration	2,358	4	0.89%	2,047	5	0.98%
Wal-Mart Corporation	1,967	5	0.74%	2,518	3	1.21%
Chico's FAS, Inc.	1,703	6	0.64%			
Lee County Sheriff's Office	1,535	7	0.58%			
U.S. Postal Service	1,477	8	0.56%	1,137	10	0.54%
City of Cape Coral	1,197	9	0.45%	1,198	9	0.57%
Target	1,100	10	0.42%			
Southwest Florida Regional Medical Center				1,500	6	0.72%
Interstate Hotels and Resorts				1,413	7	0.68%
Bonita Bay Group				1,400	8	0.67%
<b>Total</b>	<b>36,499</b>		<b>13.81%</b>	<b>26,662</b>		<b>12.77%</b>

Source: Lee County Office of Economic Development, Florida Research and Economic Database, and U.S. Bureau of Labor Statistics.

<sup>(1)</sup> The information provides Lee County statistics since statistics for the City of Fort Myers are not available.

<sup>(2)</sup> As of July 2013.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 16 - Full-Time Equivalent Government - Employees by Function/Program**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
General Government	118.4	121.5	132.0	145.0	145.9	143.6	119.6	114.0	114.0	114.0
Public Safety	434.5	473.8	494.1	529.3	530.1	511.7	412.5	427.4	427.4	426.9
Physical Environment	242.9	262.3	274.9	298.4	302.1	295.9	259.7	253.8	253.8	253.8
Transportation	23.0	24.0	24.5	24.5	24.6	22.6	18.6	19.0	19.0	19.0
Culture/Recreation	158.7	162.3	160.8	111.8	123.3	122.4	103.6	100.3	103.4	104.9
Community Development	12.5	13.4	13.1	20.6	17.5	17.4	14.0	13.4	13.4	13.9
<b>Total</b>	<b>990.0</b>	<b>1,057.3</b>	<b>1,099.4</b>	<b>1,129.6</b>	<b>1,143.5</b>	<b>1,113.6</b>	<b>928.0</b>	<b>927.9</b>	<b>931.0</b>	<b>932.5</b>

Source: City of Fort Myers Budget Office.

Note: The City of Fort Myers implemented the government-wide information required by GASB Statement 44 retroactively to fiscal year 2004. In fiscal year 2011, the data was expanded to reflect the accurate ratio of full-time positions.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 17 - Operations Indicators by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Police</b>										
Number of police personnel and officers	277	263	193	203	244	257	268	264	250	250
Physical arrests	7,460	7,913	7,288	6,561	6,920	5,398	5,697	5,498	5,844	5,829
Traffic violations	13,500	18,844	17,921	17,991	15,655	10,213	20,964	18,463	24,602	20,623
Parking violations	9,750	11,545	8,455	6,861	5,974	7,616	6,976	7,400	8,232	7,373
<b>Fire</b>										
Number of fire personnel and officers	100	115	115	126	126	121	120	149	142	140
Number of calls answered	15,064	16,654	16,071	14,957	13,983	14,690	14,725	15,793	15,933	15,592
Number of inspections conducted	4,549	6,175	5,446	4,609	6,102	5,405	3,452	3,429	2,943	3,375
<b>Solid Waste</b>										
Commercial MSW (tonnage)	31,514	32,745	37,092	33,606	31,733	29,607	28,325	30,997	31,802	29,742
Residential MSW (tonnage)	13,951	14,880	17,219	15,705	12,060	8,488	7,952	5,588	5,359	8,442
Roll-Off Debris (tonnage)	1,294	3,225	5,583	6,891	14,245	14,949	15,307	15,075	14,945	16,398
Recycling (tonnage)	-	-	-	-	-	-	-	-	-	4,014
<b>Culture and Recreation</b>										
City Recreation Venues <sup>(3)</sup>	358,636	735,453	337,801	573,023	663,430	555,145	990,185	1,056,291	1,188,389	1,073,336
<b>Water system</b>										
Number of service connections	18,137	17,026	18,598	18,893	20,194	20,576	21,010	21,365	22,193	22,919
Daily average finished flow in gallons	6,818,000	8,034,000	6,878,000	7,524,000	6,601,376	6,129,000	6,020,000	6,024,910	6,042,200	6,326,401
Maximum daily capacity of plants, in gallons	7,800,000	9,300,000	9,404,000	9,438,000	12,000,000 <sup>(2)</sup>	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
<b>Wastewater system</b>										
Number of service connections	15,650	15,174	16,627	16,949	16,394	16,552	16,690	16,859	17,530	18,680
Daily average treatment in gallons	14,910,000	16,620,000	17,532,500	14,610,000	15,544,000	14,230,000	14,857,000	13,710,000	14,540,000	14,890,000
Maximum daily capacity of treatment plants, in gallons	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000
<b>Building, Permits, and Inspection</b>										
Building permits issued	10,202	7,265	8,085	7,705	5,358	4,122	4,941	5,323	5,836	6,548
<b>Golf Courses</b>										
Number of rounds per year, Eastwood	60,926	63,565	58,929	39,279 <sup>(1)</sup>	48,048 <sup>(1)</sup>	56,399	55,327	56,117	52,196	54,920
Number of rounds per year, Fort Myers	61,954	64,254	65,434	76,828	67,169	57,905	55,625	55,444	52,335	53,565

Sources: Various city departments

Note: The City of Fort Myers implemented the government-wide information required by GASB Statement 44 retroactively to fiscal year 2004. In fiscal year 2013, the City changed this schedule to enhance the reporting of Operating Indicators. Therefore, the Capital Assets Statistics reported in previous fiscal years' Schedule 17 transferred to Schedule 18.

<sup>(1)</sup> In fiscal years 2007 and 2008, the Eastwood Golf Course was closed due to renovations, which led to a temporary increase at the Fort Myers Country Club.

<sup>(2)</sup> Water Plant enhancement

<sup>(3)</sup> Includes City community centers, athletics and aquatics venues, and special events.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule 18 - Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government										
Number of Enterprise Center buildings	2	2	2	2	2	2	2	2	2	2
Number of facility management vehicles	11	12	13	13	14	14	14	14	14	13
Police										
Number of stations	5	5	4	2	2	2	2	2	2	2
Number of patrol vehicles	82	82	91	100	113	120	120	120	114	111
Fire										
Number of stations	4	5	5	6	6	6	6	6	6	6
Number of fire fighting units	7	9	9	10	10	10	10	10	10	10
Number of rescue units	2	2	2	2	2	2	2	2	2	2
Number of marine units	2	2	2	2	2	2	2	2	2	2
Number of support/specialty units	4	4	5	5	5	5	5	5	5	5
Culture and Recreation										
Number of community centers	5	5	5	5	5	3	3	3	3	3
Number of parks	26	27	28	29	30	34	35	35	35	36
Park acreage (including golf courses)	490	491	504	505	507	451	205 <sup>(2)</sup>	686 <sup>(3)</sup>	686	686
Number of swimming pools	4	4	4	4	4	4	4	4	4	4
Number of tennis courts	21	21	16	16	16	16	16	16	16	16
Number of skate parks	1	1	1	1	1	1	1	1	1	1
Public Works										
Number of Public Works buildings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	132
Miles of city maintained streets	233	230	260	272	240 <sup>(1)</sup>	240	240	240	240	240
Number of street lights	8,000	8,286	9,500	9,850	10,346	10,346	10,346	10,346	10,346	10,346
Number of bridges	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	16
Number of culverts	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12
Sewer system										
Miles of sanitary sewers	310	236	328	337	372	388	400	406	410	410
Number of sewer treatment plants	2	2	2	2	2	2	2	2	2	2
Water system										
Number of water treatment plants	1	1	1	1	1	1	1	1	1	1
Miles of water mains	320	314	344	378	383	397	413	441	453	458
Number of fire hydrants	1,500	1,500	1,500	3,483	3,644	4,600	4,600	4,035 <sup>(4)</sup>	4,038	4,038
Stormwater										
Miles of storm drainage pipes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	139
Catch basins	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	831
Solid Waste										
Refuse collection vehicles	27	34	42	43	39	39	38	37	38	41
Golf Courses										
Number of golf courses	2	2	2	2	2	2	2	2	2	2
Number of holes	36	36	36	36	36	36	36	36	36	36
Yacht Basin/Marina										
Number of slips	296	296	296	296	296	296	296	295	295	284
Number of transient boats docked <sup>(5)</sup>	155	150	145	145	140	135	130	130	130	147
Downtown Parking Garages										
Number of parking garages	2	2	2	2	2	2	2	2	2	2
Harborside Event Center										
Number of event center buildings	1	1	1	1	1	1	1	1	1	1
Cultural and Historic Affairs										
Number of buildings	4	4	4	4	4	4	4	4	4	4

Sources: Various city departments

Note: The City of Fort Myers implemented the government-wide information required by GASB Statement 44 retroactively to fiscal year 2004. In fiscal year 2013, the City changed this schedule to provide more details on Capital Assets Statistics. Previous fiscal years' Schedule 18 reported number of assets by function.

<sup>(1)</sup> Calculation corrected to include only city maintained roads. Previous calculation was based upon all city roads, some of which were federal and state roads.

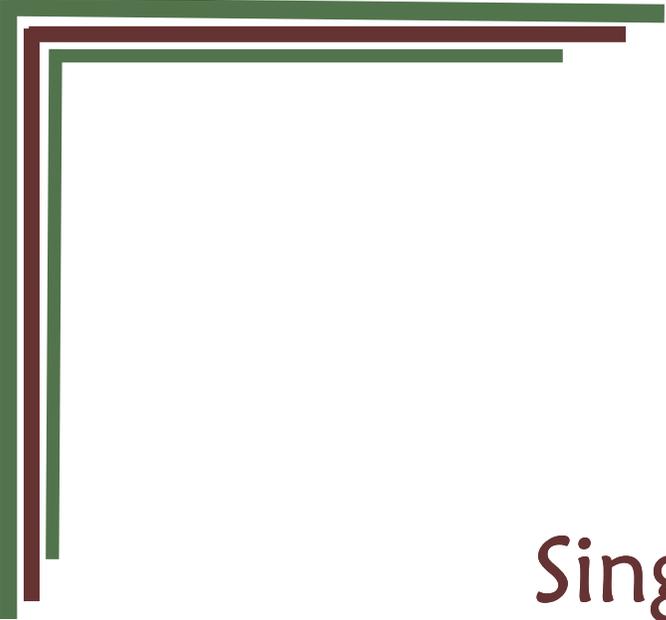
<sup>(2)</sup> Allen Park was reduced to tennis court only.

<sup>(3)</sup> Due to GPS enhancements, acreage has been updated. Billy Bowlegs Filter Marsh was added and Clemente Park was expanded.

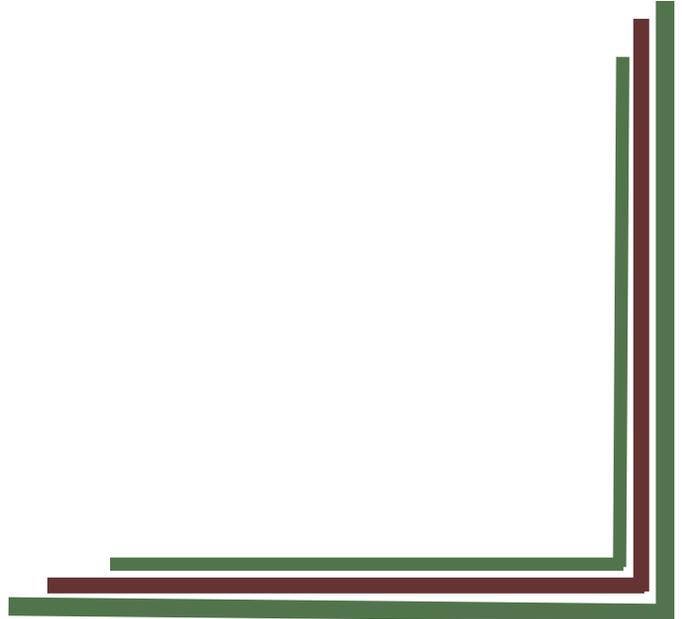
<sup>(4)</sup> GPS field truthing for fire hydrants completed in fiscal year 2011. Fluctuations in fiscal years 2008 - 2010 resulted from estimates during the survey.

<sup>(5)</sup> This is an estimated count as the number of transient boaters fluctuates.





# Single Audit Report









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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Myers (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 21, 2014. We have also audited the balance sheet and statement of revenues and expenses of the City of Fort Myers, Florida, Community Redevelopment Agency presented in the accompanying combining and individual fund financial statements and schedules as of and for the year ended September 30, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maye Hoffman McCann P.C.*

February 21, 2014  
Clearwater, Florida

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2013**

<u>FUNDING AGENCY / GRANT NAME</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL OR Passed through GRANT NUMBER</u>	<u>TOTAL EXPENDITURES</u>	<u>TRANSFER TO SUBRECIPIENTS</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Community Development Block Grant Program Cluster				
Community Development Block Grant (CDBG) *	14.218	B-11-MC-12-0006	\$ 671,182	\$ 51,750
Community Development Block Grant (CDBG) *	14.218	B-12-MC-12-0006	34,770	-
Neighborhood Stabilization Program 1 (NSP1) *	14.218	B-08-MN-12-0008	11,542	1,800
Neighborhood Stabilization Program 1 (NSP1) *	14.218	Program Income	22,854	-
Neighborhood Stabilization Program 3 (NSP3) *	14.218	B-11-MN-12-0008	522,871	-
Neighborhood Stabilization Program 3 (NSP3) *	14.218	Program Income	178,363	-
Total Community Development Block Grant Program Cluster		14.218 Total	<u>1,441,582</u>	<u>53,550</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>1,441,582</u></b>	<b><u>53,550</u></b>
<b>U.S. DEPARTMENT OF THE INTERIOR</b>				
<i>Passed through Florida Fish and Wildlife Conservation Commission</i>				
Sport Fish Restoration-Boat Program	15.605	10219	<u>89,124</u>	
<i>Passed through Florida Department of Environmental Protection</i>				
Land and Water Conservation Fund Grant	15.916	LW580	<u>70,000</u>	
<b>Total U.S. Department of the Interior</b>			<b><u>159,124</u></b>	
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Bulletproof Vest Grant FY 2013 / Amended to FY 2012	16.607	None	737	
Bulletproof Vest Partnership Grant FY 2013	16.607	None	19,663	
		16.607 Total	<u>20,400</u>	
<b>ARRA - COPS Hiring Recovery Program Revenue</b>	16.710	2009-RK-WX-0228	<u>85,832</u>	
Edward Byrne Memorial Justice Assistance Grant Program				
Edward Byrne Memorial Justice Assistance Grant Program 2011	16.738	2011-DJ-BX-2351	3,506	
Edward Byrne Memorial Justice Assistance Grant Program 2013	16.738	2012-DJ-BX-0119	52,178	
<i>Passed through Florida Department of Law Enforcement</i>				
Edward Byrne Memorial Justice Assistance Grant Program 2012, Fort Myers Criminal Justice Planning Program	16.738	2013-JAGC-LEE-2-D7-122	<u>18,488</u>	
		16.738 Total	<u>74,172</u>	
<b>ARRA - Justice Assistance Grant Program 2009 Revenue</b>	16.803	2009-SB-B9-2972	<u>40,128</u>	
Total Edward Byrne Memorial Justice Assistance Grant Program		Program cluster 16.738, 16.803 Total	<u>114,300</u>	
<b>Total U.S. Department of Justice</b>			<b><u>220,532</u></b>	
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Federal Highway Administration (FHWA)				
<i>Passed through State of Florida, Department of Transportation (FDOT)</i>				
Highway Planning and Construction - Eugenia Street Sidewalk *	20.205	429838-1-58-01 / 8887 982 A	225,588	
Total Highway Planning and Construction			<u>225,588</u>	

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Expenditures of Federal Awards (continued)**  
**For the Year Ended September 30, 2013**

<u>FUNDING AGENCY / GRANT NAME</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL OR Passed through GRANT NUMBER</u>	<u>TOTAL EXPENDITURES</u>	<u>TRANSFER TO SUBRECIPIENTS</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION (continued)</b>				
National Highway Traffic Safety Administration (NHTSA)				
<i>Passed through State of Florida, Department of Transportation (FDOT)</i>				
State and Community Highway Safety -				
FDOT-Aggressive Driving Enforcement and Education Grant Program 2013	20.600	SC-13-13-01	74,198	
FDOT-Fort Myers Police Department Child Passenger Safety Seat Program	20.600	OP-13-02-13	12,378	
		20.600 Total	<u>86,576</u>	
Alcohol Impaired Driving Countermeasures Incentive Grants I -				
FDOT-DUI Checkpoint Program 2013	20.601	K8-13-06-18	105,759	
Total National Highway Traffic Safety Administration		Program cluster 20.600, 20.601 Total	<u>192,335</u>	
<b>Total U.S. Department of Transportation</b>			<u><b>417,923</b></u>	
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Passed through Florida Division of Emergency Management (FEMA)</i>				
Hazard Mitigation - FDCA Grant - Dean Park Neighborhood Improvements				
	97.039	07HM-7@09-46-02-052	50,762	
Hazard Mitigation - FL Emergency Management Federal Subgrant				
	97.039	10HM-06-09-46-02-009	338,260	
		97.039 Total	<u>389,022</u>	
Assistance to Firefighters Grant - FEMA 2011				
	97.044	EMW-2011-FO-02509	88,854	
<i>Passed through Florida Division of Emergency Management</i>				
State Homeland Security Grant				
	97.067	010-DS-39-13-00-16-414	1,457	
State Homeland Security Grant				
	97.067	11-DS-9Z-13-00-16-436	783,918	
State Homeland Security Grant				
	97.067	12DS-20-13-00-16	12,139	
		97.067 Total	<u>797,514</u>	
Staffing for Adequate Fire and Emergency Response -				
Hiring Program - FEMA 2011				
	97.083	EMW-2009-FH-00610	936,052	
Hiring Program - FEMA 2012				
	97.083	EMW-2012-FH-00249	892,182	
		97.083 Total	<u>1,828,234</u>	
<b>Total U.S. Department of Homeland Security</b>			<u><b>3,103,624</b></u>	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><b>\$ 5,342,785</b></u>	<u><b>\$ 53,550</b></u>

\* Denotes Major Federal Program

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended September 30, 2013**

<u>FUNDING AGENCY / GRANT NAME</u>	<u>STATE CSFA NUMBER</u>	<u>STATE GRANT NUMBER</u>	<u>TOTAL EXPENDITURES</u>	<u>TRANSFER TO SUBRECIPIENTS</u>
<b>FLORIDA DEPARTMENT ENVIRONMENTAL PROTECTION</b>				
Statewide Surface Water Restoration and Wastewater Projects -				
Fort Myers Riverfront Phase 1 - Downtown Water Detention Basin	37.039	S0533	\$ 65,000	\$ -
Statewide Surface Water Restoration and Wastewater Projects -				
Fort Myers Riverfront Phase 1 - Downtown Water Detention Basin	37.039	LP36043	50,000	
<b>Total Florida Department of Environmental Protection</b>		37.039 Total	<b>115,000</b>	
<b>FLORIDA HOUSING FINANCE CORPORATION</b>				
State Housing Initiatives Partnership Program	52.901	None	21,350	
<b>Total Florida Housing Finance Corporation</b>			<b>21,350</b>	
<b>FLORIDA DEPARTMENT OF TRANSPORTATION</b>				
State Infrastructure Bank - State Road 82 (MLK Boulevard)				
Widening from Ortiz to Lee Boulevard **	55.020	195488 2 58 04/06 / 195488 2 68 01 / APG33	1,135,667	
<b>Total Florida Department of Transportation</b>			<b>1,135,667</b>	
<b>FLORIDA DEPARTMENT OF JUVENILE JUSTICE</b>				
Delinquency Prevention-Truancy Assistance Program	80.029	10021	1,584	1,200
<b>Total Florida Department of Juvenile Justice</b>			<b>1,584</b>	<b>1,200</b>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<b>\$ 1,273,601</b>	<b>\$ 1,200</b>

\*\* Denotes Major State Program



**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General of the State of Florida**

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

**Report on Compliance for Each Major Federal Program and State Financial Assistance Projects**

We have audited the City's compliance with the types of compliance requirements described in the OMB Circular A-133 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 the City's major federal programs and state financial assistance projects for the year ended September 30, 2013. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state financial assistance projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the City's compliance.

## Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2013.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and state financial assistance project on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and state financial assistance project will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*Mayor Hoffman McCann P.C.*

February 21, 2014  
Clearwater, Florida

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2013**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal and State Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) Circular A-133 and/or Chapter 10.550?  Yes  No

Identification of major programs/projects:

<b>Federal Programs</b>	<b>CFDA Number</b>
U.S. Department of Housing and Urban Development: Community Development Block Grant Program Cluster	14.218
U.S. Department of Transportation: Highway Planning and Construction	20.205



CITY OF FORT MYERS, FLORIDA

Schedule of Findings and Questioned Costs - Continued

<u>State Programs</u>	<u>CSFA Number</u>
Florida Department of Transportation: State Infrastructure Bank	55.020

The threshold for distinguishing Type A and Type B programs was \$300,000 for federal programs and \$300,000 for state projects.

Auditee qualified as low-risk auditee?                        X   Yes                           No

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no findings required to be reported in accordance with *Government Auditing Standards*.

**Section III - Federal and State Award Findings and Questioned Costs**

This section identifies significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, related to the audit of major federal awards and state financial assistance projects, as required to be reported by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.

There were no findings required to be reported in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*.

**CITY OF FORT MYERS, FLORIDA**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended September 30, 2013**

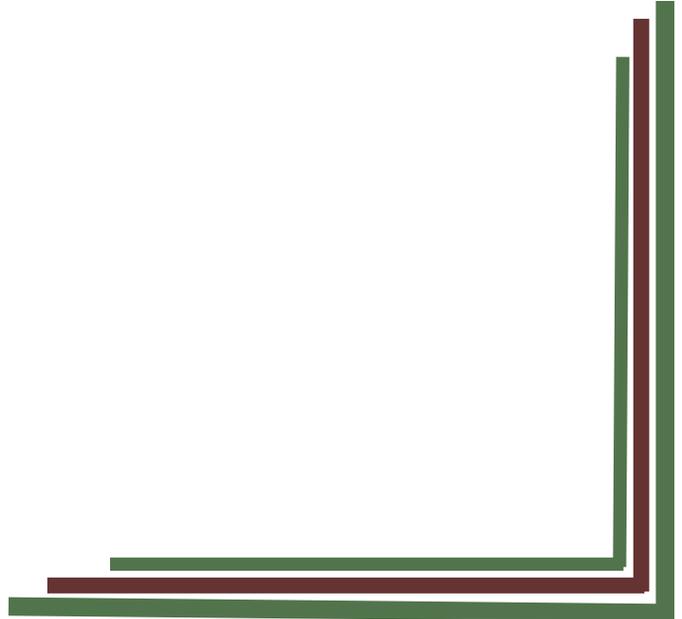
**Summary of Prior Audit Findings**

Finding 2012-01: Timely reporting of financial status and performance reports related to the U.S. Department of Housing and Urban Development Community Block Grant Program

This finding was resolved during the current year.



# Management Letter and Responses







### Independent Auditor's Management Letter

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

We have audited the governmental activities, the business-type activities, each major fund, the Community Redevelopment Agency, and the aggregate remaining fund information of the City of Fort Myers, Florida (the "City") as of and for the year ended September 30, 2013, and have issued our report thereon dated February 21, 2014.

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, OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Florida Auditor General*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and *Rules of the Auditor General*, State of Florida, Chapter 10.550; and the related Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 21, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, *Florida Statutes*, regarding the investment of public funds. In connection with our audit, nothing came to our attention that caused us to believe the City was not in compliance with Section 218.415, *Florida Statutes*.
- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

- Section 10.554(1)(i)(4)., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that may have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)(5)., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.
- Section 10.554(1)(i)(6)(a)., *Rules of the Auditor General*, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and identification of 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*.
- Section 10.554(1)(i)(6)(b)., *Rules of the Auditor General*, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)(6)(c) and 10.556(7), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of the financial information provided by same.

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, applicable management, the Mayor, and the City Council, and is not intended to be and should not be used by anyone other than these specified parties.

*Mayra Hoffman McCann P.C.*

February 21, 2014  
Clearwater, Florida

