

CITY OF FORT MYERS ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024





City of Palms

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year Ended
September 30, 2024**



Prepared by:
Financial Services Department

If you have any questions regarding this report call us at: (239)321-7147
Our mailing address is: 2200 Second Street, Fort Myers, FL 33901
You may also contact us through our website: <https://fortmyers.gov/>



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CITY OF FORT MYERS, FL

ANNUAL COMPREHENSIVE FINANCIAL REPORT YEAR ENDED SEPTEMBER 30, 2024

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INTRODUCTORY SECTION





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City of Fort Myers, Florida

FINANCIAL SERVICES ADMINISTRATION

PO Box 2217

Fort Myers, FL 33902-2217

239.321.7147

April 30, 2025

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

We are pleased to present to you the Annual Comprehensive Financial Report of the City of Fort Myers (City) for the fiscal year ended September 30, 2024. State law requires that a complete set of financial statements, presented in conformance with accounting principles generally accepted in the United States (GAAP), be audited by licensed, independent certified public accountants in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* within nine months after the end of the fiscal year. This report has been published to fulfill those statutory requirements.

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

In compliance with the laws of the State of Florida, the City's financial statements have been audited by CBIZ CPAs P.C., a firm of licensed, independent certified public accountants. The independent auditor issued an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented in the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

Geographic Location, Population, and History

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 100,780 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.

Fort Myers was originally established as a Seminole War Post in 1841 known as Fort Harvie, Fort Myers began transformation into a farming and cattle community in the late 1860's and 1870's. By the mid 1880's Fort Myers began developing a commercial core and gaining national notoriety for local recreational fishing.

In 1886, Fort Myers was incorporated and in 1887 Lee County was carved from Monroe County. Over time the original wooden buildings of downtown were replaced with masonry and brick buildings, many of which still exist today. 1924 marked the construction of a wooden bridge spanning the Caloosahatchee, aptly named the Edison Bridge, after our most famous winter resident. Although the boom times came and went throughout the years, Fort Myers grew to become the governmental, commercial, and social center of Southwest Florida.

Fort Myers roots back to the mid-19th century when it served as a military outpost during the Seminole Wars. The Fort Myers community was founded after the American Civil War by Captain Manuel A. Gonzalez on February 21, 1866. When the U.S. government abandoned the fort following the Civil War, Gonzalez sailed from Key West to establish the community. The city's name originates from the fort built in 1850 and named after Colonel Abraham Myers. Captain Gonzalez settled his family near the abandoned Fort Myers, where he began the area's first trading post. He traded tobacco, beads, and gunpowder, and sold otter, bobcat, and gator hide to the neighboring Seminole. Over the years, Fort Myers evolved from a military post into a thriving community.



Colonel Abraham Myers

The late 19th and early 20th centuries marked a significant period for Fort Myers with the arrival of winter residents, including inventors Thomas Edison and Henry Ford. Their influence is still visible today at the Edison and Ford Winter Estates, where visitors can explore historic homes, gardens, and laboratories. The Thomas Edison and Henry Ford Winter Estates offer tours of their exhibits, including a 15,000 square foot museum, twenty acres of historic gardens and a fully restored botanical laboratory where Thomas Edison, Henry Ford and Harvey Firestone worked side by side.

Fort Myers has a vibrant economy highlighted by the downtown economy of restaurants, high rise buildings, and county and federal courthouse operations. Popular downtown landmarks include The Collaboratory, Edison Theater, The Sidney & Berne Davis Art Center, Uncommon Friends Sculpture, and the Yacht Basin.

City Structure

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

Types of Services

Municipal services provided to the citizens of Fort Myers include police and fire protection, water and sewer services, solid waste services, park and recreational facilities, street improvements, building permits and inspections, stormwater management, a yacht basin, a cemetery, parking garages, and an ice-skating community center. Additionally, the City offers two professionally designed 18-hole golf courses.

Component Unit

The City is financially responsible for the legally separate Community Redevelopment Agency of Fort Myers (CRA), which is included in the City's reporting entity and financial statements. The City Council comprises the Board of the CRA whose operations are considered part of the City's operations. Additional information on this entity can be found in the notes to the financial statements (see Note 1, Section 2).



Budget Process

The City's budget is prepared by the City Manager and the Budget Division and is adopted by the City Council after two public hearings. The steps in the City's formal budget adoption process are established by state law.

Internal Control

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

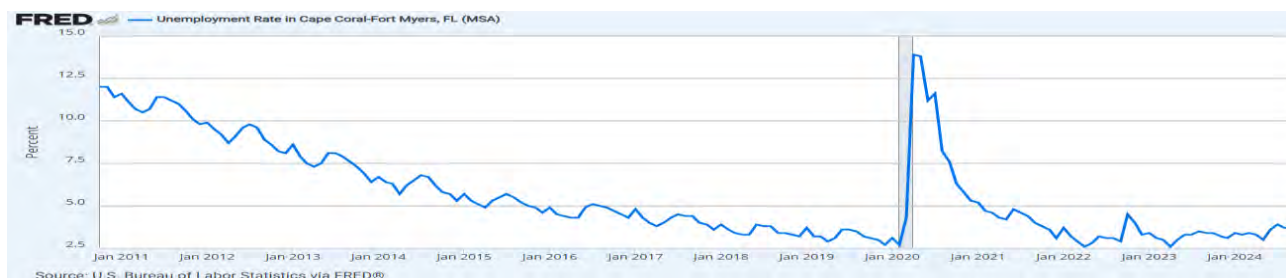
ECONOMIC CONDITION AND MAJOR INITIATIVES

Local Economy

The City is part of the Cape Coral-Fort Myers Metropolitan Statistical Area (MSA), with a 2023 population of 834,573. According to the data from U.S. Census Bureau's population estimates, Fort Myers's population is nearly 100,000 residents.

Located in city limits, the Barbara B. Mann Performing Arts Hall, located on the campus of Florida South-Western State College, is an 1,874-seat facility that features the largest proscenium stage. The Mann Hall is host to prominent entertainers, dance performances, popular ensembles, and classical music concerts year-round. JetBlue Park, a state-of-the-art training ballpark and player development complex, provides the facilities for spring training for the Boston Red Sox. The City also showcases a variety of annual special events in the downtown river district, such as ArtFest, the Fort Myers Boat Show, Celtic Festival, and monthly Art and Music Walks. For outdoor enthusiasts, the area offers miles of freshwater and saltwater channels for boating and fishing; trails for biking, hiking and paddling, and golf courses, tennis courts and swimming pools.

The City's economy is centered on the retail, healthcare, and accommodation industries. Over 80% of adults in the city have graduated from high school, while 32% have completed a college education. The Cape Coral - Fort Myers MSA unemployment rate as of September 2024 is 3.7%, a change from 3.4% on September 30, 2023, per the U.S. Bureau of Labor Statistics.



Southwest Florida is still recovering from the widespread destruction from Hurricane Ian that hit the area on September 28, 2022. Despite the impact of the hurricane, US News calculated that Fort Myers is the #1 fastest growing place in the country (<https://realestate.usnews.com/places/florida/fort-myers>):

Fort Myers, FL

#1 in Fastest-Growing Places

Situated between Tampa and Miami on Florida's Gulf Coast, Fort Myers is a growing city. The "City of Palms" has long... [Read More »](#)

Property values play a leading role in determining the strength of the City's tax base and represent 47.9% of total revenue for the General Fund. Total assessed and taxable values have continued to increase year over year since 2012. In 2024, total assessed valuations increased 8.3% over the prior year. The following chart illustrates the trends in both assessed and taxable values, along with trends in exemptions, by type since 2010.



Real estate indicators continued to be a bright spot for the region. Single-family building permits for the city had a year-over-year improvement of approximately 34.7%. Single-family pending home sales had a year-over-year improvement of 14.3 percent, while closed sales decreased by 10.2%.

Fort Myer has a grocery cost index of 103 as opposed to the national average of 100 for the U.S. Putting the cost of groceries in Fort Myers slightly higher than the national average. To help make up for this cost, the area boast one of the nation's best airports, Southwest Florida International Airport, being cited as the friendliest, most convenient, and passenger friendly airports, as reported in various travel magazines and reports.

Major Initiatives

Beyond the need for the continued recovery from Hurricane Ian, there are challenges of growth management, structural balance in the budget, labor and supply constraints that are driving price escalations and inflation, affordable housing needs and resources for department staffing.

Pressure on staffing resources in our Police Department is strong, in part due to the school resource officer program. The Police Department has developed a recruitment program called True Blue, aimed at filling out the many open positions, hoping to keep the community safe.

In recognition of the need to fund critical utility capital improvements, the City's 5-Year capital improvement budget increased from \$813 million to \$928 million. A plan on funding future years is currently taking place.

During the upcoming budget process, the City Council has a goal to continue reevaluating its Strategic Plan and reach consensus on the following Strategic Goals:

- 1) Build Economic Prosperity
- 2) Maintain a Safe, Livable, and Vibrant City
- 3) Continue to be Financially Sound
- 4) Develop Infrastructure

LONG-TERM FINANCIAL PLANNING

Planning

On an annual basis many long-term plans are reviewed and updated as needed, they are used in the budget development process and in decision-making, some of the plans are:

- Comprehensive Plan - Updated by Community Development – Planning Division, the Comprehensive Plan provides long-term direction to guide and control both development and redevelopment in the City as required under Florida Statutes. Further, the plan identifies level of service needs and deficiencies within plan elements which initiates capital improvement project requests for consideration in the Capital Plan to ensure concurrency. This plan can be viewed at: <https://fortmyers.gov/1296/Planning>
- Strategic Plan – Defines broad goals and objectives both short and long-term to be achieved by the City to ensure continuous and effective service delivery to its citizenry. This plan also establishes Departmental responsibilities for accountability of its execution as well as allocation of resources according to priorities. This plan is located in the annual budget document and can be found at: <https://fortmyers.gov/1499/Budget>
- General Fund Long-Term Financial Modeling & Sustainability Analysis – For several years in conjunction with budget development, consultants perform a review of the sufficiency of revenues collected in the City's General Fund versus projected cost requirements. This information is incorporated into an interactive model that provides a diagnostic, 10-year view of the City's finances. For the development of the fiscal year 2025 budget, the City did not engage consultants to perform this analysis. Instead, the budget staff performed similar analyses to ensure sustainability into the future. This plan is located in the annual budget document and can be found at: <https://fortmyers.gov/1499/Budget>

Capital Planning

The City's annual budget process includes the preparation of the five-year Capital Improvement Program (CIP), which typically includes the construction of infrastructure and municipal facilities as well as the acquisition of large or specialized equipment. The capital planning process is critical to the City's well-being because it provides the opportunity to take a planned and programmed

approach to allocating financial resources in the most responsive and efficient manner necessary to meet the level of service identified in the City's Comprehensive Plan.

The CIP must be financially feasible - meaning sufficient revenues are available or will be available from committed funding sources and includes project costs and schedules over a 5-year period to meet the infrastructure needs of the City as well as the acquisition of large or specialized equipment.

Developed on an annual basis, the CIP provides for a planned and programmed approach to identifying capital investments. Investments include construction of infrastructure and municipal facilities as well as the acquisition of large or specialized equipment. This plan also incorporates needs and deficiencies identified in the Comprehensive Plan. This plan can be viewed at: <https://fortmyers.gov/2067/Capital-Improvement-Program>

Financial Policies

The City's financial policies compiled below set forth the basic framework for the overall fiscal management of the City. These policies are built upon the City's values of Accountability and Integrity as well as its Mission Statement to provide exceptional municipal services in a fiscally responsible manner. Development of the Strategic Plan continues and as warranted, the City will revise policies and procedures in the process to further growth and financial security. 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 proposals for future programs. These policies are:

- Budget Policy – Adopted by City Council by Resolution 2022-41
- Debt Policy – Adopted by City Council by Resolution 2008-34
- Accounts Receivable Write-off Policy – Adopted by City Council by Resolution 2001-10
- Emergency Contingency Policy – Adopted by City Council by Resolution 2023-78
- Fund Balance Policy – Adopted by City Council by Resolution 2023-79
- Investment Policy – Adopted by City Council by Resolution 2021-2
- Procurement Policy – Ordinance 3889 adopted 1/6/2020

Fund Balance

The Fund Balance Policy serves as a sound financial planning principle that is essential for government to maintain adequate levels of fund balance for the financial health of the city.

In accordance with the policy, the General Fund reserve target (unrestricted fund balance: the total of the committed, assigned, and unassigned components of fund balance) is 20% of the current year budgeted appropriations (including transfers). Other governmental funds of the City do not have specified fund balance targets but recommended levels of committed and/or assigned fund balance will be determined on a case-by-case basis, based on the needs of each fund, and as recommended by the City Manager and Financial Services Director, or designee, and approved by City Council.

The Utility Operating Fund, Solid Waste Fund and Stormwater Fund will strive to maintain unrestricted net assets equal to 25% of the budgeted annual operating expenses for the current year to provide approximately a 90-day reserve for operating expenses. The appropriate level of net assets in all enterprise and internal service funds, other than the Utility Operating Fund, Solid

Waste Fund and Stormwater Fund, will be determined on a case-by-case basis due to the specific needs of the fund.

The unrestricted fund balance in the General Fund at year end was 33.8% of total General Fund budgeted appropriations. The unrestricted fund balance exceeds the minimum requirement of the goal set by the City Council for budgetary and planning purposes. Net assets for the Utility, Solid Waste, and Stormwater funds net assets at the end of the fiscal year were 28.8%, 75.7%, and 57.4% respectively. The unrestricted net assets exceed the minimum requirement of the goal set by the City Council for budgetary and planning purposes.

Tax Abatements

The CRA determines the use of tax increment rebates and other incentives as necessary to encourage development within the CRA's redevelopment areas. The CRA Board of Commissioners are responsible for monitoring compliance with abatement agreements with the help of their Executive Director and staff.

The CRA is a very effective economic development tool, which is done through the proper management of operations while utilizing studies, plans, and guidance documents. Some of these documents are:

- CRA Redevelopment Plans per its different segments: <https://fortmyerscra.com/about-us/redevelopment-plans/>
- Audit and budget plans: <https://fortmyerscra.com/about-us/financials/>
- Tax Abatement Rebate Program Guidelines (includes objectives, purpose, and incentive options): <https://fortmyerscra.com/incentives/increment-rebate-program/>

Tax abatement participation from Lee County is budgeted along with transfer's in from the General Fund of CRA annual funds. Property tax increment abatement expenditures are budgeted per CRA district. The City's strategic priorities of Economic Prosperity are met using tax abatements, with the objective of expanding and diversifying the local economy using the CRA's tax abatement incentive.

Some of the benefits anticipated due to the abatements are the increase of housing stock, providing hotel support to the downtown convention center, improvement of downtown buildings, increase of commercial activity, addition of low-moderate income housing options, and the increase of workforce housing.

The City makes tax abatement payments after determining that program requirements are met. The following table summarizes rebates for projects completed.

Table 1: Summary of Rebates for Completed Projects - Benefits

Project Name (Developer)	Purpose*	Property Tax Abatements Paid				
		FY 2020 & Prior	FY 2021	FY 2022	FY 2023	FY 2024
Orthopedic Specialists of SW Florida (GRW, LLC.; The MacSydney Company, LLC.)	Development of Project	\$ 327,591	\$ 123,286	\$ 124,114	\$ 126,655	\$ 126,655
The Banyan (fka: Hotel Indigo): Laxmi Lodging	Development of Project	1,064,223	356,232.32	388,042	409,578	430,106
David Plummer (McGregor-Clifford, LLC.)	Development of Project	7,844.00	3,915.96	5,553	7,044	8,836
Grand Central Fort Myers, LLC.	Development of Project	-	422,474.24	858,205	1,278,842	1,687,179
Luminary Hotel (MainSail, Fort Myers LLLP.)	Development of Project	-	-	221,984	424,244	620,064
West End of City Walk (City Walk Fort Myers, LLC.)	Development of Project	-	-	-	550,000	1,100,000
Royal Palm Gardens Apartments, LLLP.: Jones Walker Palm Gardens Apartments	Development of Project	-	-	11,323	25,331	37,744
Edison Grand (2500 Edwards Drive Owner, LLC)	Development of Project	-	-	120,334	308,915	514,229
Silver Hills at Fort Myers Phase I (ESH Fort Myers, LLC)	Development of Project	-	-	-	-	563,094

In order to avoid duplicating efforts, a more detailed discussion about tax abatements can be found in the notes to the financial statements (see Note 21). Additional information on this can be obtained by contacting the CRA through their webpage at <https://fortmyerscra.com/> or by requesting it through an email at fmcr@fortmyers.gov.

Credit Ratings

Due to a healthy financial position and ample tax base, the City's credit ratings are line with Florida cities who rely primarily on property tax revenues and sales taxes, and to a lesser extent, on a variety of other user fees.

On June 7, 2024, Fitch Ratings upgraded the rating from AA- to AA on the City's outstanding non-ad valorem revenue bonds and maintained the rating outlook as stable. Previously, on July 12, 2022, Fitch affirmed the A+ rating on the City's outstanding utility system refunding and revenue bonds and the rating outlook is stable. On October 28, 2022, Standard and Poor's affirmed its AA credit rating on the City's capital improvement revenue bonds and the outlook on all ratings is stable. Moody's upgraded non-ad valorem debt of forty-one Florida issuers, including the City, on January 25, 2023, concluding a review that was initiated on November 3, 2022 in conjunction with the release of the new US Cities and Counties Methodology.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fort Myers for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. This was the thirty-fifth consecutive year that the City has achieved this prestigious award. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest

standards for the preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

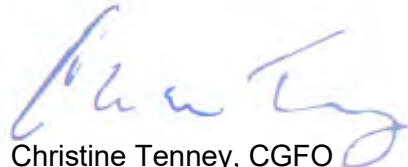
The preparation of this report represents a significant effort by the Finance Department. Their continuing effort toward improving the accounting and financial reporting systems improves the quality of information reported to the City Council, State and Federal Agencies, and the citizens and investors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

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

Respectfully,

A handwritten signature in black ink, appearing to read 'M. Lawing'.

Marty K. Lawing
City Manager

A handwritten signature in blue ink, appearing to read 'Christine Tenney'.

Christine Tenney, CGFO
Director of Financial Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fort Myers
Florida**

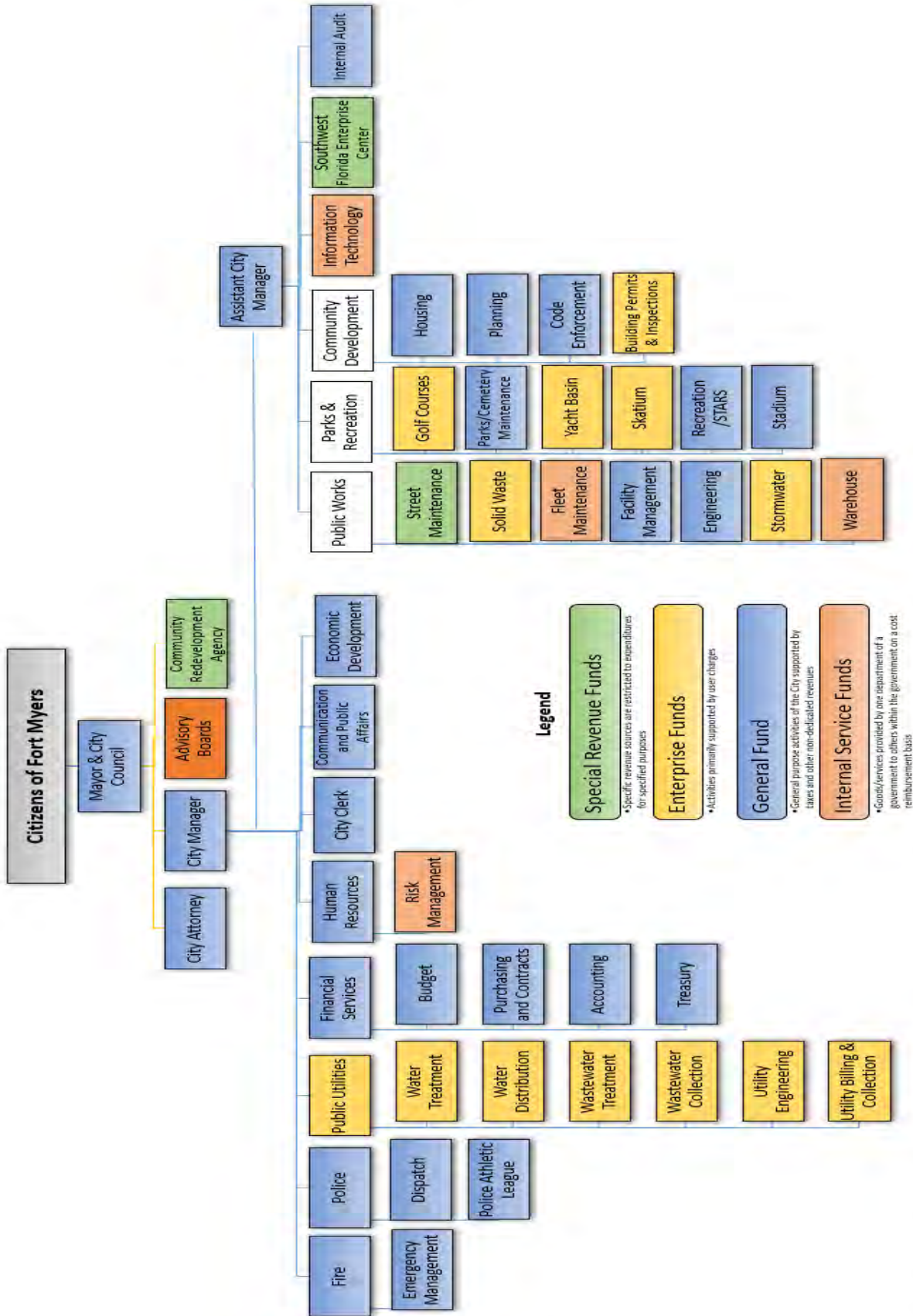
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

Organizational Chart



The above chart depicts the functions of the City of Fort Myers. As a Component unit of the city, the Community Redevelopment Agency (CRA) is shown for informational purposes only.

List of Elected Officials



Mayor
Kevin B. Anderson



Ward 1
Teresa Watkins Brown



Ward 2
Diana Giraldo



Ward 3
Terolyn Watson



Ward 4
Liston Bochette, III

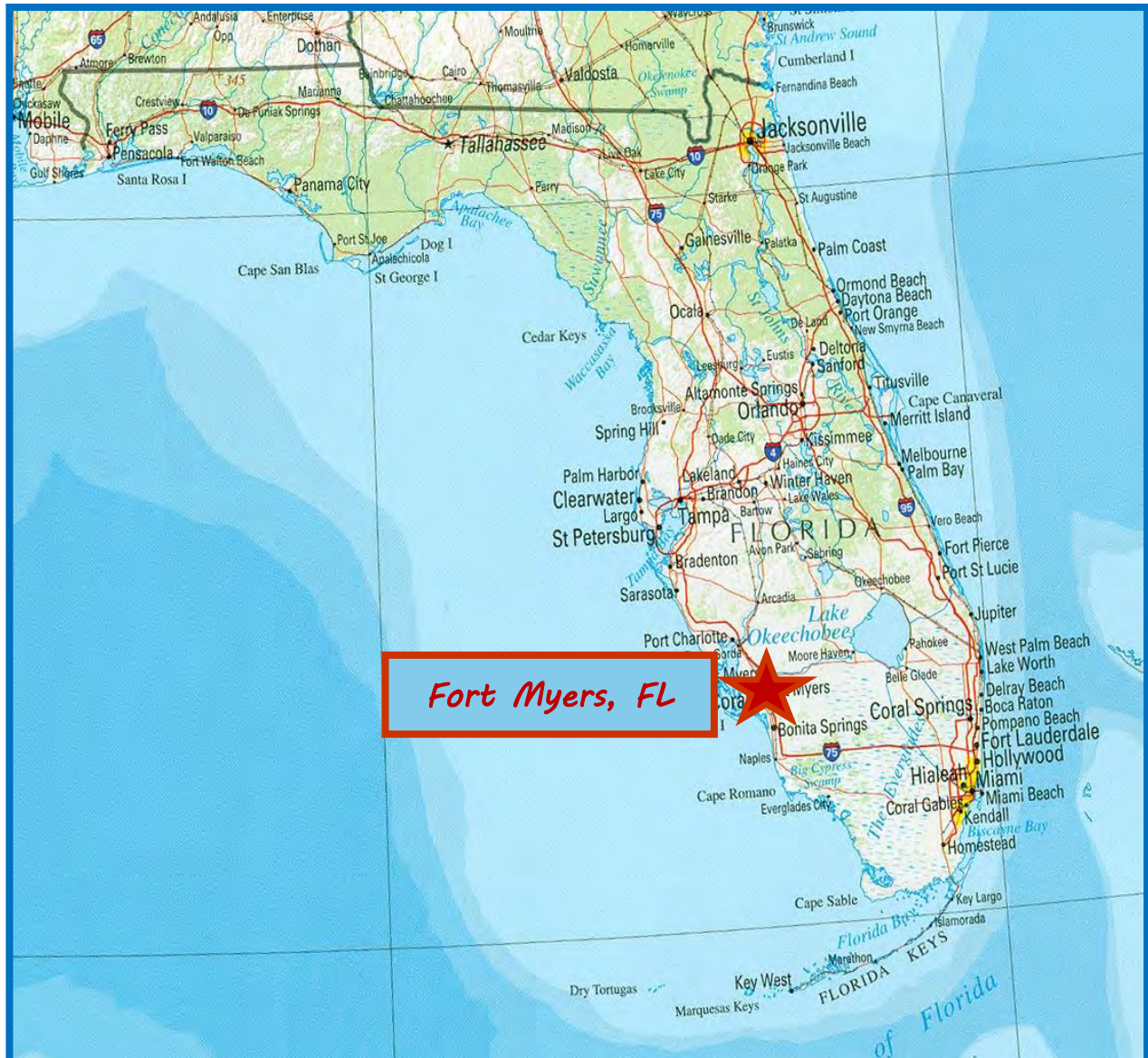


Ward 5
Fred Burson



Ward 6
Darla Bonk

Fort Myers, FL Location Map





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FINANCIAL SECTION





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Independent Auditors' Report

To the Honorable Mayor, City Council and City Manager
City of Fort Myers, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Myers, Florida (the "City"), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Community Redevelopment Agency of the City of Fort Myers (the "CRA"), a component unit of the City, which represents 4%, 12% and 6%, respectively, of the assets, net position and revenues of the governmental activities and 2%, 2% and 2%, respectively, of the assets, fund balance/net position and revenues/additions of the aggregate remaining fund information as of September 30, 2024. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the CRA, is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages B1 through B16, the budgetary comparison data on pages E1 through E5, the pension schedules on pages E6 through E18, and the other postemployment benefits plan schedules on page E19 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance, as required by Chapter 10.550, Rules of the Auditor General are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules, the schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Tampa, FL
April 30, 2025

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

The City of Fort Myers (City) Management Discussion & Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and current known facts. Please read this in conjunction with the City's financial statements beginning on page C1, and the letter of transmittal, which can be found beginning on page i of this report.

The MD&A provides an overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. It is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activities, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

It should be noted that the Independent Auditor's Report describes the auditor's association with the various sections of this report and that all the additional information from the website and other City sources are unaudited and have not been updated for events that may have occurred subsequent to the issuance of this report.

FINANCIAL HIGHLIGHTS:

- The combined total assets at \$1.26 billion, plus deferred outflows of resources totaling \$30.93 million, exceeded combined total liabilities of \$752.53 million and deferred inflows of \$35.33 million at the close of the fiscal year by \$498.71 million (net position).
 - o Of this amount, \$57.45 million represents unrestricted net position, which may be used to meet the government's future obligations to citizens and creditors.
- The government's net position increased by \$80.27 million, or 19.18% from prior year, which comprises an increase in governmental activities of \$51.6 million and an increase in business-type activities of \$28.67 million.
 - o Governmental activities experienced an increase in net position of \$40.04 million from the prior year.
 - o Business-type activities experienced a decrease in net position of \$22.34 million from the prior year.
- At the fund level, the Governmental funds fund balances are \$129.92 million.
 - o Approximately negative \$1.54 million, is in unassigned fund balance, and the remainder is non spendable, restricted, committed, or assigned for open contracts, programs, debt, etc.
- At the fund level, the Governmental funds combined ending fund balances increased by \$16.97 million, or 15.0% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is 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.

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

There are two (2) Government-wide Financial Statements:

- 1) 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.
- 2) 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 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 government-wide financial statements reflect three (3) distinct activities:

- 1) **Governmental activities:** reflect the City's basic services, including general government, community and economic development, planning and zoning, police, fire, public works, and parks and recreation.
- 2) **Business-type activities:** these activities include a water and wastewater utility, solid waste collection, building permits and inspections, stormwater management, golf courses, a yacht basin, downtown parking garages, and a Skatium (ice-skating recreational facility).
- 3) **Component Unit:** 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 blended component unit is included in the governmental-type funds as a non-major special revenue fund.

The government-wide financial statements can be found on pages C1 – C3 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the most significant funds, not the City as a whole. 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 the funds of the City can be divided into three categories: (1) governmental funds, (2) proprietary funds, and (3) fiduciary funds.

- (1) **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

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

balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains twenty-five individual governmental funds, they consist of: (1) 4 major: General, debt service, and two capital projects, (2) 20 special revenue, and (3) 1 permanent government fund type. 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, and the Revenue Bonds and Notes, Transportation Capital Projects, and General Capital Projects funds, which are considered to be major funds. Data from the other twenty-one governmental funds are combined into a single, aggregated presentation titled Other Governmental Funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Combining Statements and Schedules section of this report.

The City adopts an annual appropriated budget for most of the governmental funds with the exception of: Law Enforcement Equipment, FEMA Disaster Grant, Public Private Parking, East Riverdale Community Center, Patron of the Palms, and the permanent fund Ned Fould's Police Award Fund. A budgetary comparison schedule has been provided for the General Fund and the other major funds of Revenue Bonds and Notes, Transportation Capital Projects, and General Capital Projects funds, these reports are located in the Required Supplementary Information section of this report.

The basic governmental fund financial statements can be found beginning on page C4 of this report.

(2) *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 maintains nine individual enterprise funds (2 major, and 7 nonmajor enterprise fund type) and uses them to account for its Water and Wastewater Operations, Solid Waste Operations, Building Permits and Inspections, Stormwater Management, Fort Myers Country Club, Eastwood Golf Course, the Yacht Basin, Downtown Parking Garages, and the Skatium.

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

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

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 beginning on page C8 of this report.

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

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

The fiduciary fund financial statements can be found on pages C14 and C15 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 beginning on page D1 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents Required Supplementary Information (RSI) concerning the budget to actual data for the General Fund and certain information for the City's pension plans and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found beginning on page E1 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. This includes a comparison of budgeted to actual results, per budgeted nonmajor fund. The combining and individual fund statements and schedules can be found beginning on page F1 of this report.

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

Statistical information presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the City's overall financial health, this information is not audited. The statistical section found beginning on page G2 of this report.

**FINANCIAL ANALYSIS OF THE
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

This section focuses on the net position and changes in net position of the City's governmental activities and business-type activities presented in the Government-wide Statement of Net Position and Statement of Activities.

Statement of Net Position 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, at the close of the most recent fiscal year, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$498.71 million.

City of Fort Myers, Florida Summary of Net Position						
Table 1 – Dollars in Millions	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 206.34	\$183.63	\$258.44	\$156.18	\$ 464.78	\$ 339.81
Capital assets	227.21	208.99	563.65	499.32	790.86	708.31
Total assets	433.55	392.62	822.09	655.50	1,255.64	1,048.12
Deferred Outflow of Resources	24.53	53.66	6.40	10.37	30.93	64.03
Liabilities						
Long-term liabilities	290.33	310.07	382.96	248.17	673.29	558.24
Other liabilities	31.59	69.17	47.65	53.08	79.24	122.25
Total liabilities	321.92	379.24	430.61	301.25	752.53	680.49
Deferred Inflow of Resources	27.91	10.39	7.42	2.83	35.33	13.22
Net Position						
Net Invested in capital assets, net of related debt	74.23	44.86	239.32	247.67	313.55	292.53
Restricted	69.26	68.44	58.45	54.12	127.71	122.56
Unrestricted	(35.24)	(56.65)	92.69	60.00	57.45	3.35
Total net position	\$ 108.25	\$ 56.65	\$390.46	\$361.79	\$ 498.71	\$ 418.44

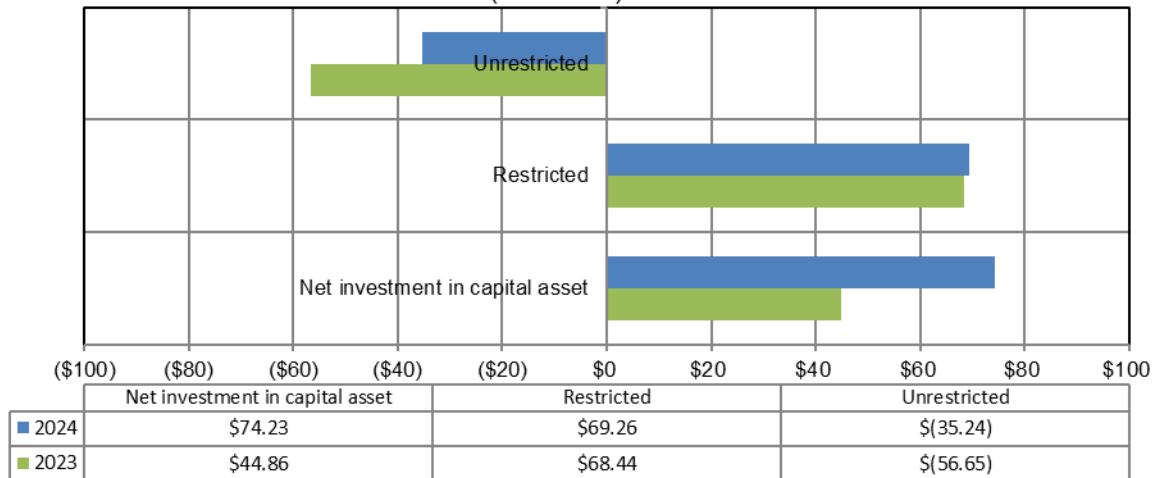
CITY OF FORT MYERS, FLORIDA
Management's Discussion and Analysis

The largest portion of the City's net position, \$313.55 million, or 62.9%, 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.

Restricted net assets represent resources of \$127.71 million that are subject to external restrictions on how they may be used. Restrictions related to capital projects represent 25.6% of the total restricted net position and reflect the City's commitment to providing services and resources to its citizens. The remaining balance of \$57.45 million is unrestricted and usually may be used to meet the City's ongoing obligations to its citizens and creditors.

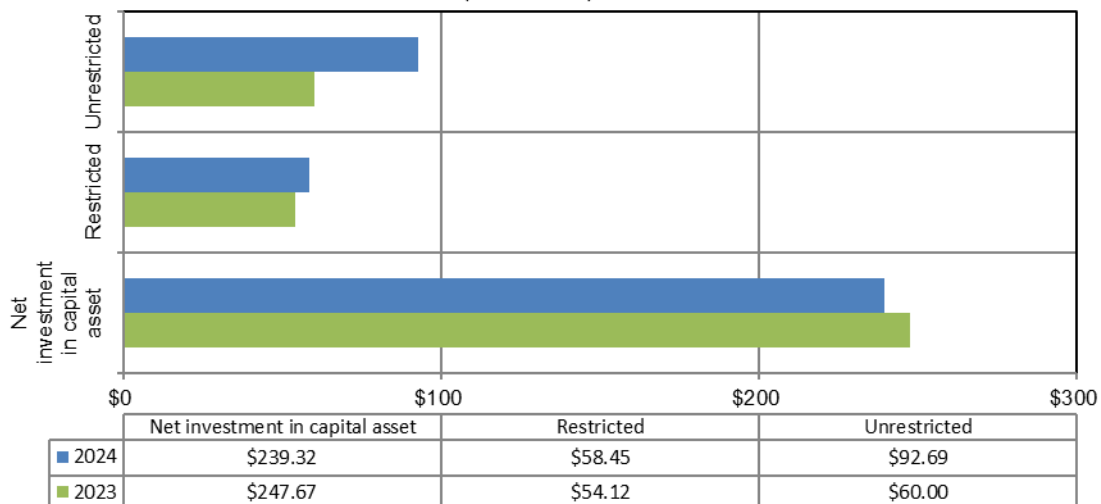
Net Position - Governmental Activities
September 30, 2024 and 2023

(in Millions)



Net Position - Business-Type Activities
September 30, 2024 and 2023

(in Millions)



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

The government's net position increased by \$80.27 million, or 19.18%, which comprises a increase in governmental activities of \$51.6 million and an increase in business-type activities of \$28.67 million. The major reasons for these increases are discussed in the following section, which describes the results of the revenue and expense operations for governmental and business-type activities.

Statement of Activities Analysis

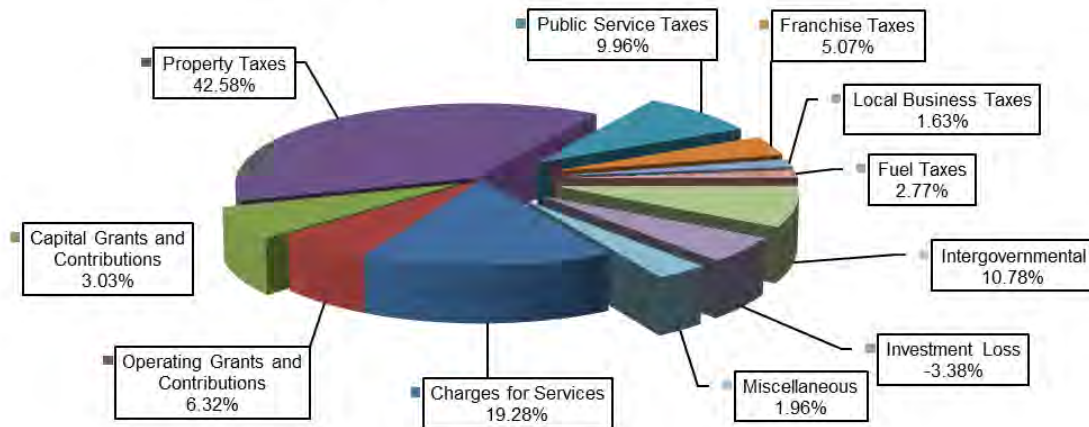
City of Fort Myers, Florida													
Summary of Changes in Net Position													
Table 2 – Dollars in Millions		Governmental		Business-Type		Total							
		Activities		Activities									
		2024	2023	2024	2023	2024	2023						
Revenues													
Program Revenues:													
Charges for services	\$	33.17	\$	32.55	\$	159.60	\$	142.20	\$	192.77	\$	174.75	
Operating grants and contributions		13.16		8.52		-		-		13.16		8.52	
Capital grants and contributions		13.93		23.26		4.81		11.42		18.74		34.68	
General Revenues:													
Property tax		80.44		72.14		-		-		80.44		72.14	
Other taxes		33.66		33.95		-		-		33.66		33.95	
Other		35.14		33.38		14.93		5.35		50.07		38.73	
Total Revenues		209.50		203.80		179.34		158.97		388.84		362.77	
Expenses:													
General governmental		25.50		11.87		-		-		25.50		11.87	
Police		65.24		75.58		-		-		65.24		75.58	
Fire		32.21		46.55		-		-		32.21		46.55	
Protective inspections		1.92		2.25		-		-		1.92		2.25	
Physical environment		10.02		24.86		-		-		10.02		24.86	
Transportation		5.60		12.85		-		-		5.60		12.85	
Economic development		8.37		6.82		-		-		8.37		6.82	
Culture and recreation		16.26		7.80		-		-		16.26		7.80	
Interest on long term debt		5.88		5.99		-		-		5.88		5.99	
Water-Wastewater		-		-		100.67		71.84		100.67		71.84	
Solid waste		-		-		17.98		16.95		17.98		16.95	
Building permits & inspections		-		-		5.03		4.45		5.03		4.45	
Stormwater		-		-		4.93		4.28		4.93		4.28	
Golf courses		-		-		5.30		4.75		5.30		4.75	
Yacht basin		-		-		0.18		0.29		0.18		0.29	
Downtown parking garages		-		-		1.61		1.56		1.61		1.56	
Skatium		-		-		1.87		1.50		1.87		1.50	
Total Expenses		171.00		194.57		137.57		105.62		308.57		300.19	
Increase (decrease) in net position before transfers													
		38.50		9.23		41.77		53.35		80.27		62.58	
Transfers													
		13.10		2.33		(13.10)		(2.33)		-		-	
Increase (decrease) in net position													
		51.60		11.56		28.67		51.02		80.27		62.58	
Net position - beginning of year, as originally stated													
		56.65		44.59		361.79		310.77		418.44		355.36	
Net position - restatement (note 17)													
		-		0.50		-		-		-		0.50	
Net position - beginning of year, as restated													
		56.65		45.09		361.79		310.77		418.44		355.86	
Net position - ending													
	\$	108.25	\$	56.65		\$	390.46	\$	361.79	\$	498.71	\$	418.44

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

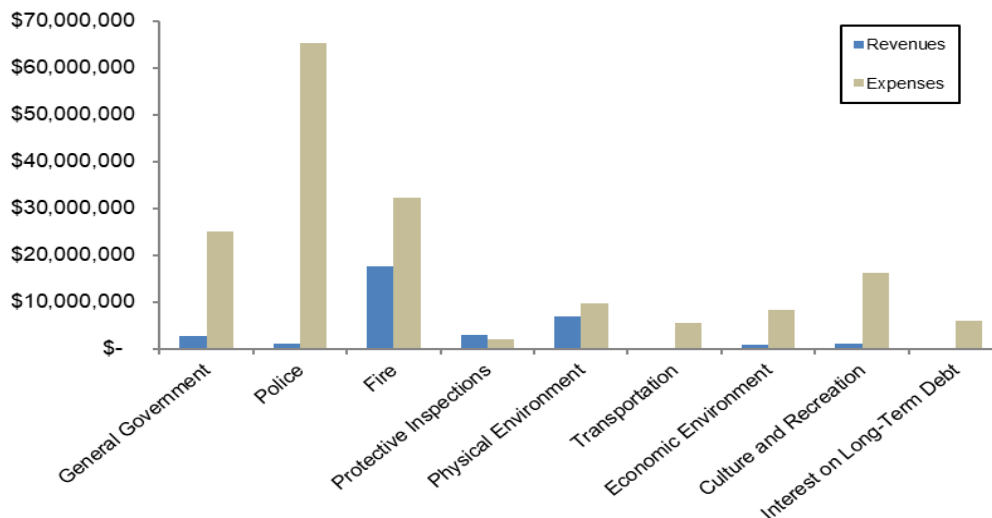
Governmental Activities. During the current fiscal year, net position for governmental activities increased by \$51.6 million, this is an increase of \$40.04 million, or 346.4%, from the prior fiscal year. Revenues increased by \$5.70 million, or 2.8%, from the prior fiscal year. The major reason for this change is due to:

- Property tax general revenues increased by \$8.3 million, or 11.5%, due to the increase in assessed property values and increase in development.
- Capital grants & contributions decreased by \$9.33 million, or -40.1%, mainly due to:
 - o FEMA granted of \$14.26 million for the recovery efforts from Hurricane Ian last fiscal year, while this year FEMA granted \$6.03 million due to Hurricane Milton and Helene,
- Operating grants and contributions increased by \$4.64 million, or 54.5% due to:
 - o The recognize of \$4.75 million in ARPA grant funding

Revenues by Source - Governmental Activities



Expenses and Program Revenues - Governmental Activities



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

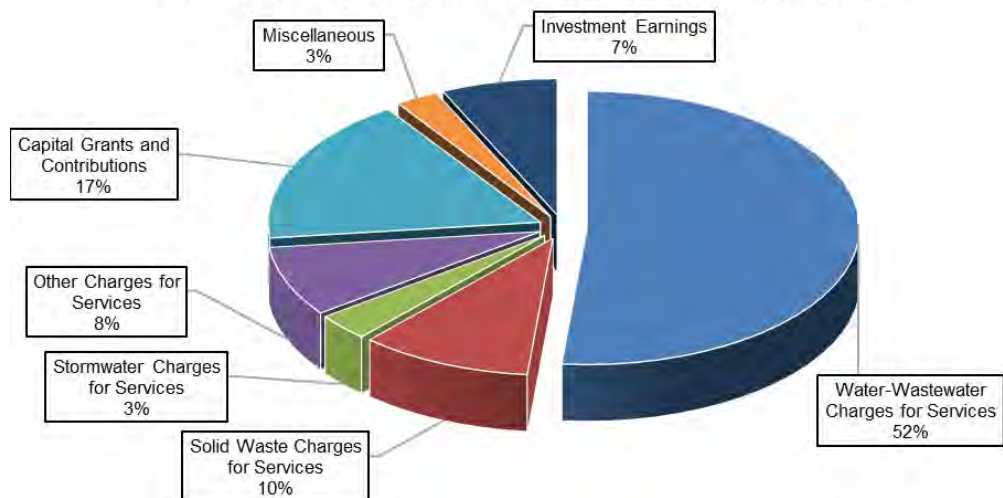
Governmental expenses decreased by \$23.57 million, or -12.1%, from the prior fiscal year. The major reason for this change is due to:

- Police Department expenses decreased by \$8.08 million due to last year's payment for land that will be used for a new police headquarters facility.
- Police Department and Fire Department expenses decreased by \$12.76 million due to due to last year's catch-up payment of pension obligations that were not needed this year.

Business-type Activities. During the current fiscal year, net position for business-type activities increased by \$28.67 million, this is a decrease of \$22.35 million, or -43.8%, from the prior fiscal year. Revenues increased by \$20.37 million, or 12.8%, from the prior fiscal year. The major reason for this change is due to:

- Charges for services increased by \$17.4 million, or 12.2%, mainly due to an increase of revenue charged to Lee County per our interlocal agreement, where they pay the City for a percentage of sewer fees and capital projects.
- Capital grants & contributions decreased by \$6.61 million, or -47.9%, mainly due to utility infrastructure being donated after housing developments last year that did not take place this year.
- Other revenues increased by \$9.57 million, or 178.9%, mainly due to a change in investment revenues. Last year the investment results were \$5.08 million while this year results were are \$14.56 million.

Revenues by Source - Business-Type Activities

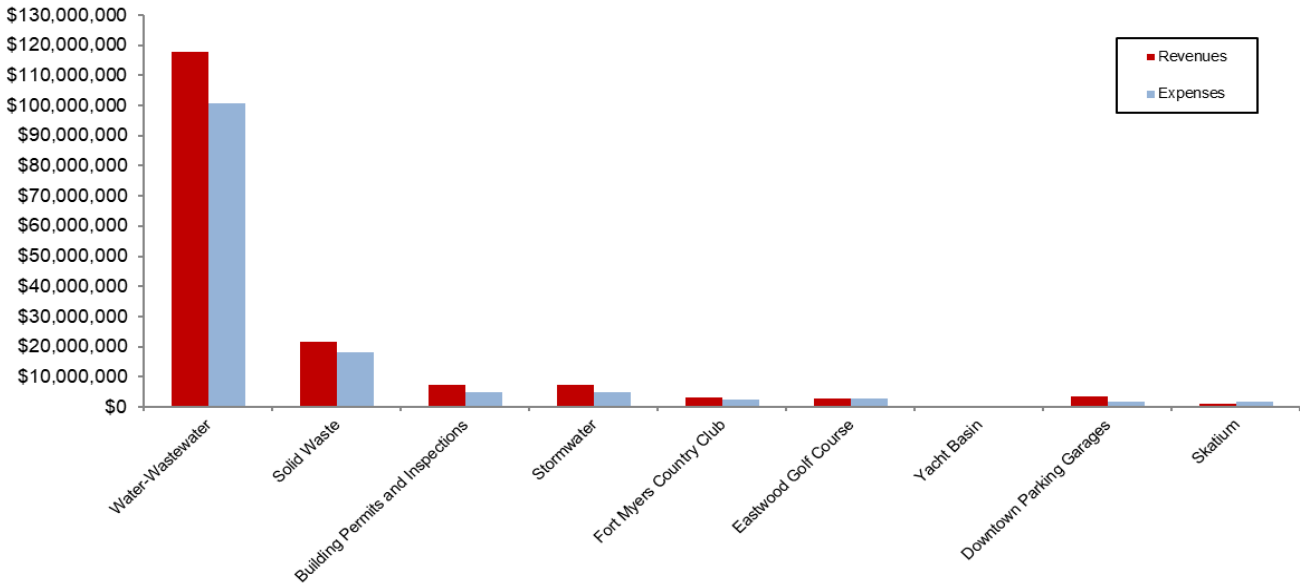


Business-type expenses increased by \$31.95 million, or 30.2%, from the prior fiscal year. The major reason for this change is due to:

- Water-wastewater expenses increased by \$28.83 million, or 40.1%, mainly due to the increased cost of routine materials and supplies and costs related to wastewater treatment plant mixer, motor, and belt press repairs.

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

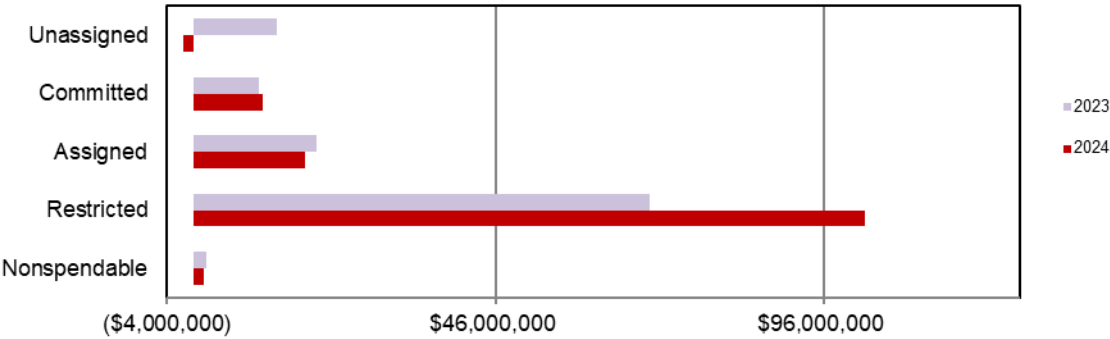
Expenses and Program Revenues - Business-Type Activities



FUND LEVEL FINANCIAL ANALYSIS

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

Governmental Fund
Components of Fund Balance
September 30, 2024 and 2023



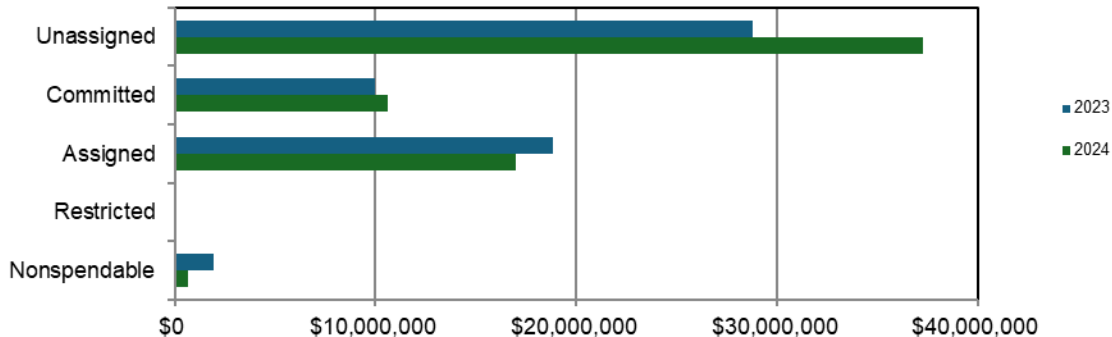
Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure 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 the end of the fiscal year, the City's governmental funds reported combined fund balances of \$129.92 million, an increase of \$16.97 million, or 15.0%, in comparison with the prior year.

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

Approximately negative 1.2% of this amount, negative \$1.54 million, 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, \$1.55 million, 2) restricted for particular purposes, \$102.27 million, 3) committed for particular purposes, \$10.64 million, or 4) assigned for particular purposes, \$17.0 million.

General Fund
Components of Fund Balance
September 30, 2024 and 2023



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 \$37.25 million, while total fund balance increased to \$65.52 million. The fund balance of the City's General Fund increased \$6.01 million, or 10.1%, during the current fiscal year.

General Fund revenues increased by \$15.72 million, or 10.1%, from the prior fiscal year. The major reason for this change is due to:

- Tax revenue increased by \$8.09 million, or 8.0%, mainly due to property tax revenue increasing by \$7.6 million from prior fiscal year due to growth in taxable property within the city limits of Fort Myers.
- Miscellaneous revenue increased by \$1.69 million, or 26.3%, mainly due mainly due to a change in interest rate growth.

General Fund expenditures increased by \$5.01 million, or 3.7%, from the prior fiscal year. The major reason for this change is due to:

- Police Department expenditures increased by \$2.2 million, or 3.5% due to wages of sworn officer.
- Capital purchases increased by \$3.11 million, or 133.5%, mainly due to police asset purchases.

For the major fund of Revenue Bonds and Notes, the fund balance increased \$461 thousand during the current fiscal year. Revenues increased by \$10.81 million, or 2,932.0%, from the prior fiscal year. The major reason for this change is due to:

- Debt revenues increased by \$10.73 million. This revenue mainly consists of proceeds from the 2022C Line of Credit, used capital projects, specifically for the planning of a new Police Station headquarter facility.

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Revenue Bonds and Notes fund expenditures increased by \$8.13 million, or 51.3%. The major reason for this change is due to:

- Principal debt expenditures of \$8.33 million, or 84.2%. This expenditure mainly consists of the City's energy efficiency project debt balance.

For the major fund of Transportation Capital Projects, the fund balance increased \$7.39 million during the current fiscal year. Revenues decreased by \$55 thousand, or 0.6%, from the prior fiscal year. There is no major reason for this change, it is an immaterial amount.

Transportation Capital Projects fund expenditures increased by \$8.04 million, or 336.8%. The major reason for this change is due to:

- Capital asset expenditures increased by \$7.41 million, or 312.4%. This expenditure mainly consists of street overlay project of \$4 million and the Winkler/Challenger roundabout project of \$2.5 million.

For the major fund of General Capital Projects, the fund balance decreased \$2.07 million during the current fiscal year. Revenues decreased by \$1.23 million, or 33.5%, from the prior fiscal year. The major reason for this change is due to:

- Permits and fees revenues decreased by \$877 thousand, or 54.0%, of total fund revenues. This revenue mainly consists of a reduction in fire and commercial park inspection fees.

General Capital Projects fund expenditures increased by \$7.93 million, or 78.4%. The major reason for this change is due to:

- Culture and recreation expenditures increased by \$7.3 million, or 401,107.9% due to the purchase of land for a downtown boat ramp, an upgrade to the Harborside Events Center roof, and for a new parks and recreation administration facility.

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 \$52.27 million, and total growth in net position for the year was \$19.10 million. Revenues increased by \$12.81 million, or 10.5%, from the prior fiscal year. The major reason for this change is due to:

- Increase of \$12.86 million in the revenue charged to Lee County per our interlocal agreement, where they pay the City for a percentage of sewer fees and capital projects.

Water-Wastewater expenses increased by \$36.87 million, or 46.7%, from the prior fiscal year. The major reason for this change is due to:

- Repairs and maintenance expenses increased by \$24.59 million, or 794.1%, mainly due to repairs and maintenance of belt press machines at the wastewater treatment plants.
- Interest expenses increased by \$6.76 million, or 91.2% due to the addition of a new debt service payment, the 2023 Utility Bonds.

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Management's Discussion and Analysis

- Transfers out expenses increased by \$8.03 million, or 112.9%, mainly due to the transfer of funds to the General Fund to pay for their line of credit related to the energy efficiency project.

Unrestricted net position of the Solid Waste Fund at the end of the year amounted to \$14.78 million, and total growth in net position for the year was \$3.34 million. Revenues increased by \$436 thousand, or 2.0%, from the prior fiscal year. The major reason for this change is due to:

- Interest income increased by \$759 thousand, or 315.8%, mainly due to a change in interest rate growth.

Solid Waste expenses increased by \$118 thousand, or 0.6%, from the prior fiscal year. There is no major reason for this change, it is an immaterial amount.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget Compared to Final Budget. The differences in the general fund between the original budget and the final (amended) budget reflect a net positive effect of \$56.98 million. Budgeted revenues increased by \$28.27 million and budgeted appropriations/expenditures increased by \$28.71 million. The significant changes are as follows:

Revenues:

- \$19.09 million increase in budgeted Miscellaneous revenues recognize the intended use of available fund balance for capital projects using ARPA funding on hand and for affordable housing and utility capital projects
- \$6.26 million increase in budgeted Transfer In using emergency contingency funds to prepare for any major funding needs due to Hurricane Helene and Milton.

Expenditures:

- \$3.7 million was budgeted for affordable housing projects and rental assistance program.
- \$11.44 million increase in transfers out for Capital project funding

Final Budget Compared to Actual Results. The differences in the general fund between the final budgeted activity and actual results reflect a net positive effect of \$8.06 million in revenues over expenditures. Actual revenues are \$12.66 million less than final budgeted revenues. Actual appropriations/expenditures are \$20.73 million less than final budgeted appropriations/expenditures.

Revenues:

- Miscellaneous revenues were short by \$20.36 million, this is due to funds budgeted to use available fund balance with no actual revenues required.
- General Fund permits and fees were \$5.2 million over the budget due to higher-than-expected engineering permits, fire permits, and plan review fees collected
- General Fund taxes were \$2.99 million over the budget due to higher-than-expected property tax collections

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Expenditures:

- Actual expenditures for general government were \$7.3 million less than budgeted primarily driven by savings for emergency contingencies related to potential hurricane damage but were not used.
- Actual expenditures for economic environment were \$3.86 million less than budgeted primarily driven by savings for affordable housing projects and rental assistance programs where expenditures did not take place this fiscal year.
- Actual expenditures for transfers out were \$11.57 million less than budgeted primarily driven by the plan to acquire land but the transfer of funds not taking place and the funding of hurricane preparations that were not needed.

**CAPITAL & LEASE ASSETS AND
DEBT & LEASE OBLIGATION ADMINISTRATION**

Capital and Lease Assets. The City's capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$790.86 million (net of accumulated depreciation). The total increase in the City's capital assets for the current fiscal year was \$82.55 million, or 11.7% (governmental activities increase by \$18.22 million and business-type activities increased by \$64.33 million).

City of Fort Myers, Florida Capital and Lease Assets (Net of Depreciation)						
Table 3- Dollars in millions	Governmental Activities		Business-Type Activities		Total	
<u>Non Depreciable</u>	2024	2023	2024	2023	2024	2023
Land	\$ 42.33	\$ 38.87	\$ 2.88	\$ 2.71	\$ 45.21	\$ 41.58
Antiques and exhibits	0.25	0.25	-	-	0.25	0.25
Construction in progress	20.28	16.31	123.73	90.74	144.01	107.05
Intangibles-easements	4.72	4.72	0.61	0.55	5.33	5.27
<u>Depreciable & Amortizable</u>						
Intangibles-software	-	-	-	-	-	-
Buildings	53.05	55.06	49.33	52.42	102.38	107.48
Improvements and Infrastructure	91.50	79.97	26.60	21.36	118.10	101.33
Equipment	12.82	10.58	16.62	10.22	29.44	20.80
Utility Systems	-	-	342.57	320.73	342.57	320.73
Right to Use Lease Equipment	0.02	0.02	0.80	0.02	0.82	0.04
Right to Use Lease Real Estate	0.94	1.06	0.51	0.57	1.45	1.63
SBITAs	1.30	2.15	-	-	1.30	2.15
Total capital assets	<u>\$227.21</u>	<u>\$208.99</u>	<u>\$563.65</u>	<u>\$499.32</u>	<u>\$790.86</u>	<u>\$708.31</u>

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

- Governmental activities increased by \$18.22 million mainly due to:
 - o Land increased by \$3.5 million mainly due to the purchase of land with the intent to install a new boat ramp and parking area.
 - o Improvements and infrastructure increased by \$10.8 million mainly due to facility improvements of \$7.3 million to our regional Collaboratory building, \$4.3 million in our street overlay project, and \$2.58 million improvement for a roundabout at Winkler Ave, improving traffic flow.

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- Business-type activities increased by \$64.33 million mainly due to:
 - o Utility systems increased by \$21.8 million mainly due to the Wellfield Expansion project
 - o Construction in progress increased by \$33.0 million mainly due to Injection Well projects

Additional information on the City's capital assets can be found in Note 8 beginning on page D50 of this report.

Long-term debt & Lease Obligation Administration. At the end of the current fiscal year, the City had total bonded debt and loans payable outstanding of \$500.01 million, an increase of \$117.58 million, or 30.7%. Governmental Activities total debt outstanding decreased by \$4.78 million, or 2.9%. Business-Type Activities increased by \$122.36 million, or 55.6%.

City of Fort Myers, Florida Bonded Debt and Loans Payable						
Table 4 - Dollars in millions (not including unamortized activity)						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue Bonds	\$ 95.17	\$ 100.03	\$ -	\$ -	\$ 95.17	\$ 100.03
Utility Revenue Bonds	-	-	298.37	174.08	298.37	174.08
Finance Purchase Obligations	7.09	6.57	-	-	7.09	6.57
Leases Payable*	2.33	2.92	1.35	0.61	3.68	3.53
Notes and Loans	53.05	52.90	42.65	45.32	95.70	98.22
Total long-term debt	<u>\$ 157.64</u>	<u>\$ 162.42</u>	<u>\$ 342.37</u>	<u>\$ 220.01</u>	<u>\$ 500.01</u>	<u>\$ 382.43</u>

*GASB 87 and 96 leases

The key factors to the changes in the City's total debt outstanding were:

-
- The governmental activities revenue bonds decreased by \$4.86 million, or 4.9%, due to the standard payment of outstanding debt
- Business-type revenue bonds increased \$124.29 million, or 71.4%, due to the issuance of the 2023 Utility Revenue Bonds of \$139 million.

Additional information on the City's long-term debt can be found in Note 15 beginning on page D80 of this report and in the City's Continuing Disclosure Report, published separately and can be downloaded by visiting the City's website at <https://www.cityftmyers.com/1529/Bondholders-Report>.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors currently affect the City and were considered in developing the 2024-2025 fiscal year budget.

- City's tax base increased by \$1.04 billion, or 8.69%. While this growth is encouraging, it is not likely to continue year after year and is not sustainable, as the City reaches near build out unless annexations can occur.
- City lowers its millage rate by .1744 mills from 6.6999 to 6.5255, which is slightly above the rolled back rate of 6.3510 mills. That rate, along with other revenue projections remained the same. Funding of renovations to the golf course restaurant along with

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

contributions to Art organizations increased the expenditure budget to a total of \$172.6 million and used reserves in the amount of \$3.5 million that will be used exclusively towards capital projects.

- The fire assessment was re-aligned among property categories based on a calls for service study, and then increased across the board by 3.6%. Resulting in revenue generation increasing from \$13.6 million to \$14.6 million, or \$1.0 million due to the increase. This fee revenue pays for fire rescue response, while alleviating full reliance on the General Fund for funding such service.
- The FY2025 water and sewer fees budget was developed based on the FY2024 projected collections that included a 5% rate increase and assumed a conservative growth factor of 1% in the number of customers and demand for services. Consultants, Stantec, through an analysis of all utility fees, recommended the adjustments to support the robust utility capital improvement program.
- Stormwater assessment fee revenue is projected to total \$7.4 million, from \$6.6 million, an increase of 11.1% due to growth. There is no change in the assessment rate.
- The City created an Emergency Contingency Fund in FY2023 committing unassigned General Fund reserves in the amount of 4% of budgeted operating revenues to offset financial impacts from Hurricane Ian and other disasters.
- During the development of the capital improvement program, it was evident that construction, materials, and labor prices have escalated due in part to material shortages and inflation. This in turn creates challenges with funding projects.
- The FY2025 budget incorporates General Employee's Union with a CPI increase of 2%, and with satisfactory performance they also receive a step advancement on anniversary of hire date of up to 3%. Police union employees receive a step increase equating to a minimum of 3%. Fire Union contract includes a full recalibration of the Step Plan, changing wages and Premiums, as well as employees receiving a step increase equating to a minimum of 3%.
- Pension costs for all 3 City pension plans includes a \$ 2,793,971 increase in the City's Contribution.
- The City has transitioned from a fully funded insurance model into a self-funded insurance model, creating the Health Insurance Self-Funding Internal Service Fund. Revenues for this fund consist mainly of City contributions, employee contributions, wellness and technology funds from the insurance provider and prescription rebates. Operating expenses of \$14.77 million are 83% of the \$17.85 million budget. This includes payment of claims, admin fees, and stop loss fees. As of September 30, 2024, revenues exceed expenses by \$2.46 million. The fund reserves total \$4.18 million after the first year under this new model

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Fort Myers Finance Department, PO Box 2217, Fort Myers, Florida 33902-2217. You may also reach the City by telephone at (239)321-7147, or by visiting the City's website at www.cityftmyers.com.

BASIC FINANCIAL STATEMENTS





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CITY OF FORT MYERS, FLORIDA
Statement of Net Position
September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 44,354,053	\$ 67,106,004	\$ 111,460,057
Investments	53,394,419	25,565,919	78,960,338
Accounts receivable, net	3,767,081	9,794,029	13,561,110
Special assessments receivable	33,028	-	33,028
Interest receivable	642,956	206,525	849,481
Notes receivable, net	461,501	-	461,501
Internal balances	60,864	(60,864)	-
Due from other governments	9,533,744	23,921,950	33,455,694
Inventories	1,013,213	241,373	1,254,586
Prepaid items	1,430,664	3,641,765	5,072,429
Assets held for resale	853,701	-	853,701
Restricted assets:			
Cash and cash equivalents	41,407,334	21,591,772	62,999,106
Investments	46,440,544	104,575,492	151,016,036
Interest receivable	9,876	1,616,176	1,626,052
Leases receivable	2,827,999	157,718	2,985,717
Unamortized bond insurance costs	106,623	78,042	184,665
Capital assets:			
Land and non-depreciable capital assets	67,592,028	127,223,572	194,815,600
Depreciable and Amortizable capital assets, net	159,619,654	436,429,178	596,048,832
Total Assets	<u>433,549,282</u>	<u>822,088,651</u>	<u>1,255,637,933</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,454,629	4,224,531	5,679,160
Deferred outflows related to other postemployment benefits	1,764,392	525,502	2,289,894
Deferred outflows related to pensions	21,316,163	1,653,649	22,969,812
Total Deferred Outflows of Resources	<u>24,535,184</u>	<u>6,403,682</u>	<u>30,938,866</u>
Total assets and deferred outflows of resources	<u>458,084,466</u>	<u>828,492,333</u>	<u>1,286,576,799</u>
LIABILITIES			
Accounts and contracts payable	11,422,240	26,729,475	38,151,715
Accrued and other liabilities	6,537,292	162,847	6,700,139
Accrued interest payable	1,652,442	7,531,289	9,183,731
Due to other governments	55,302	115,413	170,715
Customer deposits	319,623	12,897,378	13,217,001
Unearned revenues	11,604,172	214,453	11,818,625
Noncurrent liabilities:			
Due within one year	29,128,970	15,422,786	44,551,756
Due in more than one year	261,201,991	367,534,926	628,736,917
Total Liabilities	<u>\$ 321,922,032</u>	<u>\$ 430,608,567</u>	<u>\$ 752,530,599</u>

CITY OF FORT MYERS, FLORIDA
Statement of Net Position
September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to leases	\$ 2,707,089	\$ 145,705	\$ 2,852,794
Deferred charge on refunding	-	1,408,318	1,408,318
Deferred inflows related to other postemployment benefits	3,965,934	1,181,204	5,147,138
Deferred inflows related to pensions	21,235,932	4,690,341	25,926,273
Total Deferred Inflows of Resources	<u>27,908,955</u>	<u>7,425,568</u>	<u>35,334,523</u>
NET POSITION			
Net investment in capital assets	74,234,357	239,315,997	313,550,354
Restricted for:			
Capital projects	-	21,680,892	21,680,892
Culture and recreation	201,608	-	201,608
Debt service	7,086,490	18,587,382	25,673,872
Economic environment	17,564,206	-	17,564,206
Impact fee projects	41,755,544	8,088,728	49,844,272
Physical environment	-	267,398	267,398
Public safety:			
Nonexpendable	2,000	-	2,000
Expendable	1,300,084	-	1,300,084
Renewal and replacement	-	9,830,524	9,830,524
Transportation	1,353,074	-	1,353,074
Unrestricted	(35,243,884)	92,687,277	57,443,393
Total Net Position	<u>\$ 108,253,479</u>	<u>\$ 390,458,198</u>	<u>\$ 498,711,677</u>

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

CITY OF FORT MYERS, FLORIDA
Statement of Activities
For the Year Ended September 30, 2024

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Primary government:						
Governmental activities:						
General government	\$ 25,500,391	\$ 2,676,423	\$ 285,207	\$ 874	\$ (22,537,887)	\$ (22,537,887)
Police	65,238,254	1,163,594	2,579,408	321,950	(61,173,302)	(61,173,302)
Fire	32,211,496	17,610,696	151,121	-	(14,449,679)	(14,449,679)
Protective inspections	1,916,894	2,862,734	674,200	6,090,559	7,710,599	7,710,599
Physical environment	10,018,096	6,811,458	935,319	5,877,980	3,606,661	3,606,661
Transportation	5,596,388	106,900	8,532,267	-	3,042,779	3,042,779
Economic environment	8,373,307	772,700	5,433	1,639,726	(5,955,448)	(5,955,448)
Culture and recreation	16,260,191	1,170,475	-	-	(15,089,716)	(15,089,716)
Interest on long-term debt	5,877,745	-	-	-	(5,877,745)	(5,877,745)
Total governmental activities	170,992,762	33,174,980	13,162,955	13,931,089	(110,723,738)	(110,723,738)
Business-type Activities:						
Water-Wastewater	100,672,189	113,710,840	-	4,219,526	-	17,258,177
Solid Waste	17,984,599	21,567,241	-	-	-	3,582,642
Building Permits and Inspections	5,027,000	7,266,288	-	-	-	2,239,288
Stormwater	4,933,235	6,698,778	-	589,268	-	2,354,811
Fort Myers Country Club	2,397,141	2,963,964	-	-	-	566,823
Eastwood Golf Course	2,881,812	2,787,578	-	-	-	(94,234)
Yacht Basin	177,259	40,752	-	-	-	(136,507)
Downtown Parking Garages	1,614,853	3,368,024	-	-	-	1,753,171
Skatium	1,874,818	1,192,602	-	-	-	(682,216)
Total business-type activities	137,562,906	159,596,067	-	4,808,794	-	26,841,955
Total primary government	\$ 308,555,668	\$ 192,771,047	\$ 13,162,955	\$ 18,739,883	(110,723,738)	(83,881,783)
General revenues:						
Taxes:						
Property taxes					80,443,382	80,443,382
Public service taxes					18,350,357	18,350,357
Fuel taxes					3,474,945	3,474,945
Local business tax					3,410,370	3,410,370
Franchise taxes					8,423,282	8,423,282
Intergovernmental, unrestricted					17,281,955	17,281,955
Investment earnings					10,959,109	14,850,372
Gain on sale of capital assets					2,982,342	25,809,481
Miscellaneous					3,902,728	2,982,342
Net transfers					13,097,981	78,155
Total general revenues, special items and transfers					162,326,451	3,980,883
Change in net position					51,602,713	164,156,997
Net position - beginning					56,650,766	80,275,214
Net position - ending					\$ 108,253,479	\$ 498,711,677

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

CITY OF FORT MYERS, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2024

	General Fund	Revenue Bonds and Notes	Transportation Capital Projects	General Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 22,343,946	\$ 272,630	\$ 23,625,688	\$ -	\$ 16,420,897	\$ 62,663,161
Investments	30,567,070	8,475,702	24,334,277	7,403,864	13,531,930	84,312,843
Receivables:						
Accounts receivable, net	3,686,539	-	-	39,735	38,544	3,764,818
Notes receivable, net	461,501	-	-	-	-	461,501
Special assessments receivable	33,028	-	-	-	-	33,028
Interest receivable	54,176	7,507	372,777	93,078	50,726	578,264
Leases	2,827,999	-	-	-	-	2,827,999
Due from other funds	17,948,676	-	-	-	-	17,948,676
Due from other governmental agencies	2,603,300	-	2,228,173	2,680,135	2,021,661	9,533,269
Prepaid items	39,560	-	-	-	34,580	74,140
Advances to other funds	617,000	-	-	-	-	617,000
Assets held for resale	-	-	-	-	853,701	853,701
Total assets	<u>81,182,795</u>	<u>8,755,839</u>	<u>50,560,915</u>	<u>10,216,812</u>	<u>32,952,039</u>	<u>183,668,400</u>
LIABILITIES						
Accounts and contracts payable	4,244,201	16,907	2,761,278	1,171,718	1,521,500	9,715,604
Accrued and other liabilities	4,632,168	-	-	8,043	26,280	4,666,491
Due to other funds	-	-	-	3,979,862	13,907,950	17,887,812
Due to other governmental agencies	55,301	-	-	-	-	55,301
Funds held in escrow	1,725,853	-	-	-	622	1,726,475
Customer deposits	308,452	-	-	-	11,171	319,623
Unearned revenue	862,713	-	1,472,127	2,400,000	8,782,829	13,517,669
Advances from other funds	-	-	-	-	617,000	617,000
Total liabilities	<u>11,828,688</u>	<u>16,907</u>	<u>4,233,405</u>	<u>7,559,623</u>	<u>24,867,352</u>	<u>48,505,975</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - code enforcement fees	351,857	-	-	-	-	351,857
Unavailable revenue - rental income	777,753	-	-	-	-	777,753
Unavailable revenue - grants, contributions	-	-	-	39,735	1,364,785	1,404,520
Deferred inflows - leases	2,707,089	-	-	-	-	2,707,089
Total deferred inflows of resources	<u>3,836,699</u>	<u>-</u>	<u>-</u>	<u>39,735</u>	<u>1,364,785</u>	<u>5,241,219</u>
FUND BALANCES (DEFICITS)						
Nonspendable:						
Advances to other funds	617,000	-	-	-	-	617,000
Prepaid items	39,560	-	-	-	34,580	74,140
Assets held for resale	-	-	-	-	853,701	853,701
Public safety principal, nonexpendable	-	-	-	-	2,000	2,000
Restricted for:						
Donations received	-	-	-	-	894,328	894,328
Community redevelopment agency	-	-	-	-	11,796,820	11,796,820
Capital projects	-	-	-	27,189,785	-	27,189,785
Debt service	-	8,738,932	-	-	-	8,738,932
Economic environment	-	-	-	-	4,087,161	4,087,161
Law enforcement programs	-	-	-	-	308,993	308,993
Physical environment	-	-	-	-	21,491	21,491
Public safety	-	-	-	-	2,054,709	2,054,709
Transportation	-	-	46,327,510	-	855,503	47,183,013
Committed to:						
Law enforcement programs	-	-	-	-	29,305	29,305
Affordable housing	3,773,192	-	-	-	-	3,773,192
Emergencies	6,836,188	-	-	-	-	6,836,188
Assigned to:						
Subsequent year's expenditures	9,151,159	-	-	-	-	9,151,159
Capital projects	1,458,147	-	-	-	-	1,458,147
Cemetery maintenance	218,715	-	-	-	-	218,715
Culture and recreation	125,015	-	-	-	-	125,015
Economic environment	215,492	-	-	-	-	215,492
Land acquisition	5,641,613	-	-	-	-	5,641,613
Law enforcement programs	16,061	-	-	-	-	16,061
Submerged land lease	172,101	-	-	-	-	172,101
Unassigned	37,253,165	-	-	(24,572,331)	(14,218,689)	(1,537,855)
Total fund balances (deficits)	<u>65,517,408</u>	<u>8,738,932</u>	<u>46,327,510</u>	<u>2,617,454</u>	<u>6,719,902</u>	<u>129,921,206</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 81,182,795</u>	<u>\$ 8,755,839</u>	<u>\$ 50,560,915</u>	<u>\$ 10,216,812</u>	<u>\$ 32,952,039</u>	<u>\$ 183,668,400</u>

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

CITY OF FORT MYERS, FLORIDA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2024

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

Total fund balances - governmental funds	\$ 129,921,206
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	224,282,792
Some revenues have been unearned on the balance sheet because they were not measurable and available at year end.	4,448,357
Long-term liabilities, including revenue bonds payable, are not due and payable in the current period, and, therefore, are not reported in the funds.	(278,137,412)
Unamortized bond insurance costs	106,623
Deferred outflows related to deferred charge on refunding	1,454,629
Deferred outflows related to other postemployment benefits	
Deferred outflows related to pensions	1,656,440
	20,927,170
Deferred inflows related to other postemployment benefits	
Deferred inflows related to pensions	(3,723,283)
	(20,132,614)
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.	27,449,573
<i>Rounding</i>	(2)
Net position of governmental activities	<u><u>\$ 108,253,479</u></u>

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

CITY OF FORT MYERS, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2024

	General Fund	Revenue Bonds and Notes	Transportation Capital Projects	General Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 109,676,123	\$ -	\$ 1,418,872	\$ -	\$ 5,694,874	\$ 116,789,869
Permits and fees	21,886,348	-	3,698,757	748,621	-	26,333,726
Intergovernmental revenue	14,635,682	-	2,067,493	872,981	16,656,907	34,233,063
Charges for services	9,211,550	-	-	-	-	9,211,550
Fines and forfeitures	707,460	-	-	-	72,536	779,996
Miscellaneous	8,122,379	450,064	2,299,491	824,328	2,189,666	13,885,928
Contributions - private source	35,188	-	35,486	-	1,242,573	1,313,247
Capital grants and contributions	-	-	3,388	874	-	4,262
Total revenues	<u>164,274,730</u>	<u>450,064</u>	<u>9,523,487</u>	<u>2,446,804</u>	<u>25,856,556</u>	<u>202,551,641</u>
EXPENDITURES						
Current:						
General government	17,669,167	-	993	17	2,151,956	19,822,133
Police	65,880,346	-	-	-	1,940,280	67,820,626
Fire	33,682,864	-	-	440	270,077	33,953,381
Protective inspections	2,129,640	-	-	-	21,411	2,151,051
Physical environment	9,799,942	-	-	874	793,527	10,594,343
Transportation	635,023	-	13,541	-	4,572,888	5,221,452
Economic environment	1,326,647	-	-	3	9,984,222	11,310,872
Culture and recreation	5,276,739	-	-	7,301,983	482,809	13,061,531
Debt service:						
Debt service interest	-	5,754,627	-	-	1,080	5,755,707
Principal	55,086	18,231,061	-	-	52,175	18,338,322
Capital outlay:						
General government	219,626	-	-	898,271	-	1,117,897
Police	3,549,427	-	-	1,401,345	366,000	5,316,772
Fire	1,452,986	-	-	306,609	-	1,759,595
Protective inspections	11,723	-	-	-	-	11,723
Physical environment	208,469	-	-	566,405	-	774,874
Transportation	-	-	10,416,073	317,912	157,854	10,891,839
Economic environment	-	-	-	-	802,768	802,768
Culture and recreation	-	-	-	7,239,118	-	7,239,118
Total expenditures	<u>141,897,685</u>	<u>23,985,688</u>	<u>10,430,607</u>	<u>18,032,977</u>	<u>21,597,047</u>	<u>215,944,004</u>
Excess (deficiency) of revenues over expenditures	<u>22,377,045</u>	<u>(23,535,624)</u>	<u>(907,120)</u>	<u>(15,586,173)</u>	<u>4,259,509</u>	<u>(13,392,363)</u>
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	2,975,342	-	-	-	-	2,975,342
Refunding bond proceeds	-	10,727,973	-	-	-	10,727,973
Finance purchase obligations	3,450,487	-	-	-	7,000	3,457,487
Transfers in	8,902,440	23,997,002	8,296,878	15,491,126	7,552,914	64,240,360
Transfers out	(31,696,847)	(10,727,973)	-	(1,973,243)	(6,644,431)	(51,042,494)
Total other financing sources (uses)	<u>(16,368,578)</u>	<u>23,997,002</u>	<u>8,296,878</u>	<u>13,517,883</u>	<u>915,483</u>	<u>30,358,668</u>
Net change in fund balances	6,008,467	461,378	7,389,758	(2,068,290)	5,174,992	16,966,305
Fund balances - beginning of year	59,508,941	8,277,554	38,937,752	4,685,744	1,544,910	112,954,901
Fund balances - ending	<u>\$ 65,517,408</u>	<u>\$ 8,738,932</u>	<u>\$ 46,327,510</u>	<u>\$ 2,617,454</u>	<u>\$ 6,719,902</u>	<u>\$ 129,921,206</u>

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

CITY OF FORT MYERS, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds	\$	16,966,305
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Amounts reported for governmental activities in the statement of activities are different

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		17,410,409
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Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		1,822,768
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Certain revenues collected after year end, but not available for the current period's expenditures, are reported as deferred inflows in the funds.		306,105
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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.		4,151,955
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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.		6,159,595
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Internal service funds are used by management to charge the costs of information technology, fleet management, risk management, and warehousing to individual funds and customers. Losses arising from the internal customers are added as expenses on the statement of activities as chargebacks. Revenues and expenses with outside customers are included also, as are nonoperating revenues and expenses. This amount is the effect of reporting internal service funds with governmental activities.		4,785,585
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<i>Rounding</i>		(9)
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Change in net position of governmental activities	\$	51,602,713
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The notes to financial statements are an integral part of this statement.

CITY OF FORT MYERS, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-type Activities				Governmental Activities
	Water- Wastewater	Solid Waste	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 42,534,745	\$ 9,209,375	\$ 15,361,884	\$ 67,106,004	\$ 18,097,638
Investments	284,512	9,505,201	15,776,206	25,565,919	15,522,120
Receivables:					
Accounts receivable, net	8,332,097	1,240,399	221,533	9,794,029	2,264
Interest receivable	120,305	35,308	50,912	206,525	74,568
Leases	-	-	157,718	157,718	-
Due from other governmental agencies	23,767,983	22,773	131,194	23,921,950	476
Inventories	235,758	-	5,615	241,373	1,013,218
Prepaid items	3,581,765	-	60,000	3,641,765	1,356,522
Total current assets	<u>78,857,165</u>	<u>20,013,056</u>	<u>31,765,062</u>	<u>130,635,283</u>	<u>36,066,806</u>
Noncurrent assets:					
Restricted assets:					
Restricted cash and cash equivalents	20,729,421	732,852	129,499	21,591,772	2,477,746
Restricted investments	103,593,740	786,767	194,985	104,575,492	2,522,842
Restricted interest receivable	1,613,798	1,897	481	1,616,176	-
Unamortized bond insurance costs	78,042	-	-	78,042	-
Land and improvements	963,763	-	1,919,214	2,882,977	-
Intangible	527,057	-	78,551	605,608	15,600
Construction in progress	122,432,017	-	1,302,970	123,734,987	-
Buildings, net	45,947,001	1,764,060	2,126,174	49,837,235	225
Improvements other than buildings, net	-	-	26,604,851	26,604,851	-
Equipment, net	9,933,737	4,170,232	3,314,307	17,418,276	1,628,292
Utility systems, net	342,568,816	-	-	342,568,816	-
Subscription, net	-	-	-	-	1,284,774
Total noncurrent assets	<u>648,387,392</u>	<u>7,455,808</u>	<u>35,671,032</u>	<u>691,514,232</u>	<u>7,929,479</u>
Total assets	<u>727,244,557</u>	<u>27,468,864</u>	<u>67,436,094</u>	<u>822,149,515</u>	<u>43,996,285</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	4,224,531	-	-	4,224,531	-
Deferred outflows related to postemployment benefits	273,150	125,256	127,096	525,502	107,952
Deferred outflows related to pensions	895,942	371,739	385,968	1,653,649	388,992
Total deferred outflows of resources	\$ 5,393,623	\$ 496,995	\$ 513,064	\$ 6,403,682	\$ 496,944

	Business-type Activities				Governmental Activities
	Water- Wastewater	Solid Waste	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	\$ 24,487,861	\$ 983,915	\$ 1,257,699	\$ 26,729,475	\$ 1,707,371
Accrued and other liabilities	122,545	8,333	31,969	162,847	144,326
Accrued interest payable	7,528,551	-	2,738	7,531,289	-
Due to other funds	-	-	60,864	60,864	-
Due to other governmental agencies	65,347	-	50,066	115,413	-
Customer deposits	12,842,484	-	54,894	12,897,378	-
Unearned revenue	-	-	214,453	214,453	-
Revenue bonds payable	11,560,000	-	-	11,560,000	-
Loans and notes payable	2,766,960	-	326,718	3,093,678	-
Leases payable	-	-	355,990	355,990	-
Subscription liabilities	-	-	-	-	462,689
Finance purchase obligations	-	-	-	-	167,486
Compensated absences	182,942	133,565	96,611	413,118	51,034
Claims and judgments	-	-	-	-	2,896,984
Total current liabilities	<u>59,556,690</u>	<u>1,125,813</u>	<u>2,452,002</u>	<u>63,134,505</u>	<u>5,429,890</u>
Noncurrent liabilities:					
Revenue bonds payable	312,815,721	-	-	312,815,721	-
Loans and notes payable	38,417,724	-	1,076,791	39,494,515	-
Leases payable	-	-	997,213	997,213	-
Subscription liabilities	-	-	-	-	845,063
Finance purchase obligations	-	-	-	-	47,866
Compensated absences	419,958	152,684	169,799	742,441	220,689
Claims and judgments	-	-	-	-	6,083,636
Net pension liability	5,459,853	2,265,370	2,352,084	10,077,307	2,370,508
Other postemployment benefits	1,771,299	812,249	824,181	3,407,729	700,035
Total noncurrent liabilities	<u>358,884,555</u>	<u>3,230,303</u>	<u>5,420,068</u>	<u>367,534,926</u>	<u>10,267,797</u>
Total liabilities	<u>418,441,245</u>	<u>4,356,116</u>	<u>7,872,070</u>	<u>430,669,431</u>	<u>15,697,687</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred charge on refunding	1,408,318	-	-	1,408,318	-
Deferred inflows of resources related to leases	-	-	145,705	145,705	-
Deferred inflows related to other postemployment benefits	613,977	281,546	285,681	1,181,204	242,650
Deferred inflows related to pensions	2,541,212	1,054,385	1,094,744	4,690,341	1,103,319
Total deferred inflows of resources	<u>4,563,507</u>	<u>1,335,931</u>	<u>1,526,130</u>	<u>7,425,568</u>	<u>1,345,969</u>
NET POSITION					
Net investment in capital assets	201,309,103	5,932,297	32,074,597	239,315,997	1,411,347
Restricted for:					
Capital projects	21,289,865	-	391,027	21,680,892	-
Debt service	18,587,382	-	-	18,587,382	-
Impact fee projects	8,088,728	-	-	8,088,728	-
Physical environment	267,398	-	-	267,398	-
Renewal and replacement	8,105,575	1,561,368	163,581	9,830,524	-
Unrestricted	51,985,377	14,780,147	25,921,753	92,687,277	26,038,226
Total net position	<u>\$ 309,633,428</u>	<u>\$ 22,273,812</u>	<u>\$ 58,550,958</u>	<u>\$ 390,458,198</u>	<u>\$ 27,449,573</u>

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

CITY OF FORT MYERS, FLORIDA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2024

	Business-type Activities				Governmental Activities
	Water-Wastewater	Solid Waste	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 108,455,409	\$ 21,522,303	\$ 24,093,182	\$ 154,070,894	\$ 40,574,875
Rent	-	-	144,371	144,371	-
Miscellaneous	5,255,431	44,938	80,433	5,380,802	2,985,259
Total operating revenues	<u>113,710,840</u>	<u>21,567,241</u>	<u>24,317,986</u>	<u>159,596,067</u>	<u>43,560,134</u>
OPERATING EXPENSES					
Personnel services	12,408,002	5,477,458	5,285,980	23,171,440	5,120,253
Materials and supplies	5,472,406	502,697	1,545,133	7,520,236	5,085,826
Contractual services	8,544,826	6,352,616	4,519,646	19,417,088	16,681,288
General and administrative	2,989,715	849,830	1,712,759	5,552,304	1,314,942
Utilities	4,402,521	42,267	566,612	5,011,400	1,163,400
Repairs and maintenance	27,687,980	186,967	633,107	28,508,054	5,794
Rentals	2,890,795	3,013,905	1,172,346	7,077,046	5,053,747
Travel	7,910	3,949	4,551	16,410	13,818
Insurance	529,700	101,400	212,100	843,200	2,644,695
Self insurance claims	-	-	-	-	1,930,968
Depreciation and amortization	21,560,489	1,453,510	3,123,716	26,137,715	1,612,627
Total operating expenses	<u>86,494,344</u>	<u>17,984,599</u>	<u>18,775,950</u>	<u>123,254,893</u>	<u>40,627,358</u>
Operating income	<u>27,216,496</u>	<u>3,582,642</u>	<u>5,542,036</u>	<u>36,341,174</u>	<u>2,932,776</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	12,195,702	1,000,056	1,654,614	14,850,372	1,914,100
Gain on disposal of capital assets	34,050	21,600	22,505	78,155	113,963
Interest expense and bond insurance costs	(14,177,845)	-	(130,168)	(14,308,013)	(75,369)
Total nonoperating revenues (expenses)	<u>(1,948,093)</u>	<u>1,021,656</u>	<u>1,546,951</u>	<u>620,514</u>	<u>1,952,694</u>
Income (loss) before contributions and transfers	25,268,403	4,604,298	7,088,987	36,961,688	4,885,470
Capital grants and contributions	4,219,526	-	589,268	4,808,794	-
Transfers in	4,756,828	-	1,566,275	6,323,103	-
Transfers out	(15,143,482)	(1,265,200)	(3,012,402)	(19,421,084)	(99,885)
Change in net position	<u>19,101,275</u>	<u>3,339,098</u>	<u>6,232,128</u>	<u>28,672,501</u>	<u>4,785,585</u>
Net position - beginning	<u>290,532,153</u>	<u>18,934,714</u>	<u>52,318,830</u>	<u>361,785,697</u>	<u>22,663,988</u>
Net position - ending	<u>\$ 309,633,428</u>	<u>\$ 22,273,812</u>	<u>\$ 58,550,958</u>	<u>\$ 390,458,198</u>	<u>\$ 27,449,573</u>

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



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CITY OF FORT MYERS, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Business-type Activities			Governmental Activities
	Water- Wastewater	Solid Waste	Total Nonmajor Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 92,405,632	\$ 21,920,307	\$ 23,787,834	\$ 40,572,993
Payments to suppliers and service providers	(41,805,073)	(11,014,465)	(9,786,358)	(32,973,112)
Payments to employees for services	(13,006,524)	(5,692,265)	(5,905,592)	(5,738,019)
Other operating receipts	5,255,431	44,938	39,716	2,905,575
Other operating payments	(570,578)	36,883	(288,622)	(1,688,338)
Net cash provided by (used for) operating activities	42,278,888	5,295,398	7,846,978	3,079,099
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	4,756,828	-	1,566,275	-
Transfers out	(15,143,482)	(1,265,200)	(3,012,402)	(99,885)
Payments on interfund loans	-	-	60,864	-
Net cash provided by (used for) noncapital financing activities	(10,386,654)	(1,265,200)	(1,385,263)	(99,885)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants and contributions	2,363,026	-	589,268	-
Proceeds from notes and bonds	145,912,588	-	-	-
Proceeds from leases	-	-	10,563	-
Acquisition and construction of capital assets	(82,463,839)	(822,187)	(4,342,708)	(594,227)
Principal paid on notes and bonds	(17,359,000)	-	(311,615)	-
Interest paid on notes and bonds	(11,493,852)	-	(75,261)	(85,709)
Principal paid on leases	-	-	(241,939)	-
Interest paid on leases	-	-	(58,564)	-
Principal paid on subscription liabilities	-	-	-	(477,637)
Principal paid on finance purchase obligations	-	-	-	(159,962)
Proceeds from sale of capital assets	34,050	21,600	22,500	117,341
Net cash (used for) capital and related financing activities	36,992,973	(800,587)	(4,407,756)	(1,200,194)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(77,788,958)	(1,287,527)	(1,648,454)	(1,742,935)
Proceeds from sale of investments	959,611	-	1,237,933	1,605,705
Interest on investments	9,796,571	404,720	640,961	756,209
Net cash provided by (used for) investing activities	(67,032,776)	(882,807)	230,440	618,979
Net increase (decrease) in cash and cash equivalents	1,852,431	2,346,804	2,284,399	2,397,999
Balances - beginning of year	61,411,735	7,595,423	13,206,984	18,177,385
Balances - end of year	\$ 63,264,166	\$ 9,942,227	\$ 15,491,383	\$ 20,575,384

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$	27,216,496	\$	3,582,642	\$	5,542,036	\$	36,341,174	\$	2,932,776
Adjustments to reconcile operating income to net cash provided by operating activities:										
Depreciation and amortization		21,560,489		1,453,510		3,123,716		26,137,715		1,612,627
Changes in assets and liabilities:										
(Increase) decrease in accounts receivable		(16,236,923)		442,648		(396,129)		(16,190,404)		(1,882)
(Increase) decrease in bad debt		(320,471)		(44,644)		(23,590)		(388,705)		-
(Increase) decrease in inventories		52,044		-		598		52,642		(48,214)
(Increase) decrease in prepaid items		1,380,751		-		60,000		1,440,751		(589,140)
(Decrease) increase in customer deposits payable		227,360		-		(30,715)		196,645		(1,688,338)
(Decrease) increase in accounts payable - supplier		9,338,476		76,371		31,234		9,446,081		1,119,684
(Decrease) increase in accounts payable - other		(340,816)		(323)		200,061		(141,078)		4,200
(Decrease) increase in compensated absences		37,059		55,390		1,604		94,053		36,062
(Decrease) increase in total other postemployment benefits liability		149,050		36,085		(27,831)		157,304		(6,807)
Decrease in deferred outflows of resources related to other postemployment benefits		(26,135)		(7,072)		2,641		(30,566)		(323)
Increase in deferred inflows of resources related to other postemployment benefits		4,226		(10,190)		(33,830)		(39,794)		(23,031)
(Decrease) increase in net pension liability		(4,668,056)		(1,901,516)		(2,363,054)		(8,932,626)		(1,946,103)
Decrease in deferred outflows of resources related to net pension liability		1,364,126		558,112		666,227		2,588,465		574,270
(Decrease) in deferred inflows of resources related to net pension liability		2,541,212		1,054,385		1,094,010		4,689,607		1,103,318
Increase (decrease) in deferred inflows of resources related to leases		-		-		-		-		-
Net cash provided by operating activities	\$	42,278,888	\$	5,295,398	\$	7,846,978	\$	55,421,264	\$	3,079,099

Schedule of non-cash investing, capital, and financing activities:

Interest receivable / unrealized gain	\$	2,399,131	\$	595,336		1,003,090	\$	3,997,557		1,157,891
Right to use equipment, real estate, and software		-		-		987,541		987,541		-
Donation of utility improvements		1,856,500		-		-		1,856,500		-

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

CITY OF FORT MYERS, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2024

	Pension Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 17,592,483	\$ 303,920
Investments, at fair value		
U.S. government and agency securities	551,990,152	-
Total investments	551,990,152	-
Receivables		
Employer contributions	2,213,474	-
Interest and dividends	772,289	-
Total receivables	2,985,763	-
Prepaid items - benefits	10,926	-
Total assets	572,579,324	303,920
LIABILITIES		
Payables		
Due to other governmental agencies	-	303,920
Benefit payments	57,513	-
Investment expenses	232,291	-
Administrative expenses	23,163	-
Total liabilities	312,967	303,920
FIDUCIARY NET POSITION		
Fiduciary net position restricted for pensions	\$ 572,266,357	\$ -

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

CITY OF FORT MYERS, FLORIDA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2024

	Pension Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 31,683,763	\$ -
State of Florida	2,776,852	-
Plan members	5,200,755	-
Total contributions	<u>39,661,370</u>	<u>-</u>
Investment earnings:		
Interest and dividends	10,346,432	-
Net increase in the fair value of investments	91,313,951	-
Total investment (loss)	<u>101,660,383</u>	<u>-</u>
Less: investment expenses	1,512,479	-
Net investment (loss)	<u>100,147,904</u>	<u>-</u>
Fees collected for other governments	-	2,020,025
Total additions (reductions)	<u>139,809,274</u>	<u>2,020,025</u>
DEDUCTIONS		
Benefits paid	34,499,535	-
Administrative expenses	626,371	-
Payments of fees to other governments	-	2,020,025
Total deductions	<u>35,125,906</u>	<u>2,020,025</u>
Change in fiduciary net position	104,683,368	-
FIDUCIARY NET POSITION		
Fiduciary net position - beginning	467,582,989	-
Fiduciary net position - ending	<u>\$ 572,266,357</u>	<u>\$ -</u>

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



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NOTES TO THE FINANCIAL STATEMENTS



NOTES TO THE FINANCIAL STATEMENTS

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CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Description of government-wide financial statements

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

2. Reporting Entity

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

The accompanying financial statements present the City and its component units. Component units are legally separate organizations for which the City, as the primary government, is financially accountable.

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

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

The CRA includes the Downtown Redevelopment Area, the Central Fort Myers Redevelopment Area, the Cleveland Avenue Redevelopment Areas and the Dr. Martin Luther King Redevelopment Areas. The CRA is presented as a non-major special revenue fund and its financial statements are included in the City's Annual Comprehensive Financial Report for the

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

year ended September 30, 2024, in the Combining Statements and Schedules section. Standalone financial statements for the CRA are available by contacting the Executive Director of the CRA.

Other Related Organizations: The City of Fort Myers Housing Authority is a separate legal entity. Authority commissioners are appointed by the Mayor and approved by the City Council and may be removed. 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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 5th 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 Fund accounts for the activities related to providing water, wastewater and reclaimed water services to the public.

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

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

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

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

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

During the course of its operations, the City has numerous transactions between funds to provide services, construct assets and service debt. To the extent that certain transactions between funds were not paid or received as of September 30, 2024, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

other funds. Balances of interfund receivables and payables not expected to be liquidated within one year are recorded as advances to and advances from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

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

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

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

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

Property taxes, public service taxes, franchise taxes, fuel taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual. These have been recognized

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

6. Budgetary information

Budgetary basis of accounting

Annual budgets are legally adopted for all governmental and business-type funds excluding the following special revenue funds and permanent fund: FEMA Disaster Grant, Law Enforcement Equipment, Public Private Parking, East Riverdale Community Center, Patrons of the Palms, and Ned Fould's Police Award Permanent Fund. In addition, project budgets are adopted for the Capital Project Funds for the respective year along with approval of the five-year Capital Improvement Program. The City prepares its budget on a basis consistent with generally accepted accounting principles, with a few exceptions. For budget purposes, depreciation is not shown in the annual budgets and debt service is reported as current year expenditures.

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

Whereas the adopted budget is meant to control and provide for the efficient and economical running of the City, amendments (increases or decreases in appropriations and/or revenue estimates) to a budget may be required during the year to properly account for unanticipated needs or opportunities. Requests for changes to the total adopted budget greater than \$50,001, transfers of appropriations across Funds, use of reserves, changes in the number of full-time staff, an increase or decrease in the service levels or programs provided, or future recurring fiscal impacts must be presented to City Council at a regularly scheduled public meeting for approval

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

prior to implementation. For budget amendments equal to or less than \$50,001 that do not result in use of reserves, changes in the number of full-time staff, an increase or decrease in the service levels or programs provided, and do not have future recurring fiscal impacts, City Council delegates authority to department heads to implement without Council's prior approval. Approval by the City Manager and the Director of Financial Services, or designees, shall be necessary prior to implementing these amendments. The Office of Management and Budget is responsible for maintaining records of the amendments and presenting them for review by City Council on a quarterly basis following their implementation.

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

Excess of expenditures over appropriations

For the year ended September 30, 2024, seven funds had expenditures over appropriations:

- Due to the planned use of prior year surplus funds:
 - o General Capital Projects, major fund, has \$2.67 million.
 - o Federal Forfeiture, nonmajor fund, has \$68.4 thousand.
 - o Street Maintenance, nonmajor fund, has \$864.2 thousand.
 - o SAGA Administration, nonmajor fund, has \$95 thousand.
 - o Public Arts, nonmajor fund, has \$24 thousand.
 - o Hurricane Shelter, nonmajor fund, has \$332.3 thousand.
- The Community Development Block Grant, nonmajor fund, has \$242.8 thousand in expenditures over budget due to timing of expenditure and its grant funding. This is a grant fund whose funding usually comes after an expenditure takes place and reimbursement requested.

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, mortgage-backed securities, asset-backed securities, municipal and corporate bonds. Money market investments with a remaining maturity at the time of purchase of one year or less are reported at amortized cost. The difference between

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

cost and fair value of investments held is recorded as net unrealized gains or losses and is included in net investment earnings. Purchases and sales of investments are recorded on the trade dates. Net realized gains and losses on sale of investments are reflected in current operating results as investment earnings along with interest and dividends.

The City invests surplus funds in external investment pools that consist of the Local Government Surplus Funds Trust Fund known as Florida PRIME and the Florida Surplus Asset Fund Trust (FL SAFE). The Local Government Surplus Funds Trust Fund was created by an Act of the Florida Legislature effective October 1, 1977 (Chapter 218, Part IV, of the Florida Statutes). The State Board of Administration ("SBA") is charged with the powers and duties to administer and invest Florida PRIME, in accordance with the statutory fiduciary standards of care as contained in Section 215.47(10), Florida Statutes. The SBA contracted with Federated Investment Counseling to provide investment advisory services for Florida PRIME.

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

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

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

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

c. *Receivables*

All trade, property tax and other receivables in the financial statements are shown net of allowance for uncollectible amounts. All receivables are reviewed periodically and, when determined to be

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 using the weighted average 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 Skatium Enterprise Fund is held primarily for resale and stated at cost. All inventories, regardless of fund, are counted on a periodic basis.

e. Prepaid items

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

f. Restricted assets

The 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 to 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 in terms of 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 (roads, bridges, sidewalks, and similar assets), are reported in the applicable governmental or business-type activities column in the government-wide financial

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 one year.

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

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

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

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

h. Deferred outflows/inflows of resources

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

In addition to liabilities, the City's statements of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of*

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has five types of items that qualify for reporting in this section: deferred inflows of resources related to leases, deferred charge on refunding, deferred inflows related to other postemployment benefits, deferred inflows related to pensions and unavailable revenue. As a result of the implementation of GASB Statement No. 87, *Leases*, the City recorded amounts associated with long term receivables related to leases as deferred inflows on the government-wide statement of net position, governmental funds balance sheet, proprietary funds' statement of net position and nonmajor enterprise funds' statement of net position. On the government-wide statement of net position and the proprietary funds' statement of net position in the City's basic financial statements, the City reports a deferred inflow of resources for deferred charges on debt refunding. Deferred inflows related to other postemployment benefits and to pensions are reported on the government-wide statement of net position, the proprietary funds' statement of net position in the City's basic financial statements, the nonmajor enterprise funds' combining statement of net position and the internal service funds' combining statement of net position. Notes 10 and 12 provide more information on these items. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported in the City's governmental funds balance sheet. The governmental funds report unavailable revenues from code enforcement fees and rental income that are revenues of the subsequent year, grant receipts and contributions. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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. Net pension liability and total other postemployment benefits (OPEB) liability, as long-term liabilities, are recognized in the government-wide and proprietary funds' statements of net position as a proportional amount of the number of employees in each City department. The proportional liabilities for pensions and OPEB of the governmental activities are not reported in the balance sheet of the governmental funds and, accordingly, represent a reconciling item between the fund and government-wide presentations. Amounts payable within one year are classified as current liabilities on the proprietary funds statement of net position and as noncurrent liabilities due within one year on the government-wide statement of net position.

j. Net position

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Assigned Fund Balance – This component consists of amounts that are constrained by the City's intent to be used for specific purposes but do not meet the criteria to be classified as committed.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The City Council has by resolution authorized the following management officials to express intentions for assigned fund balance: (a) City Council, or (b) the City Manager, Director of Finance, or other subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes. Included in this category is any fund balance carry-forward used to balance the subsequent year's budget.

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

8. Revenues and expenditures/expenses

a. Program Revenues

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

b. Property Taxes

The City levies property taxes each November 1, which become a lien on real and personal property located in the City. Property taxes are based on the assessed values determined by the Lee County Property Appraiser as of the prior January 1. The current year's levy is based on taxable assessed property values totaling \$11,982,452,942.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuations for the General Fund. For the 2023-2024 fiscal year, the City levied taxes of 6.6999 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, 2024, 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.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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, Skatium Enterprise Fund, Fleet Maintenance Internal Service Fund, Information Technology Services Internal Service Fund and the Risk Management Internal Service Fund.

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

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

9. Other Policies

a. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

b. Encumbrances

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

10. Adoption of New Governmental Accounting Standards Board (GASB) Pronouncements Accounting Standards

1. GASB Statement No. 99, "Omnibus 2022", issued April 2022, this statement seeks to enhance comparability in Accounting and financial reporting and addresses a variety of topics and will apply the relevant sections and update the City's ACFR accordingly:
 - a. Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for the fiscal year 2024.
 - b. Clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term.
 - c. The requirements of this Statement are effective for the fiscal year 2024.
2. GASB Statement No. 100, "Accounting Changes and Error Corrections" – an amendment of GASB Statement 62, issued June 2023, this Statement seeks to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for decision making and assessing accountability. Accounting changes in this Statement are defined as changes in accounting principles, estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for:
 - a. (1) certain changes in accounting principles, and
 - b. (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change.
 - c. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

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 are as follows:

Capital Assets:

Land	\$ 42,332,538
Antiques and Exhibits	251,871
Construction in progress	20,284,410
Intangibles - easements	4,723,209
Buildings	81,566,953
Less: Accumulated depreciation for buildings	(28,519,361)
Improvements	65,024,738
Less: Accumulated depreciation for improvements	(45,073,566)
Equipment	35,955,567
Less: Accumulated depreciation for equipment	(24,764,117)
Infrastructure	323,021,725
Less: Accumulated depreciation for infrastructure	(251,468,762)
Right to use leased equipment	22,252
Less: Accumulated depreciation for leased equipment	(11,408)
Right to use leased real estate	1,271,191
Less: Accumulated depreciation for leased real estate	(334,448)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 224,282,792</u>

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

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

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

Long-term liabilities:

Revenue bonds payable	\$ 95,165,000
Add: Issuance premium (to be amortized over life of debt)	5,781,862
Financing purchase obligations	6,871,146
Leases payables	1,022,445
Loans and notes payable	53,048,829
Accrued interest payable	1,652,442
Compensated absences	6,075,074
Total other postemployment benefits liability	10,741,533
Net pension liability	97,779,081
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 278,137,412</u>

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

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

Capital Outlay:

Capital outlay	\$ 29,666,498
Non-capitalizable expenditures in capital outlay	(640,553)
Current year depreciation and amortization	(15,066,023)
Capitalizable items related to leases	-
Finance purchase obligations not reported in capital outlay	3,450,487
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 17,410,409</u>

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

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

Donated assets:

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

\$ 1,822,768

Unearned Revenues:

\$ 1,822,768

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

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

Debt issued or incurred:

Debt issued or incurred:

Capital improvement revenue notes \$ (10,727,974)

Finance purchase obligations (3,450,487)

Principal repayments:

General revenue bonds 4,865,000

Loans and notes 10,574,282

Finance purchase obligations 2,778,313

Leases 112,821

Net adjustment to increase changes in fund balances - total
governmental funds to arrive at changes in net position of
governmental activities

\$ 4,151,955

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 are as follows:

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

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

Other debt related expenses:

Amortization of bond premiums	\$ 445,588
Amortization of bond insurance costs	(8,940)
Amortization of deferred charge on refunding	(135,382)
Change in accrued interest expense	84,657
Change in retirement payable	1,317,915
Change in compensated absences	(629,796)
Change in total other postemployment benefits liability	508,790
Change in net pension liability	4,576,763
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 6,159,595</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

The FEMA Disaster Grant nonmajor governmental fund had a deficit fund balance of \$(14,039,815) at September 30, 2024. The deficit fund balance results from expenditures incurred from natural disaster Hurricane Ian for which related revenue was not recognized. The deficit will be eliminated upon receipt of reimbursement from the Federal Emergency Management Agency for the disaster assistance.

The Community Development Block Grant nonmajor governmental fund had a deficit fund balance of \$(37,158) at September 30, 2024. The deficit fund balance results from a timing of expenditures and revenues, this issue will be resolved very soon after the upcoming fiscal year.

Deficit Net Position

The Yacht Basin nonmajor enterprise fund had a deficit net position of \$(1,044,622) at September 30, 2024. The deficit net position results from the impairment and loss of capital assets as a result from natural disaster Hurricane Ian.

The Information Technology Services internal service fund had a deficit net position of \$(381,001) at September 30, 2024. The deficit net position results from the a lack of reimbursement from operations, this will be fixed in the upcoming budget.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS

Cash Deposits with Financial Institutions

At September 30, 2024, the City had the following deposits, investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	More than 5 years
Cash on hand	\$ 7,950	NA	NA	NA
Demand deposits	61,051,604	NA	NA	NA
Local Government Investment Pool:				
Florida PRIME	74,400,037	NA	NA	NA
FL SAFE	10,819,137	NA	NA	NA
FL PALM	76,019,697	NA	NA	NA
Money market	30,033,847	NA	NA	NA
U.S. Treasury securities	43,338,853	-	43,338,853	-
Agency securities	21,846,439	2,401,496	19,444,943	-
Corporate bonds	45,943,371	-	45,328,359	615,012
Municipal bonds	4,853,744	155,530	4,698,214	-
Asset backed securities	24,639,740	-	22,285,977	2,353,763
Mortgage backed securities	11,715,430	1,460,591	6,546,283	3,708,556
Corporate stocks	69,606	NA	NA	NA
Total investments	<u>\$ 404,739,457</u>	<u>\$ 4,017,617</u>	<u>\$ 141,642,629</u>	<u>\$ 6,677,331</u>

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

Primary government

Cash, cash equivalents and investments	\$ 190,420,395
Restricted cash, cash equivalents and investments	214,015,142

Custodial funds:

Cash, cash equivalents and investments	<u>303,920</u>
Total	<u>\$ 404,739,457</u>

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

Investments

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

1. City's Investments

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

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

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

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

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

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

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

in compliance with the requirements of Chapter 218, Florida Statutes, and that the management of Florida PRIME is in accord with best investment practices.

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

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

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

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

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

As of September 30, 2024, SBA's ending fiscal year, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The following disclosures pertain to Florida PRIME as of September 30, 2024:

- Credit Quality Disclosure: Florida PRIME is rated by Standard and Poor's, and the current rating is "AAAm".
- Interest Rate Risk Disclosure: The dollar weighted average days to maturity (WAM) of the Florida PRIME is 35 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.
- Foreign Currency Risk Disclosure: Florida PRIME was not exposed to any foreign currency risk during the fiscal year ending September 30, 2024.

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

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

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

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

time to time, each of which has a fixed duration and may have a different investment policy as set forth herein.

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

The general investment approach and objectives of the Stable NAV Fund and Variable NAV Fund, collectively the Funds, investment activities shall be: (1) safety of capital; (2) liquidity of funds; (3) transparency; and (4) investment income, in that order. The FL SAFE Stable NAV Fund adheres to an Investment Policy adopted by the Board of Trustees, as amended on October 28, 2021, and follows the investment criteria for an AAAM S&P rated Net Stable Value Fund. The FL SAFE Variable NAV Fund adheres to an Investment Policy adopted by the Board of Trustees on October 28, 2021 and follows the investment criteria for an AAAs and S1 S&P rated Bond Fund.

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

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

Although investors in certain Term Series may have redemption rights, Term Series are designed to be held for the full term of that Series. Shares in certain Term Series may be redeemed prior to the maturity date of that Series upon a seven days' advance notice of redemption to the Operational Manager and a penalty will likely be assessed. The penalty, which may be

substantial, could include the amount necessary to recoup for the Series any penalty charges, losses and other costs attributable to the early redemption.

The following disclosures pertain to FL SAFE as of September 30, 2024:

- **Credit Quality Disclosure:** FL SAFE is rated by Standard and Poor's, and the current rating is AAAM for the FL SAFE Stable NAV Fund and AAAf / S1 for the FL SAFE Variable NAV Fund.
- **Interest Rate Risk Disclosure:** The dollar weighted average days to maturity (WAM) of the Florida PRIME is 28 days for the FL SAFE Stable NAV Fund. Rising interest rates could cause the value of the Funds' investments – and therefore its share price as well – to decline. Conversely, any decline in interest rates is likely to cause the Funds' yield to decline, and during periods of low interest rates, the Funds' yield may approach zero.
- **Liquidity Risk.** A Fund could experience significant net redemptions of its shares at a time when it was unable to find willing buyers for its portfolio securities or could only sell its portfolio securities at a material loss.
- **Redemption risk:** The Funds may experience periods of heavy redemptions that could cause the applicable fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. Redemptions by a few large Participants may have a significant adverse effect on the ability to maintain a stable \$1.00 share price or the net asset value of the Series, as applicable.

Florida Public Assets for Liquidity Management ("FL PALM") is a common law trust organized under the authority of the Florida Interlocal Cooperation Act of 1969, as amended (Section 163.01 of the Florida Statutes) and Section 218.415 of the Florida Statutes. FL PALM is designed to meet the cash management and short-term investment needs of school districts, political subdivisions of the State or instrumentalities of political subdivisions of the State. The Trust's investment objective is to provide investors with the highest possible investment yield, while maintaining liquidity and preserving capital.

FL PALM is directed by a Board of Trustees, which is made up of experienced school board members, superintendents, public agency officials, and an Advisory Committee of senior finance

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

officers from member Districts and public agencies. The Florida School Boards Association (FSBA) and the Florida Association of District School Superintendents (FADSS) sponsor the Fund. The Fund is an investment opportunity for State school districts, political subdivisions of the State or instrumentalities of political subdivisions of the State. The Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an

emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

The Trustees have appointed an Investment Advisory Committee (the "Advisory Committee") of Florida governmental business officials to advise the Trustees in fulfilling their duties. The Advisory Committee does not have binding powers with respect to the Fund except and where delegated so by the Trustees.

FL PALM's primary investment objects are, in order of priority are: (1) safety of funds and investments, (2) maintenance of sufficient liquidity, (3) diversification to avoid unreasonable or avoidable risks, and (4) a competitive yield.

While the Portfolio seeks to maintain a net asset value of \$1.00 per share, for the reasons discussed below, there can be no assurance that the net asset value will remain at \$1.00 per share. The market value basis for determining net asset value per share for the Fund may be affected by general changes in interest rates resulting in increases or decreases in the value of securities held by the Fund. The market value of such securities will tend to vary inversely to changes in prevailing interest rates.

The Portfolios' investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. In accordance with Government Accounting Standards Board (GASB) Statement No. 79, *Certain External Investment Pools and Pool Participants*, securities held by the FL PALM Portfolio are valued at amortized cost, which approximates fair value. Therefore, the City's participant account balance should also be considered the fair value of its investment and exempt from the Government Accounting Standards Board Statement (GASB) No. 72, Fair Value Measurement and Application.

The following disclosures pertain to FL PALM as of September 30, 2024:

- Credit Quality Disclosure: The FL PALM Portfolio is rated by Standard and Poor's and the current rating of "AAAm".
- Interest Rate Risk Disclosure: The weighted average days to maturity (WAM) of the pool is managed at 60 days or less to help provide liquidity for redemptions and to limit market price exposure.
- Liquidity Risk: The Portfolio's share price could fall during times when there are abnormal levels of redemption requests or markets are illiquid

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

- **Redemption Risk:** The Board of Trustees has the authority to suspend redemptions in extreme market conditions or emergencies.

The City uses the market approach to measure the fair value of investments as of September 30, 2024, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets.

Investment Type	Fair Value	Investments That Are Not Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Matrix, Model Based) (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	\$ 7,950	\$ -	\$ 7,950	\$ -	\$ -
Demand deposits	61,051,604	-	61,051,604	-	-
Local Govt Investment Pool	-	161,238,871	-	-	-
Money market funds	-	30,033,847	-	-	-
U.S. Treasury securities	43,338,853	-	43,338,853	-	-
Agency securities	21,846,439	-	-	21,846,439	-
Corporate bonds	45,943,371	-	-	45,943,371	-
Municipal bonds	4,853,744	-	-	4,853,744	-
Asset backed securities	24,639,740	-	-	24,639,740	-
Mortgage backed securities	11,715,430	-	-	11,715,430	-
Corporate stocks	69,606	-	69,606	-	-
Total investments	\$ 213,466,738	\$ 191,272,719	\$ 104,468,013	\$ 108,998,725	\$ -

* Florida PRIME Investment Pool measured at amortized cost

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

Concentration of Credit Risk

Investments in U.S. Treasury securities comprised 10.71% of total investments. The City's investment policy provides for diversification of investments by limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities).

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

Interest Rate Risk

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

Credit Risk

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

As of September 30, 2024, the City's investments in money market funds were rated AAAm by Standard & Poor (S&P) and Aaa-mf by Moody's Investors Service (Moody's). Treasury and agency securities were rated Aaa by Moody's and AA+ by S&P. The City's investments in corporate bonds were rated Aaa by Moody's and not rated by S&P.

2. City's Pension Plan Investments

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

At September 30, 2024, the City's three pension plans had the following cash and investments:

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

Description	Fair Value	Credit Rating: Standard & Poor's	Credit Rating: Moody's
General Employees' Pension Plan:			
Cash	\$ 1,406,301		
Money market	3,780,911	AAAm	Aaa-mf
U.S. government and agency securities	6,226,582	AA+	Aaa
Municipal bonds	1,389,158	AA+ to AA-	A2 to Aaa
Corporate stock	20,646,183	Not rated	Not rated
Corporate bonds	11,548,963	BBB- to AAA	Baa3 to Aaa
Convertible bonds	51,391	A-	A2
Mortgage backed securities	19,465,678	AA+ to AAA	Aaa
Mutual funds:			
Fixed income	18,926,159	Not rated	Not rated
Equity	69,468,220	Not rated	Not rated
Limited partnership - International equity	25,696,918	Not rated	Not rated
Real estate investment trusts	17,281,852	Not rated	Not rated
International securities:			
Bonds and notes	843,693	BBB- to A+	Baa3 to A3
Stocks	1,899,752	Not rated	Not rated
Total Cash and Investments	198,631,761		

Description	Fair Value	Credit Rating: Standard & Poor's	Credit Rating: Moody's
Police Officers' Retirement System:			
Cash	\$ (2,452)		
Money market	9,335,009	AAAm	Aaa-mf
U.S. government and agency securities	39,830,029	AA+	Aaa
Corporate bonds	3,661,726	BBB+ to A+	A3 to A1
Convertible bonds	15,565,638	BBB- to A-	Baa3 to A1
Convertible preferred	2,737,842	Not rated	Baa2 to Baa1
Mutual funds:			
Equity	100,856,606	Not rated	Not rated
International equity	28,661,221	Not rated	Not rated
Commingled funds - Real estate	11,884,370	Not rated	Not rated
Total Cash and Investments	212,529,989		

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

Description	Fair Value	Credit Rating: Standard & Poor's	Credit Rating: Moody's
Firefighters' Retirement System:			
Cash	\$ 2,934,355		
Money market	138,359	AAAm	Aaa-mf
U.S. government and agency securities	9,471,016	AA+	Aaa
Municipal bonds	1,488,692	A+ to AAA	Aaa to Aa3
Corporate stock	87,023,593	Not rated	Not rated
Corporate bonds	7,190,619	BBB- to AA	Baa3 to Aa3
Mortgage backed securities	5,059,443	AA+	Aaa to AAA
Mutual funds:			
Fixed income	7,438,100	Not rated	Not rated
Commingled funds - Real estate	4,153,725	Not rated	Not rated
Limited partnerships - Real estate	33,063,628	Not rated	Not rated
International securities:			
Bonds and notes	459,355	BBB to A-	Baa2 to A3
Total Cash and Investments	<u>158,420,885</u>		
 Total Pension Plans' Cash and Investments	 <u>\$ 569,582,635</u>		

Fair Value Measurements

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The fair value for the debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 of the fair value hierarchy are valued using methodology that are unobservable and significant to the fair value measurement. Instruments are often based on internally developed models in which there are few, if any, external observation. Securities often include limited partnerships and delisted or defaulted securities, fixed income, equity mutual, and commingled funds are valued by the individual managers of each fund.

Each of the City's Pension Plans categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Each Plan has the following recurring fair value measurements as of September 30, 2024:

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

General Employees' Pension Plan
Investments Measured at Fair Value

Investments	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
U.S. government and agency securities	\$ 6,226,582	\$ -	\$ 6,226,582	\$ -
Municipal bonds	1,389,158	-	1,389,158	-
Corporate stock	20,646,183	20,646,183	-	-
Corporate bonds	11,548,963	-	11,548,963	-
Convertible bonds	51,391	-	51,391	-
Mortgage backed securities	19,465,678	-	19,465,678	-
Mutual funds: Fixed income	18,926,159	18,926,159	-	-
Mutual funds: Equity	69,468,220	69,468,220	-	-
International securities: Bonds and notes	843,693	-	843,693	-
International securities: Stocks	1,899,752	1,899,752	-	-
Total investments by fair value level	<u>150,465,779</u>	<u>\$ 110,940,314</u>	<u>\$ 39,525,465</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV):				
Real estate investment trust	17,281,852			
Limited partnership - International equity	25,696,918			
Total investments measured at the NAV	<u>42,978,770</u>			
Total investments measured at fair value	<u>\$193,444,549</u>			

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

General Employees' Pension Plan
Investments Measured at the NAV

Investments	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments measured at the net asset value (NAV):				
Real estate investment trust ⁽¹⁾	\$ 17,281,852	\$ -	Quarterly	90 days
Limited partnership - International equity ⁽²⁾	25,696,918	-	N/A	N/A
Total investments measured at the NAV	<u>\$ 42,978,770</u>			

1. *Real estate investment trust.* This type includes a core, discretionary and diversified real estate fund that invests in real estate assets such as commercial office buildings, retail properties, multi-family residential properties, developments or hotels located in major real estate markets throughout the United States.

Investment in this Fund is generally not redeemable due to the closed-ended nature of the Fund. Instead, distributions from the Fund will be received as the underlying investments of

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

the Fund are disposed of and monetized. The fair value of the investment in this type has been determined by using the NAV per share (or its equivalent) of the Plan's ownership interest in the Fund.

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

Police Officers' Retirement System
Investments Measured at Fair Value

<u>Investments</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value level:				
U.S. government and agency securities	\$ 39,830,029	\$ -	\$ 39,830,029	\$ -
Corporate bonds	3,661,726	-	3,661,726	-
Convertible bonds	15,565,638	-	15,565,638	-
Convertible preferred	2,737,842	2,737,842	-	-
Mutual funds:				
Equity	100,856,606	100,856,606	-	-
International equity	28,661,221	28,661,221	-	-
Total investments	<u>191,313,062</u>	<u>\$ 132,255,669</u>	<u>\$ 59,057,393</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV):				
Commingled funds - Real estate	<u>11,884,370</u>			
Total investments measured at the NAV	<u>11,884,370</u>			
Total investments measured at fair value	<u>\$203,197,432</u>			

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

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

Police Officers' Retirement System
Investments Measured at the NAV

<u>Investments</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Investments measured at the net asset value (NAV):				
Commingled funds - Real estate	\$ 11,884,370	\$ -	Quarterly	45 - 60 days
Total investments measured at the NAV	<u>\$ 11,884,370</u>			

Commingled funds – Real estate. This type includes an actively managed, pure core, open-end commingled pension trust fund. It owns and seeks attractive office, retail, residential and industrial investments in major markets throughout the U.S. with high quality physical improvements, stabilized occupancies, excellent locations and competitive positions within their

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

markets. Ownership in the Fund is represented by member units and net asset value is supported by the ability to redeem and purchase at the NAV level. The fair value of the investment in this Fund has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in the Fund. As part of the valuation process of the Investment Adviser and Trustee, properties are externally appraised on an annual basis, conducted by reputable, independent appraisal firms, and signed by appraisers that are members of the Appraisal Institute, with the professional designation MAI. In addition, the Investment Adviser and Trustee may cause additional appraisals to be performed as warranted by specific asset or market conditions. All external appraisals are performed in accordance with the Uniform Standards of Professional Appraisal Practices. Property valuations and the salient valuation-sensitive assumptions of each direct investment property are reviewed by the Investment Adviser and Trustee quarterly and values are adjusted if there has been a significant change in circumstances related to the investment property since the last valuation. Fund investors may withdraw from the Fund once per quarter subject to available cash, as determined by the Investment Adviser. A written withdrawal request is required 30 days prior to quarter end. To the extent that withdrawal/repurchase requests exceed available cash, distributions are made on a pro rata basis. Available cash is defined as excess cash after provision for outstanding future capital commitments and other operating reserves.

The other fund included in this type consists of an actively managed, open-end, commingled private real estate portfolio that is structured as a limited partnership. The purpose of the Fund is to actively manage a core portfolio of primarily equity real estate investments located in the U.S. The fair values of the investments in this Fund have been determined using the NAV per unit (or its equivalent) of the Plan's ownership in the Fund. A third-party firm is engaged by the Fund to administer the Fund's valuation policies and procedures, including managing the Fund's independent appraisal process and reviewing the Fund's independent appraisals. The Fund's real estate investments are generally appraised every quarter starting with the first full quarter after an investment is made. An independent appraisal of the underlying real estate for each investment is performed annually. This annual inspection includes a property inspection and market analysis. In the interim quarters, the valuation is updated by the independent appraiser through a restricted appraisal report. In these appraisals, the prior cash flow assumptions for the real estate investments are updated for factual changes and changes in market conditions are evaluated. All appraisals are certified by members of the Appraisal Institute who hold the MAI designation. Appraisals and appraisal reports are required to comply with the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Foundation. The Fund intends to make quarterly distributions, generally within 45 days of quarter end, in such amounts as the Advisor determines in its discretion. New investors automatically participate in the Fund's distribution reinvestment plan whereby an investor's distributions from the Fund are automatically reinvested in additional units on the same basis as additional contributions are invested in the Fund. Investors may request redemption of all or a portion of their units as of the end of a calendar quarter by delivering written notice to the Fund at least 60 days prior to the end of the quarter. Redemption requests are subject to certain restrictions and the availability of cash. Should redemption requests exceed 50% of available cash, the Fund will apply such 50% of available cash to redeem each requesting investor on a pro rata basis according to the ratio of the

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

requesting investor's units to the total units of all investors then requesting redemptions. Any redemption request that is not fully honored in any given quarter will be deemed effective in following quarters until completed. Redemptions of units are made based on the Fund's NAV as of the redemption date.

Firefighters' Retirement System
Investments Measured at Fair Value

Investments	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
U.S. government and agency securities	\$ 9,471,016	\$ -	\$ 9,471,016	\$ -
Municipal bonds	1,488,692	-	1,488,692	-
Corporate stock	87,023,593	87,023,593	-	-
Corporate bonds	7,190,619	-	7,190,619	-
Mortgages	5,059,443	-	5,059,443	-
Mutual funds: Fixed income	7,438,100	7,438,100	-	-
International securities: Bonds and notes	459,355	-	459,355	-
Total investments by fair value level	<u>118,130,818</u>	<u>\$ 94,461,693</u>	<u>\$ 23,669,125</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV):				
Commingled funds - Real estate	4,153,725			
Limited partnership - Real estate	33,063,628			
Total investments measured at the NAV	<u>37,217,353</u>			
Total investments measured at fair value	<u>\$155,348,171</u>			

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

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

Firefighters' Retirement System
Investments Measured at the NAV

Investments	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments measured at the net asset value (NAV):				
Commingled funds - Real estate ⁽¹⁾	\$ 4,153,725	\$ -	Quarterly	45 days
Limited partnerships - Real estate ⁽²⁾	33,063,628	-	Quarterly	90 days
Total investments measured at the NAV	<u>\$ 37,217,353</u>			

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

1. Commingled funds – Real estate. This type includes an actively managed, pure core, open end commingled pension trust fund. It owns and seeks attractive office, retail, residential and industrial investments in major markets throughout the U.S. with high quality physical improvements, stabilized occupancies, excellent locations and competitive positions within their markets. Ownership in the Fund is represented by member units and net asset value is supported by the ability to redeem and purchase at the NAV level. The fair value of the investment in this Fund has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in the Fund. As part of the valuation process of the Investment Adviser and Trustee, properties are externally appraised on an annual basis, conducted by reputable, independent appraisal firms, and signed by appraisers that are members of the Appraisal Institute, with the professional designation MAI. In addition, the Investment Adviser and Trustee may cause additional appraisals to be performed as warranted by specific asset or market conditions. All external appraisals are performed in accordance with the Uniform Standards of Professional Appraisal Practices. Property valuations and the salient valuation-sensitive assumptions of each direct investment property are reviewed by the Investment Adviser and Trustee quarterly and values are adjusted if there has been a significant change in circumstances related to the investment property since the last valuation. Fund investors may withdraw from the Fund once per quarter subject to available cash, as determined by the Investment Adviser. A written withdrawal request is required 30 days prior to quarter end. To the extent that withdrawal/repurchase requests exceed available cash, distributions are made on a pro rata basis. Available cash is defined as excess cash after provision for outstanding future capital commitments and other operating reserves.

2. Limited partnerships – Real Estate. This type consists of a private perpetual life, open-end, commingled investment fund that offers limited partnership interests in the fund. The Fund's investment strategy is designed to take advantage of changing conditions within the United States property and capital markets while remaining focused on the management of a core equity real estate investment portfolio. The Fund generally seeks one hundred percent ownership interests in real estate assets but the Fund also may invest in a controlling or non-controlling joint venture interest where the manager believes such an investment is consistent with the fund's investment strategy and performance objectives. The Fund's portfolio is actively managed and its properties are purchased and sold as deemed appropriate by the manager in accordance with the strategic objectives of the Fund in the context of changing economic and real estate market conditions. The General Partner will generally determine the net asset value of the Fund on at least a quarterly basis. Net asset value per share on any given date is equal to (a) the net asset value on such date divided by (b) the total number of outstanding Interests on such date. The Fund is intended to have a perpetual life but it may be terminated at any time upon the vote of 75% in interest of the Limited Partners. A Limited Partner's distributions will be reinvested in Interests (in which case such Limited Partner's interest in the Fund will be adjusted to reflect the contribution of additional capital) unless such Limited Partner elects not to participate, in whole or in part, in the distribution reinvestment plan. Under no circumstances will the General Partner be required to cause the Fund to sell investments to satisfy redemption requests. Additionally, redemptions may be suspended at any time by the General Partner. Accordingly, Limited Partners have no assurance of liquidity with respect to their interest.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

For the year ended September 30, 2024, the annual money-weighted rate of return on pension plan investments for each Plan was as follows:

General Employees' Pension Plan	24.18%
Police Officers' Retirement System	19.60%
Firefighters' Retirement System	20.99%

The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. A schedule of each Plan's investment returns is presented on page E18.

a. General Employees' Pension Plan

Investment Policy

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

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

Investment policy decisions may be recommended by the investment manager, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by a majority vote of the Board. Upon adoption by the Board, the Investment Policy Statement shall be promptly filed with the Florida Department of Management Services, the City, and the Plan's actuary. The effective date of the Investment Policy Statement shall be thirty days following the filing date with the City. As of September 30, 2024, the effective Investment Policy Statement was adopted on September 20, 2023.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

Target Allocations

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

The following was the Board's adopted asset allocation policy as of September 30, 2024:

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

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

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

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

Concentration of Credit Risk

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

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

<u>Investment</u>	<u>Amount of Investment</u>	<u>% of Net Position</u>
Corporate stock	\$ 20,646,183	10.4%
Corporate bonds	11,548,963	5.8%
Mortgage backed securities *	19,465,678	9.8%
Limited partnership - International equity	\$ 25,696,918	12.9%
Real estate investment trusts	17,281,852	8.7%
Total Plan investments 5% or more of the fiduciary net position	<u>\$ 42,978,770</u>	<u>21.6%</u>

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, 2024, 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, 2024, was \$843,693 for bonds and notes and \$1,899,752 for stocks or 1.4% of the Plan's total assets at market value. The Plan also held foreign investments that comprised a limited partnership in international equity, which amounted to \$25,696,918 or 12.9% of the Plan's total assets at fair market value as of September 30, 2024.

Interest Rate Risk

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

At September 30, 2024, the General Employees' Pension Plan investments, other than money market, stocks, stock related funds, mutual funds, limited partnership and real estate investment trusts, were as follows:

Investment Type	Fair Value	Investment Maturities (in Years)		
		1-5	6-10	More than 10
U.S. government and agency securities	\$ 6,226,582	\$ 4,353,819	\$ 1,872,763	\$ -
Municipal bonds	1,389,158	475,057	619,103	294,998
Corporate bonds	11,548,963	5,262,076	4,329,208	1,957,679
Convertible bonds	51,391	21,080	30,311	-
Mortgage backed securities	19,465,678	3,455,485	1,075,612	14,934,581
Mututal funds - fixed income	18,926,159	18,926,159	-	-
International securities - bonds and notes	843,693	655,940	187,753	-
Total Investments	\$ 58,451,624	\$ 33,149,616	\$ 8,114,750	\$ 17,187,258

b. Police Officers' Retirement System

Investment Policy

The Board of Trustees (the Board) for the Police Officers' Retirement System (PORS) established a Statement of Investment Policy that applies to those funds under control of the Board. The investment objective of the Board is to preserve the purchasing power of the Fund's assets and earn an above average real rate of return (after inflation) over the long term while minimizing, to a reasonable extent, the short term volatility of results. The Board determined that one or more outside investment managers shall be retained to assure that all investments are managed in both a prudent and professional manner and in compliance with the stated investment guidelines. In performing its investment duties, the Board and its investment managers shall comply with the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A) – (C).

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

Investment policy decisions may be recommended by the investment manager, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by a majority vote of the Board. The investment policy shall be filed promptly with the Department of Management Services, plan sponsor and consulting actuary. The effective date of the investment policy and any amendment thereto shall be the 31st calendar day following the filing date with the plan sponsor. As of September 30, 2024, the effective Investment Policy Statement was adopted on November 30, 2023.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

Target Allocations

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

The following was the Board's adopted asset allocation policy as of September 30, 2024:

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

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

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.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

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

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

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

Concentration of Credit Risk

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

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

- up more than 10% of the Alerian MLP Index; no more than 15% of the total fund assets (at market value) may be invested in MLPs.
- Investments in real estate shall not exceed 15% at market valuation of the value of total Fund assets.

At September 30, 2024, the following investments represent 5% or more of the Plan's investments and 5% or more of the Plan's fiduciary net position:

<u>Investment</u>	<u>Amount of Investment</u>	<u>% of Net Position</u>
Convertible bonds	\$ 15,565,638	7.3%
Commingled Funds - Real estate	\$ 11,884,370	5.6%
Total Plan investments 5% or more of the fiduciary net position	<u>\$ 27,450,008</u>	<u>12.8%</u>

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, 2024, 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, 2024, comprised mutual funds in international equity, which amounted to \$28,661,221 or 13.49% of the Plan's total assets at fair market value.

Interest Rate Risk

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

At September 30, 2024, the Police Officers' Retirement System pension plan investments, other than money market, stocks, mutual funds, commingled funds and master limited partnership, were as follows:

Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. government and agency securities	\$ 39,830,029	\$ -	\$ 7,484,906	\$ 9,526,157	\$ 22,818,966
Corporate bonds	3,661,726	-	3,291,162	370,564	-
Convertible bonds	15,565,638	1,106,053	11,116,197	3,343,388	-
Convertible preferred	2,737,842	2,737,842	-	-	-
Total investments	<u>\$ 61,795,235</u>	<u>\$ 3,843,895</u>	<u>\$ 21,892,265</u>	<u>\$ 13,240,109</u>	<u>\$ 22,818,966</u>

c. Firefighters' Retirement System

Investment Policy

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

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

Investment policy decisions may be recommended by the investment manager, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by a majority vote of the Board. Upon adoption by the Board, the Investment Policy Statement shall be promptly filed with the Florida Department of Management Services, the City, and the Plan's actuary. The effective date of the Investment Policy Statement shall be thirty days following the filing date with the City. As of September 30, 2024, the effective Investment Policy Statement was adopted on September 7, 2023.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

Target Allocations

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

The following was the Board's adopted asset allocation policy as of September 30, 2024:

<u>Asset Class</u>	<u>Target</u>	<u>Range</u>	<u>Benchmark Index</u>
Domestic Equity**	45%	40% - 65%	Russell 3000
Private Equity**	5%	0% - 10%	Russell 3000 + 3%
Broad Market Fixed Income	15%	10% - 30%	Bloomberg Barclays U.S. Aggregate
Global Fixed Income *	5%	0% - 10%	Bloomberg Barclays Global Aggregate
International Equity	15%	5% - 20%	MSCI-ACW ex. US
Real Estate *	15%	0% - 20%	NCREIF NFI-ODCE

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

**Benchmark defaults to "domestic equity" if these portfolios are not funded. Targets and ranges above are based on the market value of total Plan assets.

Authorized investments comprise domestic securities, domestic fixed income investment grade bonds, pooled funds, real estate, and foreign securities. The board may make investments in the money market fund or short-term investment fund options provided by the Plan's custodian with the provision that those investments have a minimum rating of A1/P1, or its equivalent, by a major credit rating service. Eighty-five (85%) of the fixed income investments shall have a minimum rating of investment grade or higher as reported by a major credit rating service. All real estate investments shall be managed by experienced and qualified professional real property investment managers. The Board shall seek to diversify real estate investments by property type, geographic region, property size and number of properties.

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

Concentration of Credit Risk

Not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

company. For fixed income, the value of bonds issued by any single corporation shall not exceed 3% of the total fund. Investments in corporate common stock and convertible bonds shall not exceed 75% of the fund assets at market value. Investments in real estate shall not exceed 15% of the market value of the total Plan at the time of purchase. Foreign securities, regardless of asset class, shall not exceed 25% of the market value of the Plan's assets.

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

<u>Investment</u>	<u>Amount of Investment</u>	<u>% of Net Position</u>
Corporate stock	\$ 87,023,593	54.6%
Limited partnerships - Real estate	\$ 33,063,628	20.8%
Total Plan investments 5% or more of the fiduciary net position	<u>\$ 120,087,221</u>	<u>75.4%</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Firefighters' Retirement System pension plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2024, 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, 2024, comprised of international bonds and notes, which amounted to \$459,355 or 0.29% of the Plan's total assets at fair market value.

Interest Rate Risk

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

At September 30, 2024, the Firefighters' Retirement System plan investments, other than money market, stocks, mutual funds and limited partnership, were as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. government and agency securities	\$ 9,471,016	\$ 1,175,198	\$ 2,651,257	\$ 1,537,519	\$ 4,107,042
Municipal bonds	1,488,692	-	-	159,443	1,329,249
Corporate bonds	7,190,619	-	2,403,211	3,779,737	1,007,671
Mortgage backed securities	5,059,443	-	-	-	5,059,443
Mututal funds - fixed income	7,438,100	-	7,438,100	-	-
International securities - bonds and notes	459,355	-	311,249	148,106	-
Total Investments	<u>\$ 31,107,225</u>	<u>\$ 1,175,198</u>	<u>\$ 12,803,817</u>	<u>\$ 5,624,805</u>	<u>\$ 11,503,405</u>

NOTE 5 – RESTRICTED ASSETS

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

Description and Purpose	Business Type Activities		
	Water - Wastewater Fund	Solid Waste Fund	Nonmajor Business-type Funds
Customer deposits for services	\$ 12,733,292	\$ -	\$ 86,470
Sinking fund accounts, for debt service obligations	26,115,934	-	-
Pledged impact fees, for debt service obligations	4,261,953	-	-
Unpledged impact fees, for capital project needs	3,826,775	-	-
Renewal and replacement, funding capital project needs	8,105,575	1,521,516	81,296
Proceeds from debt issuance, for the acquisition, construction and equipping of various capital projects	63,059,815	-	-
Capital project accounts	7,833,615	-	145,414
Other purposes	-	-	11,785
Total restricted assets	<u>\$ 125,936,959</u>	<u>\$ 1,521,516</u>	<u>\$ 324,965</u>

Restricted cash and cash equivalents of \$2,477,746 in the Risk Management Internal Service Fund relates to the City's self-insurance activities which encompass payments for worker's compensation claims and supplemental insurance policies. Note 14 provides more information about the City's Risk Management.

NOTE 6 – RECEIVABLES

Trade Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for certain funds and aggregated columns. Receivables 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:

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 6 – RECEIVABLES – Continued

Trade Receivables – Continued

	General Fund	Revenue Bonds and Notes Fund	Transportation Capital Projects Fund	General Capital Projects Fund	Other Governmental Funds	Total
Receivables:						
Accounts	\$ 383,926	\$ -	\$ -	\$ 39,735	\$ 38,544	\$ 462,205
Utility Service Taxes and Franchise Fees	2,925,705	-	-	-	-	2,925,705
Code Enforcement	891,309	-	-	-	-	891,309
Accounts, gross	4,200,941	-	-	39,735	38,544	4,279,220
Less: Allowance for Uncollectibles	(514,402)	-	-	-	-	(514,402)
Accounts, net	<u>3,686,539</u>	<u>-</u>	<u>-</u>	<u>39,735</u>	<u>38,544</u>	<u>3,764,818</u>
Other Receivables:						
Special assessments	33,028	-	-	-	-	33,028
Interest	54,176	7,507	372,777	93,078	50,726	578,264
Leases	2,827,999	-	-	-	-	2,827,999
Notes	461,501	-	-	-	11,209,216	11,670,717
Less: Allowance for Uncollectibles, Notes	-	-	-	-	(11,209,216)	(11,209,216)
Other receivables, net	<u>3,376,704</u>	<u>7,507</u>	<u>372,777</u>	<u>93,078</u>	<u>50,726</u>	<u>3,900,792</u>
Total net receivables	<u>\$7,063,243</u>	<u>\$ 7,507</u>	<u>\$ 372,777</u>	<u>\$ 132,813</u>	<u>\$ 89,270</u>	<u>\$ 7,665,610</u>

Significant Uncollectible

The allowance for uncollectible accounts receivable in the General Fund consists primarily of \$514,402 for code enforcement fees. The amount of \$11,209,216 is for the allowance for uncollectible notes receivable in the Other 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 an income of 150% of the Area Median Income (AMI) for Lee County and the Fort Myers-Cape Coral Metropolitan Statistical Area (MSA). The SHIP program provides a deferred payment loan with no interest to eligible recipients with incomes up to 120 percent AMI to fund the gap between what the financial institution will lend and what the homebuyer can afford to pay for an existing or newly constructed single-family home within the City. The SHIP and CDBG programs also provide ten-year deferred payment/no interest loans to homeowners with household incomes of up to 80 percent AMI for major rehabilitation.

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 6 – RECEIVABLES – Continued

Significant Uncollectible – Continued

	<u>Water Wastewater Fund</u>	<u>Solid Waste Fund</u>	<u>Other Business-Type Funds</u>	<u>Total</u>
Receivables:				
Accounts, gross	\$ 9,503,831	\$ 1,343,959	\$ 221,533	\$ 11,069,323
Less: Allowance for Uncollectibles	<u>(1,171,734)</u>	<u>(103,561)</u>	<u>-</u>	<u>(1,275,295)</u>
Accounts, net	<u>8,332,097</u>	<u>1,240,399</u>	<u>221,533</u>	<u>9,794,029</u>
Other Receivables:				
Leases	-	-	157,718	157,718
Interest - unrestricted	120,305	35,308	50,912	206,525
Interest - restricted	<u>1,613,798</u>	<u>1,897</u>	<u>481</u>	<u>1,616,176</u>
Total net receivables	<u>\$ 10,066,200</u>	<u>\$ 1,277,604</u>	<u>\$ 430,644</u>	<u>\$ 11,774,448</u>

Lease Receivables

The City, acting as lessor, leases land, building, office space and equipment under long-term, non-cancelable lease agreements to third parties. The leases expire at various dates and provide renewal options ranging from two to forty years.

The future lease payments were as follows:

Fiscal Year	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2025	\$ 171,014	\$ 109,292	\$ 46,835	\$ 6,317	\$ 333,458
2026	161,460	119,122	71,564	3,714	355,860
2027	175,558	111,494	39,319	533	326,904
2028	190,105	103,217	-	-	293,322
2029	177,920	94,682	-	-	272,602
2030 - 2034	711,624	364,406	-	-	1,076,030
2035 - 2039	240,696	258,661	-	-	499,357
2040 - 2044	245,722	203,226	-	-	448,948
2045 - 2049	321,745	140,637	-	-	462,382
2050 - 2054	302,972	63,041	-	-	366,013
2055 - 2058	129,183	9,925	-	-	139,108
	<u>\$ 2,827,999</u>	<u>\$ 1,577,703</u>	<u>\$ 157,718</u>	<u>\$ 10,564</u>	<u>\$ 4,573,984</u>

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 6 – RECEIVABLES – Continued

Lease Receivables – Continued

The City's lease receivables for government and business-type activities were as follows:

Governmental Activities:

Building and office space leases - annual installments totaling \$136,252 plus interest at a rate of 4.63%, due dates ranging from October 1, 2023 to May 1, 2040.	\$ 820,885
Infrastructure - annual installments totaling \$59,970 plus interest at a rate of 4.63%, due date ranges from October 1, 2023 to June 1, 2034	574,834
Land and land improvements - annual installments totaling \$73,436 plus interest at a rate of 3.45% - 4.63%, due dates ranging from October 1, 2023 to December 1, 2057.	<u>1,432,280</u>
Total Governmental Activities Lease Receivable	<u>\$ 2,827,999</u>

Business-Type Activities:

Building and office space leases - annual installments totaling \$79,704 plus interest at a rate of 4.63%, due dates ranging from October 1, 2023 to April 1, 2027.	\$ 157,718
Total Business-Type Lease Receivable	<u>\$ 157,718</u>

NOTE 7 – ASSETS HELD FOR RESALE

Community Development Block Grant

The U.S. Department of Housing and Urban Development's (HUD) Neighborhood Stabilization Program (NSP) is part of the national effort to restore homes and renew neighborhoods affected the hardest by the ongoing 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 received \$2,297,318 of Neighborhood Stabilization Program 1 (NSP1) funding, which was allocated through HUD's Community Development Block Grant (CDBG) Program under the Housing and Economic Recovery Act of 2008. In fiscal year 2011, the City received \$1,537,642 from an NSP3 funding allocation, which was released by HUD as authorized in the Dodd Frank Wall Street Reform and Consumer Protection Act to continue to assist state and local governments in the redevelopment of abandoned and foreclosed residential properties. To date, the City has completed over forty-five units under the NSP Program. The City is currently in the process of closing the program.

The City continues to hold one single-family home, which comprise of new construction on foreclosed, city-owned property, as assets held for resale for a total of \$165,286. The City used NSP1 funds to build the existing single-family home, and the home is currently under contract.

In January 2024, the Community Redevelopment Agency (CRA) acquired an 11.241-acre parcel with the intent to sell it to Habitat for Humanity to assist in the low income housing stock in Fort Myers. The sale of this parcel is expected to take place in February 2025.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 8 – CAPITAL ASSETS

Capital assets activity for the year ended as follows:

	Balance October 1, 2023	Increases	Decreases	Balance September 30, 2024
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 38,865,235	\$ 3,471,505	\$ (4,202)	\$ 42,332,538
Antiques and Exhibits ⁽¹⁾	251,871	-	-	251,871
Construction in progress	16,313,643	6,038,310	(2,067,543)	20,284,410
Intangibles-easements	4,723,209	-	-	4,723,209
Total capital assets, not being depreciated	<u>60,153,958</u>	<u>9,509,815</u>	<u>(2,071,745)</u>	<u>67,592,028</u>
Capital assets, being depreciated and amortized:				
Buildings	80,567,279	1,061,119	-	81,628,398
Improvements	54,847,234	10,177,505	-	65,024,738
Equipment	44,924,100	6,508,333	(1,018,469)	50,413,964
Intangibles-software	169,587	-	-	169,587
Infrastructure	313,313,325	10,341,969	(633,569)	323,021,725
Right to use lease equipment	72,281	-	(50,029)	22,252
Right to use lease real estate	1,271,191	-	-	1,271,191
Right to use software	2,694,285	-	(29,270)	2,665,015
Total capital assets, being depreciated	<u>497,859,282</u>	<u>28,088,925</u>	<u>(1,731,337)</u>	<u>524,216,870</u>
Less accumulated depreciation and amortization for:				
Buildings	(25,504,410)	(3,076,171)	-	(28,580,581)
Improvements	(43,144,837)	(1,928,729)	-	(45,073,566)
Equipment	(34,339,692)	(4,269,620)	1,015,090	(37,594,222)
Intangibles-software	(149,187)	(4,800)	-	(153,987)
Infrastructure	(244,915,730)	(6,553,032)	-	(251,468,762)
Right to use lease equipment	(49,782)	(11,655)	50,029	(11,408)
Right to use lease real estate	(206,316)	(128,132)	-	(334,448)
Right to use software	(709,314)	(700,198)	29,270	(1,380,242)
Total accumulated depreciation	<u>(349,019,268)</u>	<u>(16,672,337)</u>	<u>1,094,389</u>	<u>(364,597,216)</u>
Total capital assets being depreciated, net	<u>\$ 148,840,014</u>	<u>\$ 11,416,588</u>	<u>\$ (636,948)</u>	<u>\$ 159,619,654</u>
Total governmental activities capital assets, net	<u>\$ 208,993,972</u>	<u>\$ 20,926,403</u>	<u>\$ (2,708,693)</u>	<u>\$ 227,211,682</u>

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 8 – CAPITAL ASSETS – Continued

	Balance October 1, 2023	Increases	Decreases	Balance September 30, 2024
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 2,712,736	\$ 170,243	\$ -	\$ 2,882,979
Intangibles	548,517	57,091	-	605,608
Construction in progress	90,739,056	60,379,384	(27,383,455)	123,734,985
Total capital assets, not being depreciated	<u>94,000,309</u>	<u>60,606,718</u>	<u>(27,383,455)</u>	<u>127,223,572</u>
Capital assets, being depreciated and amortized:				
Buildings	129,463,343	371,518	-	129,834,861
Improvements other than buildings	39,277,750	7,073,374	-	46,351,124
Equipment	39,712,059	10,461,007	(1,294,790)	48,878,276
Utility Systems	566,768,445	42,207,508	(3,354,097)	605,621,856
Right to use lease equipment	295,907	987,541	(330,809)	952,639
Right to use lease real estate	696,124	-	-	696,124
Total capital assets, being depreciated	<u>776,213,628</u>	<u>61,100,948</u>	<u>(4,979,696)</u>	<u>832,334,880</u>
Less accumulated depreciation and amortization for:				
Buildings	(77,040,487)	(3,469,096)	-	(80,509,583)
Improvements other than buildings	(17,916,162)	(1,830,110)	-	(19,746,272)
Equipment	(29,497,300)	(3,556,709)	797,499	(32,256,510)
Utility Systems	(246,037,964)	(17,015,075)	-	(263,053,039)
Right to use lease equipment	(281,605)	(205,337)	330,809	(156,133)
Right to use lease real estate	(122,777)	(61,388)	-	(184,165)
Total accumulated depreciation	<u>(370,896,295)</u>	<u>(26,137,715)</u>	<u>1,128,308</u>	<u>(395,905,702)</u>
Total capital assets being depreciated, net	<u>405,317,333</u>	<u>34,963,233</u>	<u>(3,851,388)</u>	<u>436,429,178</u>
Total business-type activities capital assets, net	<u>\$ 499,317,642</u>	<u>\$ 95,569,951</u>	<u>\$ (31,234,843)</u>	<u>\$ 563,652,750</u>

Depreciation and amortization expenses were charged to the functions of the primary government as follows:

Governmental Activities:

General government	\$ 3,213,602
Public Safety:	
Police	1,717,905
Fire	1,918,801
Protective inspections	32,685
Physical environment	119,508
Transportation	7,137,075
Economic environment	177,912
Culture and recreation	2,354,849
Total depreciation and amortization expense - governmental activities	<u>\$16,672,337</u>

Business-Type Activities:

Water-Wastewater	\$21,560,489
Solid Waste	1,453,510
Building Permits and Inspections	333,674
Stormwater	1,521,292
Fort Myers County Club	444,320
Eastwood Golf Course	593,722
Yacht Basin	27,434
Downtown Parking Garages	201,556
Skatium	1,718
Total depreciation and amortization expense - business-type activities	<u>\$ 26,137,715</u>

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 9 – ACCRUED AND OTHER LIABILITIES, UNEARNED REVENUE

1. Accrued and Other Liabilities

Accrued and other liabilities were as follows:

	Salaries and Benefits	Due to Fiduciary Funds	Other Liabilities	Total
Governmental Activities:				
General Fund	\$ 5,392,412	\$ (1,028,647)	\$ 1,994,256	\$ 6,358,021
General Capital Projects	-	-	8,043	8,043
Nonmajor Governmental Funds	-	-	26,902	26,902
Internal Service Fund	-	-	144,326	144,326
Total Governmental Activities	<u>\$ 5,392,412</u>	<u>\$ (1,028,647)</u>	<u>\$ 2,173,527</u>	<u>\$ 6,537,292</u>
Business-type Activities:				
Water-Wastewater Fund	\$ -	\$ -	\$ 122,545	\$ 122,545
Solid Waste Fund	-	-	8,333	8,333
Nonmajor Business-type Funds	-	-	31,969	31,969
Total Business-type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,847</u>	<u>\$ 162,847</u>

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

2. Unearned Revenue

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

	Cem etery lots	Code Enforcement billings	Rental income	Grant receipts	Contributions from other sources	Total
Governmental Activities:						
General Fund	\$ 24,294	\$ 822,919	\$ 15,500	\$ -	\$ -	\$ 862,713
Transportation Capital Projects	-	-	-	-	1,472,127	1,472,127
General Capital Projects	-	-	-	-	2,400,000	2,400,000
Nonmajor Governmental Funds	-	-	-	8,572,465	210,364	8,782,829
Total Governmental Activities	<u>\$ 24,294</u>	<u>\$ 822,919</u>	<u>\$ 15,500</u>	<u>\$ 8,572,465</u>	<u>\$ 4,082,491</u>	<u>\$13,517,669</u>

NOTE 10 – PENSION OBLIGATIONS

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

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

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

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System	Total
Net pension liability	\$ 27,414,333	\$ 53,422,371	\$ 29,390,192	\$ 110,226,896
Deferred outflows of resources related to pensions	4,498,594	8,484,841	9,986,377	22,969,812
Deferred inflows of resources related to pensions	12,759,614	3,071,476	10,095,183	25,926,273
Pension expense	7,130,274	12,703,636	8,630,981	28,464,891

1. General Employees' Pension Plan

Plan Description

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

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

Plan membership. As of October 1, 2024, the GEPP Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	676
Inactive plan members entitled to but not yet receiving benefits	482
Active plan members	501
Total plan membership	<u>1,659</u>

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

1. General Employees' Pension Plan – Continued

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

- Normal retirement: Date of retirement is the first of month coincident with or next following the earlier of (1) the attainment of age 62 and the completion of five years of credited service, (2) the age when credited service plus age equals 80, or (3) 30 years of credited service, regardless of age. The benefit amount is 2.1% of the average final compensation multiplied by credited service prior to April 2, 1998, plus 3.0% of the average final compensation multiplied by credited service after April 2, 1998 through September 17, 2012, plus Rate A or B for service after September 17, 2012. Rate A is 1.8% and Rate B is 3.0%.
- Early retirement: Date of retirement is the earlier of the attainment of age 55 and the completion of seven years of credited service, or age 60 and five years of credited service. The benefit amount is determined using the same calculations as for normal retirement and reduced by 4.0% for each year prior to normal retirement.
- Termination of employment: Vested members (members with seven or more years of credited service) receive their accrued benefit payable at retirement age. Non-vested members (members with less than seven years of credited service) receive a return of their accumulated contributions.
- Disability benefits: Total and permanent benefits, as determined by the Board, for eligible members that have at least five years of credited service. The benefit amount is determined using the same calculations as for normal retirement, based on total service and the average final compensation as of the date of disability.
- Pre-retirement death benefits: Vested benefits are paid for ten years at the member's normal (unreduced) or early (reduced) retirement date. Beneficiaries of non-vested members receive a return of their accumulated contributions.

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

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

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

1. General Employees' Pension Plan – Continued

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

Deferred Retirement Option Program (DROP). City employees are eligible for the Deferred Retirement Option Program (DROP) to satisfy normal retirement requirements. Participation in the DROP may not exceed sixty months. At the member's election, the rate of return may be (1) the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 3.0% per annum compounded monthly. Members may elect to change the form of return one time. Participating members receive their distribution as a cash lump sum (options available) at the termination of employment. As of September 30, 2024, the balance of the DROP amounts maintained by the GEPP was \$3,259,755.

Net Pension Liability

The GEPP's net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the GEPP at September 30, 2024 were as follows:

Total pension liability	\$ 227,065,569
Plan fiduciary net position	<u>(199,651,236)</u>
GEPP net pension liability	<u>\$ 27,414,333</u>

Plan fiduciary net position as a percentage of the total pension liability	87.93%
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Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2023, updated to September 30, 2024, using the following actuarial assumptions applied to all periods included in the measurement:

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

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

1. General Employees' Pension Plan – Continued

PubG.H-2010 for Healthy Retirees, set back one year, for males. The mortality rates for disabled lives were based on the PubG.H-2010 for Disabled Retirees, set forward three years.

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

The most recent actuarial experience study used to review the other significant assumptions was dated September 9, 2024.

The long-term expected rate of return on the GEPP investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the GEPP's target asset allocation as of September 30, 2024, are summarized in the following table:

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. No change in percentage from the previous year. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, GEPP's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on the GEPP investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

1. General Employees' Pension Plan – Continued

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2023	\$ 212,522,600	\$ 161,917,943	\$ 50,604,657
Changes for the year:			
Service cost	2,812,625	-	2,812,625
Interest	15,177,035	-	15,177,035
Changes of benefit terms	(3,117)	-	(3,117)
Differences between expected and actual experience	5,408,177	-	5,408,177
Changes of assumptions	3,589,009	-	3,589,009
Contributions - employer	-	10,263,647	(10,263,647)
Contributions - members	77,997	1,843,916	(1,765,919)
Net investment (loss)	-	38,539,198	(38,539,198)
Benefit payments, including refunds of employee contributions	(13,043,910)	(13,182,020)	138,110
Administrative expense	-	(256,601)	256,601
Net changes	14,017,816	37,208,140	(23,190,324)
Balances at September 30, 2024	\$ 226,540,416	\$ 199,126,083	\$ 27,414,333

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
GEPP net pension liability	\$ 51,817,373	\$ 27,414,333	\$ 6,897,795

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2024, the GEPP recognized pension expense of \$7,130,274. At September 30, 2024, GEPP reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,704,089	\$ -
Changes of assumptions	1,794,505	-
Net difference between projected and actual earnings on pension plan investments	-	-
Actual earnings on pension plan investments	-	12,759,614
Total	\$ 4,498,594	\$ 12,759,614

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

1. General Employees' Pension Plan – Continued

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

Year ended September 30:

2025	\$ 2,197,764
2026	2,109,571
2027	(7,202,521)
2028	(5,365,834)

2. Police Officers' Retirement System

Plan Description

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

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

Plan changes. The Plan was updated during the fiscal year by Ordinance No. 4008 adopted on January 16, 2024. The ordinances made changes primarily from the Secure Act 2.0 Ordinance No. 4021, adopted May 24, 2024, provided the members participating in DROP may elect to receive the Partial Lump Sum Optional Form of Payment. Neither of the Plan changes had any immediate impact on the funding requirements.

Plan membership. As of October 1, 2024 the PORS Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	203
Inactive plan members entitled to but not yet receiving benefits	42
Active plan members	218
Total plan membership	<u><u>463</u></u>

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

2. Police Officers' Retirement System – Continued

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

- Normal retirement: Date of retirement is the earlier of age 55 or the completion of twenty-five years of credited service, regardless of age. The benefit amount is 3.24% of the average final compensation multiplied by credited service for each year of credited service prior to March 17, 2014, plus 3.0% for each year of credited service for years after March 17, 2014. Supplemental benefits provide \$150 per month that is payable for the lifetime of the retiree. Any member that has accrued at least fifteen years of credited service as of March 17, 2014 shall continue to be eligible for the \$290 additional monthly benefit.
- Early retirement: Date of retirement is the earlier of the attainment of age 45 and the completion of ten years of credited service, or the completion of fifteen years of credited service. The benefit amount is the accrued benefit, reduced 3.0% per year, plus the supplemental benefit.
- Termination of employment: Vested members (members with five or more years of credited service) receive their accrued benefit payable at the member's election, on the otherwise early or normal retirement date or refund of member contributions, with 3.75% interest. Non-vested members (members with less than five years of credited service) receive a refund of their member contributions, with 3.75% interest.
- Disability benefits: Total and permanent benefits, as determined by the Board. Members are covered from the date of employment for service incurred disabilities and after five years of employment for non-service incurred disabilities. The benefit amount is 3.24% of the average final compensation multiplied by credited service for service earned prior to March 17, 2014, and 3% of the average final compensation multiplied by credited service for service earned on and after March 17, 2014 (but not less than 42% of average monthly earnings), plus the supplemental benefit, offset with workers' compensation. Benefits commence upon Board approval and are payable until the earlier of recovery or death (120 monthly payments of the accrued benefit, less the supplemental benefit, are guaranteed).
- Pre-retirement death benefits: For members with credited service, death benefits for spouse and/or dependent child are paid to the spouse as 1.62% of the average final compensation multiplied by credited service and to each child as 0.324% of the average final compensation multiplied by credited service. The overall maximum benefit to the spouse and children is 70% of the average final compensation. Pre-retirement death benefits for a member with no spouse and no children are paid by a refund of the member contributions, with 3.75% interest. There is an alternative benefit to the beneficiaries of members that decess after completing at least ten years of service. Those beneficiaries may elect to receive the member's accrued benefit for ten years at the member's normal (unreduced) or early (reduced) retirement date.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

2. Police Officers' Retirement System – Continued

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

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

Contributions. Member contribution requirements are established by City Code Section 62-75, which may be amended by the City Council. Members of the Plan are required to contribute 10% of their annual covered salary. The City is required to contribute, at an actuarially determined rate, the remaining amount required in order to pay current costs and amortized unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes, less amounts received from the State of Florida for insurance surcharges on policies sold within the City. The State's contribution to the PORS for fiscal year 2024 was \$1,516,567.15. The City recognizes these on-behalf payments as revenues and expenditures in the governmental funds financial statements.

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

Deferred Retirement Option Program (DROP). PORS employees are eligible for the Deferred Retirement Option Program (DROP) upon the satisfaction of normal retirement requirements. Participation in the DROP may not exceed sixty months. At the member's election, the rate of return may be (1) the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 3.0% per annum compounded monthly. Members may elect to change the form of return one time. Participating members receive their distribution as a cash lump sum (options available) at the termination of employment. As of September 30, 2024, the balance of the DROP amounts maintained by the PORS was \$3,284,705.

Net Pension Liability

The PORS' net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the PORS at September 30, 2024 were as follows:

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

2. Police Officers' Retirement System – Continued

Total pension liability	\$ 267,435,721
Plan fiduciary net position	<u>(214,013,350)</u>
PORS net pension liability	<u>\$ 53,422,371</u>

Plan fiduciary net position as a percentage of the total pension liability	80.02%
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Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2023, updated to September 30, 2024, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	Service based
Discount rate	7.5%
Investment rate of return	7.5%, net of pension plan investment expense, including inflation

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

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

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

The long-term expected rate of return on the PORS investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the PORS' target asset allocation as of September 30, 2024 are summarized in the following table:

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

2. Police Officers' Retirement System – Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large Cap Equities	32.5%	8.2%
Domestic Small / Mid Cap Equities	7.5%	8.2%
Convertible Securities	10.0%	6.5%
Fixed Income Securities	25.0%	2.2%
International Equity	15.0%	3.3%
Real Estate	7.0%	5.5%
Infrastructure	3.0%	6.5%
Total	100.0%	

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

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. No change in percentage from the previous year. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the PORS' fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on the PORS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2023	\$ 251,785,951	\$ 176,963,934	\$ 74,822,017
Changes for the year:			
Service cost	4,559,948	-	4,559,948
Interest	18,739,882	-	18,739,882
Share plan allocation	394,049	-	394,049
Differences between expected and actual experience	4,751,544	-	4,751,544
Contributions - employer	-	12,068,944	(12,068,944)
Contributions - state	-	1,516,567	(1,516,567)
Contributions - members	59,827	2,236,638	(2,176,811)
Net investment (loss)	-	34,261,612	(34,261,612)
Benefit payments, including refunds of employee contributions	(12,855,480)	(12,855,480)	-
Administrative expense	-	(178,865)	178,865
Net changes	15,649,770	37,049,416	(21,399,646)
Balances at September 30, 2024	\$ 267,435,721	\$ 214,013,350	\$ 53,422,371

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

2. Police Officers' Retirement System – Continued

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the PORS, calculated using the discount rate of 7.50 percent, as well as what the PORS' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
PORS net pension liability	\$ 88,025,258	\$ 53,422,371	\$ 25,054,913

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

For the year ended September 30, 2024, PORS recognized pension expense of \$12,703,636. At September 30, 2024, PORS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,917,033	\$ 126,590
Changes of assumptions	2,567,808	-
Net difference between projected and actual earnings on pension plan investments	-	2,944,886
Total	<u>\$ 8,484,841</u>	<u>\$ 3,071,476</u>

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

Year ended September 30:	
2025	\$ 4,273,672
2026	7,506,675
2027	(3,133,193)
2028	(3,233,789)

3. Firefighters' Retirement System

Plan Description

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

The City Council has the authority to establish and amend the benefit provisions of the Plan. The FRS Board of Trustees comprises the City Manager; the Fire Chief of the City; three members of

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Firefighters' Retirement System – Continued

the retirement system that are elected by a majority of firefighters that are members of the retirement system, and; two trustees that are legal residents of the City, appointed by the City Council upon nomination by the other five trustees.

Plan membership. As of October 1, 2023, the FRS Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	126
Inactive plan members entitled to but not yet receiving benefits	23
Active plan members	147
Total plan membership	<u>296</u>

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

- Normal retirement: For members hired before April 20, 2015, date of retirement is the earlier of (1) age 52, or (2) twenty-five years of credited service, regardless of age. For members hired on or after April 20, 2015, the date of retirement is the earlier of (1) age 55 with ten years of credited service, or (2) twenty-five years of credited service, regardless of age. The benefit amount is 3.11% of the average monthly earnings multiplied by credited service prior to April 20, 2015, plus 3% of average monthly earnings multiplied by credited service on or after April 20, 2015. Benefits from the FRS are reduced by amounts paid under the terminated Travelers contracts.
- Early retirement: Date of retirement is attainable at age 45 and ten years of credited service. The benefit amount is the member's accrued benefit, reduced 2% for each year prior to the normal retirement date. Benefits from the FRS are reduced by amounts paid under the terminated Travelers contracts.
- Termination of employment: Vested members (members with ten years or more of credited service) receive their accrued benefit payable at the member's election, at age 52 (unreduced) or as early as age 45 (reduced) or refund of their member contributions, with 3.75% interest. Non-vested members (members with less than ten years of credited service) receive a refund of their member contributions, with 3.75% interest.
- Disability benefits: Total and permanent benefits, as determined by the Board, for eligible members that have ten years of credited service if the disability is not service incurred. There is no service requirement for service-incurred disability benefits. The benefit amount for In-Line-of-Duty is the greater of the accrued benefit or 60% of the average monthly earnings. Line-of-duty retirees also receive the supplemental benefit discussed below as well as the 3.0% cost of living increase beginning at age 60. The benefit amount for Not-In-Line-Of-Duty is the member's accrued benefits. Benefits commence upon the Board's approval and are payable on a ten-year certain and life thereafter basis, or until recovery, if such recovery occurs prior to the normal retirement date.
- Pre-retirement death benefits: The surviving spouse receives benefits that are the greater of the member's early retirement benefit or 50% of the projected normal retirement benefit based on the average monthly earnings at the time of death. Each dependent child under the age of 21 receives 5% of the projected normal retirement benefit that was determined

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Firefighters' Retirement System – Continued

for the spouse. The minimum benefit is the member's accrued benefit payable to the beneficiary for ten years. The spouse's benefit ceases upon death; children's benefit ceases on the earlier of death, attainment of age 21 or when no longer a dependent of the spouse. Death benefits are offset by amounts payable under terminated Travelers Contracts.

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

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

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

Individual participant share accounts were established as of October 1, 2010 for all participants that are actively employed by the City on or after October 1, 2010. The accounts were credited with all of the monies received pursuant to Chapter 175, Florida Statutes in excess of the 2012 base amount of \$701,835, beginning with the Plan year ending September 30, 2018. A different method was used for monies received between October 1, 2010 and September 30, 2020. Effective October 1, 2020 per a mutual consent agreement, all state monies received each year in excess of \$701,835 will be allocated to the Share Plan. On each valuation date, each account shall be adjusted to reflect the net earnings or losses during the year at the net of fees rate of return for the year unless the Board dedicates a separate investment portfolio for the Share Plan monies. Participating members receive their distribution as a cash lump sum at the termination of employment.

Contributions. Member contribution requirements are established by City Code Section 62-135, which may be amended by the City Council. Members of the Plan are required to contribute 8% of their annual covered salary. The City is required to contribute, at an actuarially determined rate, the remaining amount required in order to pay current costs and amortize the unfunded accrued liability, if any, as provided in Part VII of Chapter 112, Florida Statutes, less amounts received from the State of Florida for insurance surcharges on policies sold within the City. In no event will the City's contributions be less than 10% of the payroll of the City of Fort Myers Fire Department for the fiscal year. The State's contribution to the FRS for fiscal year-2024 was \$1,260,285.13. The City recognizes these on-behalf payments as revenues and expenditures in the governmental funds financial statements.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Firefighters' Retirement System – Continued

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

Deferred Retirement Option Program (DROP). FRS employees are eligible for the Deferred Retirement Option Program (DROP) upon the satisfaction of normal retirement requirements. The maximum period of participation in the DROP is sixty months but no later than eighty-four months after first eligibility for normal retirement. At the member's election, the rate of return may be (1) the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 3.0% per annum compounded monthly. Members may elect to change the form of return one time. Participating members receive their distribution as a cash lump sum (options available) at the termination of employment. As of September 30, 2024, the balance of the DROP amounts maintained by the FRS was \$781,396.

Net Pension Liability

The FRS' net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the FRS at September 30, 2024 were as follows:

Total pension liability	\$ 188,680,845
Plan fiduciary net position	<u>(159,290,653)</u>
FRS net pension liability	<u>\$ 29,390,192</u>

Plan fiduciary net position as a percentage of the total pension liability	84.42%
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Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2021, updated to September 30, 2024, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	Service based
Discount rate	7.4%
Investment rate of return	7.4%, net of pension plan investment expense, including inflation

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

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Firefighters' Retirement System – Continued

one year, for males. The mortality rates for disabled lives were based 80% on the PubG.H-2010 for Disabled Retirees and 20% on PubS.H-2010 for Disabled Retirees.

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

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

The long-term expected rate of return on the FRS investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the FRS' target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	50.0%	7.5%
Broad Market Fixed Income	15.0%	2.5%
Global Fixed Income	5.0%	3.5%
International Equity	15.0%	8.5%
Real Estate	15.0%	4.5%
Total	100.0%	

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

Discount rate. The discount rate used to measure the total pension liability was 7.40 percent, a reduction from the prior discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on the FRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Firefighters' Retirement System – Continued

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2023	\$ 173,851,554	\$ 128,864,841	\$ 44,986,713
Changes for the year:			
Service cost	3,133,480	-	3,133,480
Interest	12,955,719	-	12,955,719
Share plan allocation	558,450	-	558,450
Differences between expected and actual experience	4,386,253	-	4,386,253
Changes of assumptions	2,212,394	-	2,212,394
Contributions - employer	-	9,351,172	(9,351,172)
Contributions - state	-	1,260,285	(1,260,285)
Contributions - members	45,030	1,120,201	(1,075,171)
Net investment (loss)	-	27,347,094	(27,347,094)
Benefit payments, including refunds of employee contributions	(8,462,035)	(8,462,035)	-
Administrative expense	-	(190,905)	190,905
Net changes	14,829,291	30,425,812	(15,596,521)
Balances at September 30, 2024	\$ 188,680,845	\$ 159,290,653	\$ 29,390,192

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the FRS, calculated using the discount rate of 7.40 percent, as well as what the FRS' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.40%) or 1 percentage point higher (8.40%) than the current rate:

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
FRS net pension liability	\$ 54,156,372	\$ 29,390,192	\$ 9,083,535

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

For the year ended September 30, 2024, FRS recognized pension expense of \$8,630,981. On September 30, 2024, FRS reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,951,293	\$ 2,348,421
Changes of assumptions	4,035,084	-
Net difference between projected and actual earnings on pension plan investments	-	7,746,762
Total	\$ 9,986,377	\$ 10,095,183

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Firefighters' Retirement System – Continued

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

Year ended September 30:

2025	\$ 1,323,029
2026	3,616,986
2027	(3,740,770)
2028	(2,407,825)
2029	1,099,774

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

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

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

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

As of September 30, 2024, the Mayor, City Manager, Assistant City Manager, Fire Chief and two City Council members were the only participants in the 401(a) Plan and the total fiscal year 2024 contributions were \$56,584.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

Statement of Fiduciary Net Position - Pension Trust Funds

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System	Total
ASSETS				
Cash and cash equivalents	\$ 5,187,212	\$ 9,332,557	\$ 3,072,714	\$ 17,592,483
Investments, at fair value:				
U.S. government and agency securities	6,226,582	39,830,029	9,471,016	55,527,627
Municipal bonds	1,389,158	-	1,488,692	2,877,850
Corporate stock	20,646,183	-	87,023,593	107,669,776
Corporate bonds	11,548,963	3,661,726	7,190,619	22,401,308
Convertible bonds	51,391	15,565,638	-	15,617,029
Convertible preferred	-	2,737,842	-	2,737,842
Mortgage backed securities	19,465,678	-	5,059,443	24,525,121
Mutual funds:				
Fixed income	18,926,159	-	7,438,100	26,364,259
Equity	69,468,220	100,856,606	-	170,324,826
International equity	-	28,661,221	-	28,661,221
Commingled funds - Real estate	-	11,884,370	4,153,725	16,038,095
Limited partnerships:				
Real estate	-	-	33,063,628	33,063,628
International equity	25,696,918	-	-	25,696,918
Real estate investment trusts	17,281,852	-	-	17,281,852
International securities:				
Bonds and notes	843,693	-	459,355	1,303,048
Stocks	1,899,752	-	-	1,899,752
Total investments	193,444,549	203,197,432	155,348,171	551,990,152
Receivables:				
Employer contributions	384,767	1,122,332	706,375	2,213,474
Interest and dividends	206,426	339,052	226,811	772,289
Total receivables	591,193	1,461,384	933,186	2,985,763
Prepaid items - benefits	-	10,926	-	10,926
Total assets	199,222,954	214,002,299	159,354,071	572,579,324
LIABILITIES				
Payables:				
Benefit payments	-	57,513	-	57,513
Investment expenses	95,522	83,484	53,285	232,291
Administrative expenses	1,349	11,681	10,133	23,163
Total liabilities	96,871	152,678	63,418	312,967
FIDUCIARY NET POSITION				
Fiduciary net position restricted for pensions	\$ 199,126,083	\$ 213,849,621	\$ 159,290,653	\$ 572,266,357

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 10 – PENSION OBLIGATIONS - Continued

Statement of Changes in Fiduciary Net Position - Pension Trust Funds

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System	Total
ADDITIONS				
Contributions:				
Employer	\$ 10,263,647	\$ 12,068,944	\$ 9,351,172	\$ 31,683,763
State of Florida	-	1,516,567	1,260,285	2,776,852
Plan members	1,843,916	2,236,638	1,120,201	5,200,755
Total contributions	<u>12,107,563</u>	<u>15,822,149</u>	<u>11,731,658</u>	<u>39,661,370</u>
Investment earnings:				
Interest and dividends	4,189,422	3,580,331	2,576,679	10,346,432
Net increase in the fair value of investments	<u>34,836,091</u>	<u>31,271,147</u>	<u>25,206,713</u>	<u>91,313,951</u>
Total investment earnings	39,025,513	34,851,478	27,783,392	101,660,383
Less: investment expenses	<u>486,315</u>	<u>589,866</u>	<u>436,298</u>	<u>1,512,479</u>
Net investment (gain)	<u>38,539,198</u>	<u>34,261,612</u>	<u>27,347,094</u>	<u>100,147,904</u>
Total additions	<u>50,646,761</u>	<u>50,083,761</u>	<u>39,078,752</u>	<u>139,809,274</u>
DEDUCTIONS				
Benefits paid	13,182,020	12,855,480	8,462,035	34,499,535
Administrative expenses	<u>256,601</u>	<u>178,865</u>	<u>190,905</u>	<u>626,371</u>
Total deductions	<u>13,438,621</u>	<u>13,034,345</u>	<u>8,652,940</u>	<u>35,125,906</u>
Change in fiduciary net position	<u>37,208,140</u>	<u>37,049,416</u>	<u>30,425,812</u>	<u>104,683,368</u>
FIDUCIARY NET POSITION				
Fiduciary net position held in trust for pension benefits				
Fiduciary net position - beginning	161,917,943	176,800,205	128,864,841	467,582,989
Fiduciary net position - ending	<u>\$ 199,126,083</u>	<u>\$ 213,849,621</u>	<u>\$ 159,290,653</u>	<u>\$ 572,266,357</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, 2024

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS

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

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

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

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

Employees covered by benefit terms. As of the valuation date of September 30, 2023, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	80
Active employees	883
Total members	<u>963</u>

Total OPEB Liability

The City's total OPEB liability of \$14,849,297 was measured as of September 30, 2023, and was determined by an actuarial valuation as of September 30, 2023.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS - Continued

Total OPEB Liability – Continued

Inflation	2.25%
Salary increases	For General employees, 5.00% - 10.00% depending on service, including inflation. For Police Officers, 6.0%, including inflation. For Firefighters, 4.50% - 8.00% depending on service, including inflation.
Discount rate	2.19%
Healthcare cost trend rates	Based on the Getzen model, with trend starting at 8.00% for 2022 (to reflect actual premiums), then 5.75% for 2023 and gradually decreasing to an ultimate trend rate of 3.75%.

The discount rate was based on the municipal bond rate of 4.63% (based on the daily rate of Fidelity Investments' "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate was 4.40% as of the beginning of the measurement year.

Mortality rates were based on the mortality tables used in the July 1, 2023, actuarial valuation of the Florida Retirement System. The rates were derived from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.

Changes in the Total OPEB Liability

The following table presents the changes in the City's total OPEB liability for the year ended September 30, 2024.

Total OPEB Liability:

Balance, as of October 1, 2023	\$ 14,840,841
Changes:	
Service cost	780,506
Interest on the total OPEB liability	669,148
Difference between expected and actual experience of the Total OPEB Liability	(1,037,989)
Changes in assumptions and other inputs	423,652
Benefit payments	(826,861)
Net change in the total OPEB liability	8,456
Balance, as of September 30, 2024	\$ 14,849,297

Changes in assumption and other inputs include the change in the discount rate from 4.40% as of the beginning of the measurement period to 4.63% as of September 30, 2023 (based on the Long-Term Municipal Bond rate). The adjustment reflects changes in the yields on 20-year general obligation municipal bonds between September 30, 2022, and September 30, 2023.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS - Continued

Changes in Total OPEB Liability – Continued

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the City's total OPEB liability, calculated using the discount rate of 4.63%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower 3.63% or 1 percentage point higher (5.63%) than the current rate:

	<u>1% Decrease (3.63%)</u>	<u>Current Discount Rate (4.63%)</u>	<u>1% Increase (5.63%)</u>
Total OPEB Liability	\$ 16,689,043	\$ 14,849,297	\$ 13,305,541

Sensitivity of the total OPEB liability to changes in the healthcare trend rate. The following presents the City's total OPEB liability, calculated using the assumed healthcare trend rate as well as what the total OPEB liability would be if it were calculated using a healthcare trend rate 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
Total OPEB Liability	\$ 13,064,699	\$ 14,849,297	\$ 17,045,705

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$326,834. On September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Benefits paid after the measurement date	\$ 779,585	\$ -
Differences between expected and actual experience	1,146,326	1,266,801
Changes of assumptions and other inputs	363,983	3,880,337
Total	<u>\$ 2,289,894</u>	<u>\$ 5,147,138</u>

Deferred outflows of resources include \$779,585 resulting from benefits paid after the measurement date. This amount will be recognized as a reduction of the OPEB liability in the year ended September 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS - Continued

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB – Continued***

Year ended September 30:

2025	\$ (1,024,467)
2026	(803,237)
2027	(516,986)
2028	(486,821)
2029	(710,141)
Thereafter	(95,177)

NOTE 13 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction commitments

The City has active construction projects as of September 30, 2024. The projects include the creation of the Winkler Ave and Challenger Roundabout, the extension of Edison Avenue from Arcadia Street all the way through to Ortiz Avenue and beginning the groundwork for the City's new Police Department Headquarters. At year end, the City's commitments with contractors are as follows:

PROJECT CATEGORY	BUDGET	SPENT TO DATE	TOTAL	BALANCE	% SPENT
CITY STRUCTURES	17,085,616	8,756,834	8,756,834	8,328,782	51.3%
PUBLIC SAFETY	14,147,569	1,707,953	1,707,953	12,439,616	12.1%
TECHNOLOGY	1,420,643	844,363	844,363	576,279	59.4%
PARKS & RECREATION	31,373,412	7,475,460	7,475,460	23,897,953	23.8%
STORMWATER	8,729,139	5,561,389	5,561,389	3,167,750	63.7%
INFRASTRUCTURE	39,174,836	5,548,904	5,548,904	33,625,932	14.2%
UTILITIES	199,759,997	126,938,420	126,938,420	72,821,577	63.5%
Total	311,691,213	156,833,323	156,833,323	154,857,890	50.3%

Note: SPENT TO DATE includes encumbrances

As discussed earlier in Note 1, 6., Budgetary information, Budgetary basis of accounting, the encumbrances and related appropriation lapse at the end of the year but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 13 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS – Continued

Encumbrances

As discussed in Note 1, section 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	\$ 1,276,440	\$ 12,159,348	\$ 14,648,988	\$ 6,816,867	\$ 34,901,642

General Fund – of this amount \$129,485 is reserved for Police Department Skydio Drones and landing pads and \$48,440 is reserved for a UAS Drone Overwatch Operations Trailer.

Transportation Capital Projects Fund – of this amount, \$1,244,107 is restricted for the Winkler Avenue and Challenger Roundabout, \$1,980,639 is restricted for the Edison Avenue Extension from Arcadia Street to Ortiz Avenue, \$1,712,283 is restricted for the Winkler Avenue corridor signal and corridor improvement, and \$869,234 is restricted for the Nuna Avenue sidewalk improvement. \$1,012,823 is restricted for the Nuna Avenue sidewalk improvement project and \$494,922 is restricted for the McGregor Boulevard rehabilitation project.

General Capital Projects Fund – of this amount, \$2,080,423 is restricted for the renovation and restoration of the Burroughs House and Gardens located on 2505 1st Steet in the river district, and \$6,441,436 is restricted for the Architectural design of the City of Fort Myers New Police Department headquarters, \$553,006 is restricted for design and expansion phase I of the Dr. Ann Murphy Knight Stars Complex and \$444,732 is reserved for the Common Ground (Pocket Park) construction.

Other Government Funds – \$625,413 is reserved for the Cleveland Avenue redevelopment TIF project and \$444,051 is reserved for the MLK Jr Blvd redevelopment TIF project.

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 the 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.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 13 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS – Continued

Encumbrances – Continued

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, 2024, there was approximately \$3.51 million of total potential impact fee credits earned and outstanding.

	Available	Earned
Road	\$ 2,649,924	\$ 2,649,924
Fire	862,723	862,723
Total	<u>\$ 3,512,647</u>	<u>\$ 3,512,647</u>

In prior fiscal years, the City entered into operating agreements and development agreements to empower the renter to direct their efforts and resources to the management and operations of certain City venues.

The City entered into an operating agreement with a local not-for-profit corporation to privately manage and operate the Imaginarium Science Center. The Imaginarium Science Center will be used by the renter for conducting educational, cultural, and historical programs for the benefit of the general public. In addition to a payment of \$1.00 per year, the renter will be responsible for all utilities, fees, assessments and taxes, maintenance and major repairs up to \$2,500. The City and renter have the option to terminate the agreement with 180-day written notice.

The term of the original agreement was for ten years commencing on January 1, 2017, and expiring on December 31, 2026. On September 19, 2022, the City and the renter agreed to amend certain terms of the original agreement. The First Amendment to the agreement extends the term of the agreement to December 31, 2032.

The operating agreement contains a provision for subsidy payments from the City, in quarterly installments, and an annual waiver of the nonprofit requirement to pay ten to fifteen percent of market rate rent. The City's obligation to provide funding under this agreement is contingent upon the annual appropriation of funds. The final subsidy payment of \$128,125 under the original agreement was paid October 15, 2022. The First Amendment provides subsidies in the amount of \$71,875 for fiscal year 2023; \$150,000 for fiscal year 2024; \$100,000 for fiscal year 2025, and \$50,000 for fiscal year 2026.

In addition, the City entered into an operating and development agreement with a local foundation with the intent of creating a technology hub to unite the nonprofits in the region. The agreement includes substantial rehabilitation of the Southwest Florida Museum of History to its original design and character as a train station, plus the construction of a second stand-alone building connected to the train station that will be architecturally distinctive while providing an energy-

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 13 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS – Continued

Encumbrances – Continued

efficient environment with state-of-the-art technology serving as a technology hub. To fund the rehabilitation and new construction, the foundation secured a \$10,000,000 allocation of New Market Tax Credits through an A Note and a B Note.

During the New Market Tax Credit seven-year compliance period, the foundation shall pay all interest only payments due on the A Note and the B Note associated with the transaction. Upon the maturity of the A Note, the City shall pay to the foundation the amounts necessary to satisfy the principal balance due not to exceed \$7,300,000. The foundation and its support organization shall utilize the funds to satisfy the principal balance due on the A Note.

The City agrees to budget and appropriate funds in its annual budget process to pay off the loan after the seven-year period with the issuance of long-term debt in order to ensure funding of the A Note. The funds pledged to cover the debt will be secured by non-ad valorem revenues of the City.

The agreement term is forty years, commencing December 12, 2016, and expiring December 11, 2056, with annual payments of \$1.00. There is a right to renew for five additional ten-year terms. The operating and development agreement contains criteria in the event of termination, to include ninety days written notice.

NOTE 14 – RISK MANAGEMENT & SELF INSURANCE

The City, including its component units, uses the Risk Management Internal Service Fund to account for and finance risks for workers' compensation, general liability and property damage. The City self-insures its workers' compensation exposure and purchases commercial excess coverage for workers' compensation, which covers claims greater than \$500,000. The City is self-insured for general liability risk in the amount of \$200,000 per claim, which is in accordance with Florida Statute 768.28. The City purchased commercial excess coverage for general liability up to \$2,000,000 per occurrence for claims that may exceed statutory limits. Commercial insurance is purchased to cover property damage and the coverage provides a loss limit of \$25,000,000 in all risk property coverage and \$10,000,000 in the perils of Named Windstorm, excess storm surge, and excess flood including 5% deductible per occurrence/per building. Primary flood insurance through National Flood Insurance Program provides \$9,373,000 in building coverage with \$3,219,000 in coverage for personal property on scheduled structures. Settlements have not exceeded insurance coverage for the past five years. Settled claims have not exceeded the insurance provided by third-party carriers in any of the past six years.

Additional coverage includes EMT Liability, Law Enforcement Liability, Public Officials' Liability, Excess Automobile Liability, Crime and Employee Dishonesty, Statutory Death, a Cyber Liability policy, Special Event Liability as needed, Tenant User Liability and a policy providing coverage for protection, indemnity, and hull exposures for watercraft.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 14 – RISK MANAGEMENT & SELF INSURANCE – Continued

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

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

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

1. Estimate ultimate losses for all past fiscal accident periods and prospective fiscal accident periods by coverage, net of specific excess reinsurance, based on various actuarial projection methods.
2. Subtract cumulative paid losses from the ultimate loss estimates by accident period to determine the estimated reserves, net of specific excess coverage, as of September 30, 2023.
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 medical and prescription claims is reported in the Health Insurance Self Funding Internal Service Fund. Activity in the balances of claims liabilities for the year ending September 30, 2024 is as follows:

	2024*
Unpaid - Medical	\$ 575,955
Provision for Adverse Deviation (PAD) of 15%	86,393
Total Medical Liability with PAD	662,348
Unpaid - Prescription Drugs	72,228
Total Claim Liability with PAD	<u>\$ 734,576</u>

**1st year of self funded health insurance liability*

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 14 – RISK MANAGEMENT & SELF INSURANCE – Continued

The liability for the claims is reported in the Risk Management Internal Service Fund. Activity in the balances of claims liabilities for the years ending September 30, 2024, and 2023 are as follows:

	2024	2023
Workers Compensation and General Liability:		
Unpaid claims, beginning of the fiscal year	\$ 8,506,604	\$ 9,206,809
Claims incurred, including IBNRs	809,164	36,169
Claim payments	(1,069,724)	(736,374)
Unpaid claims, end of the fiscal year	<u>\$ 8,246,044</u>	<u>\$ 8,506,604</u>

NOTE 15 – LONG-TERM LIABILITIES

Bonds and notes outstanding consist of the following for governmental activities:

<i>Governmental Activities</i>	<i>Sale Date</i>	<i>Original Borrowing</i>	<i>Interest Rates to Maturity</i>	<i>Final Maturity</i>	<i>Outstanding September 30, 2024</i>	<i>Maximum Annual Debt Service</i>
Revenue Bonds						
Capital Improvement and Refunding Revenue	6/19/2014	\$ 37,120,000	2.00% - 5.00%	12/1/2034	\$ 22,875,000	\$ 3,771,138
Capital Improvement and Refunding Revenue	9/22/2016	52,130,000	2.00% - 5.00%	12/1/2036	41,670,000	5,648,450
Capital Improvement and Refunding Revenue	10/25/2018	32,436,995	4.00% - 5.00%	12/1/2038	18,610,000	1,734,000
Taxable Capital Improvement Revenue						
Bonds	10/25/2018	13,220,000	2.97% - 4.13%	12/1/2048	12,010,000	824,863
Total Revenue Bonds					<u>95,165,000</u>	<u>11,978,451</u>
Notes from Direct Borrowings						
Capital Improvement and Refunding Revenue	4/21/2022	34,294,000	2.49%	12/1/2036	34,294,000	3,658,850
Taxable Capital Improvement and Refunding F	4/21/2022	11,291,000	2.82%	12/1/2026	6,311,000	2,804,408
Capital Improvement Revenue Note	9/21/2022	30,000,000	variable	9/21/2025	12,443,829	12,443,829
Total Notes from Direct Borrowings					<u>53,048,829</u>	<u>18,907,087</u>
Total for Governmental Activities					<u>\$ 148,213,829</u>	<u>\$ 30,885,538</u>

Bonds and notes outstanding consist of the following for business-type activities:

<i>Business-type Activities</i>	<i>Sale Date</i>	<i>Original Borrowing</i>	<i>Interest Rates to Maturity</i>	<i>Final Maturity</i>	<i>Outstanding September 30, 2024</i>	<i>Maximum Annual Debt Service</i>
Water-Wastewater:						
Revenue Bonds						
Utility System Refunding and Revenue Bonds	9/19/2019	\$ 113,740,000	2.00% - 4.00%	10/1/2049	\$ 105,840,000	\$ 8,687,750
Utility System Refunding Revenue Bonds	6/3/2020	40,270,000	5.00%	10/1/2028	30,290,000	9,003,750
Subordinate Utility System Refunding Revenue	6/3/2020	36,435,000	5.00%	10/1/2029	23,210,000	5,894,125
Utility System Refunding Rev Bonds	10/19/2023	139,035,000	5.00% - 5.25%	10/1/2053	139,035,000	11,550,575
Total Revenue Bonds					<u>298,375,000</u>	<u>35,136,200</u>

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 15 – LONG-TERM LIABILITIES – Continued

<i>Business-type Activities</i>	<i>Sale Date</i>	<i>Original Borrowing</i>	<i>Interest Rates to Maturity</i>	<i>Final Maturity</i>	<i>Outstanding September 30, 2024</i>	<i>Maximum Annual Debt Service</i>
Note from Direct Placement						
Utility System Refunding Revenue Note	4/6/2017	37,190,000	3.36%	10/1/2036	33,325,000	4,860,768
Utility System Refunding Revenue Note	8/19/2021	11,726,000	1.26%	10/1/2036	7,660,000	1,986,281
Total Note from Direct Placement					<u>40,985,000</u>	<u>6,847,049</u>
Total for Water-Wastewater					<u>339,360,000</u>	<u>41,983,249</u>
Yacht Basin:						
Note from Direct Borrowing						
Capital Improvement Revenue Note	10/4/2005	5,000,000	4.63%	9/1/2028	1,403,509	386,877
Total for Yacht Basin					<u>1,403,509</u>	<u>386,877</u>
Total for Business-type Activities					<u>\$ 340,763,509</u>	<u>\$ 42,370,126</u>

The business-type outstanding debt consists of Revenue Bonds and Notes for the Water-Wastewater Fund and a Revenue Note for the non-major fund, Yacht Basin. The Revenue Bonds and Notes in the Water-Wastewater Fund are obligations of the City and are payable solely from the operations of the Utility System, net of specified operating expenses. The Capital Improvement Revenue Note for the Yacht Basin is payable from the Yacht Basin's net revenues or legally available non-ad valorem revenues of the City.

Changes in governmental long-term debt are summarized as follows:

	Balance at October 1, 2023	Increases	Decreases	Balance at September 30, 2024	Due Within One Year
Revenue bonds payable	\$ 100,030,000	\$ -	\$ 4,865,000	\$ 95,165,000	\$ 5,050,000
Unamortized premium	6,227,450	-	445,588	5,781,862	-
Net revenue bonds payable	106,257,450	-	5,310,588	100,946,862	5,050,000
Notes from direct borrowings	52,895,137	10,727,974	10,574,282	53,048,829	15,107,829
Financing purchase obligations	6,574,287	3,450,487	2,938,275	7,086,499	2,833,744
Leases Payable (Right of Use)	1,135,266	-	112,821	1,022,445	115,834
Subscription liabilities (Right of Use)	1,785,389	-	477,637	1,307,752	462,689
Net pension liability	151,403,452	684,586	51,938,449	100,149,589	-
Other postemployment benefits liability	11,590,417	1,237,892	1,386,741	11,441,568	-
Compensated absences	5,680,940	1,530,732	864,875	6,346,797	2,661,890
Claims and judgments	8,506,604	734,576	260,560	8,980,620	2,896,984
Governmental-type Totals	<u>\$ 345,828,942</u>	<u>\$ 18,366,247</u>	<u>\$ 73,864,228</u>	<u>\$ 290,330,961</u>	<u>\$ 29,128,970</u>

On September 22, 2022, the City authorized the Capital Improvement Revenue Note, Series 2022C, to establish a revolving credit agreement in the amount of \$30,000,000. Following an event of default, the Note shall bear interest at the default rate until such event of default is cured irrespective of a declaration of maturity. The default rate equals the rate of interest that would be borne absent the event of default plus 6%. If any payment is not made within fifteen days after it is due, a late fee of 4% of the delinquent payment becomes due and payable immediately. As of September 30, 2024, the outstanding balance was \$12,443,829.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 15 – LONG-TERM LIABILITIES – Continued

Changes in business-type long term debt are summarized as follows:

	Balance at October 1, 2023	Increases	Decreases	Balance at September 30, 2024	Due Within One Year
Water-Wastewater Fund					
Revenue bonds payable	\$ 174,085,000	\$ 139,035,000	\$ 14,745,000	\$ 298,375,000	\$ 11,560,000
Unamortized premium	22,291,902	6,637,303	2,928,484	26,000,721	-
Net revenue bonds payable	196,376,902	145,672,303	17,673,484	324,375,721	11,560,000
Notes from direct placement	43,599,000	-	2,614,000	40,985,000	2,657,000
Unamortized discount, Series 2017A	(61,981)	-	(4,766)	(57,215)	-
Net notes payable	43,537,019	-	2,609,234	40,927,785	2,657,000
State Revolving Loan	-	256,899	-	256,899	109,960
Net pension liability	10,127,909	1,420,069	6,088,125	5,459,853	-
Other postemployment benefits liability	1,622,250	436,396	287,347	1,771,299	-
Compensated absences	565,840	77,812	40,752	602,900	182,942
Fund totals	252,229,920	147,863,479	26,698,942	373,394,457	14,509,902
Solid Waste Fund					
Net pension liability	4,166,887	600,707	2,502,224	2,265,370	-
Other postemployment benefits liability	776,164	171,319	135,234	812,249	-
Compensated absences	230,860	84,164	28,775	286,249	133,565
Fund totals	5,173,911	856,190	2,666,233	3,363,868	133,565
Other Enterprise Funds					
Note from direct borrowing	1,715,124	-	311,615	1,403,509	326,718
Leases payable (Right of Use)	607,598	987,543	241,938	1,353,203	355,990
Net pension liability	4,715,139	672,828	3,035,883	2,352,084	-
Other postemployment benefits liability	852,013	195,115	222,947	824,181	-
Compensated absences	264,806	21,857	20,253	266,410	96,611
Fund totals	8,154,680	1,877,343	3,832,636	6,199,387	779,319
Business-type totals	\$ 265,558,511	\$ 150,597,012	\$ 33,197,811	\$ 382,957,712	\$ 15,422,786

In the Water-Wastewater fund, the Utility System Refunding Revenue Note, Series 2017A from direct placement, contains provisions that upon occurrence of an event of default, the interest rate on the note shall accrue at the default rate, which shall be calculated at the greater of (a) the published Federal Reserve Bank's Prime Rate +3%, (b) the Federal Funds Rate +5%, or (c) 7%, per annum. In addition to the forgoing rate adjustment, the registered holder shall have all rights and remedies available to bondholders pursuant to the resolution. The Utility System Refunding Revenue Note, Series 2021A from direct placement, contains provisions that the note shall bear interest at the default rate until such default shall be cured and all payments made on the note during any such period shall be applied first to interest and then to principal. The default rate for the Series 2021A Note is 6% per annum in excess of the Prime Rate, which shall be the greater of (a) the rate published from time to time in The Wall Street Journal as the "U.S. Prime Rate" or, in the event the rate is not available from The Wall Street Journal, the base, reference or other rate then designated by the registered holder, in its reasonable discretion, for general commercial loans, or (b) 3%. Once the event of default is cured, the interest rate will revert back to the rate effective as of the cure date. In addition to the forgoing rate adjustment, the registered holder shall have all rights and remedies available to bondholders pursuant to the resolution.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 15 – LONG-TERM LIABILITIES – Continued

The Yacht Basin's Capital Improvement Revenue Note, Series 2005 from direct borrowing contains a provision that the lender may terminate the commitment if the lender determines that a material adverse change occurred in the financial condition of the City.

The debt service requirements to maturity for the City's bonds and notes in governmental activities are as follows:

Fiscal Year	Governmental Activities					
	Revenue Bonds		Notes from Direct Borrowings		Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 5,050,000	\$ 3,816,719	\$ 15,107,829	\$ 994,328	\$ 20,157,829	\$ 4,811,047
2026	5,280,000	3,583,069	2,740,000	918,132	8,020,000	4,501,201
2027	5,555,000	3,326,551	2,815,000	842,955	8,370,000	4,169,506
2028	5,775,000	3,080,617	2,888,000	770,456	8,663,000	3,851,073
2029	6,020,000	2,846,667	2,961,000	697,636	8,981,000	3,544,303
2030-2034	34,080,000	10,349,010	15,961,000	2,330,080	50,041,000	12,679,090
2035-2039	26,885,000	3,508,071	10,576,000	399,371	37,461,000	3,907,442
2040-2044	2,865,000	1,247,057	-	-	2,865,000	1,247,057
2045 and thereafter	3,655,000	460,630	-	-	3,655,000	460,630
Total	95,165,000	\$ 32,218,391	53,048,829	\$ 6,952,958	148,213,829	\$ 39,171,349
Current portion	(5,050,000)		(15,107,829)		(20,157,829)	
Unamortized premium	5,781,862		-		5,781,862	
Long term portion	\$ 95,896,862		\$ 37,941,000		\$ 133,837,862	

The debt service requirements to maturity for the City's bonds and notes in business-type activities are as follows:

Fiscal Year	Business-Type Activities							
	Water-Wastewater Revenue Bonds		Water-Wastewater Notes from		Nonmajor Enterprise Fund		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 11,560,000	\$ 13,615,044	\$ 2,657,000	\$ 1,191,317	\$ 326,718	\$ 60,159	\$ 14,543,718	\$ 14,866,520
2026	12,960,000	13,075,019	1,761,000	1,147,314	342,327	44,549	15,063,327	14,266,882
2027	13,640,000	12,423,594	1,217,000	1,111,805	358,682	28,194	15,215,682	13,563,593
2028	13,340,000	11,756,294	1,245,000	1,079,022	375,782	11,095	14,960,782	12,846,411
2029	12,750,000	11,180,644	1,284,000	1,045,239	-	-	14,034,000	12,225,883
2030-2034	25,090,000	51,282,494	17,572,000	3,982,259	-	-	42,662,000	55,264,753
2035-2039	37,985,000	45,307,919	15,249,000	734,937	-	-	53,234,000	46,042,856
2040-2044	62,685,000	34,000,000	-	-	-	-	62,685,000	34,000,000
2045 and thereafter	108,365,000	23,395,175	-	-	-	-	108,365,000	23,395,175
Total	298,375,000	\$ 216,036,183	40,985,000	\$10,291,893	1,403,509	\$ 143,997	340,763,509	\$ 226,472,073
Current portion	(11,560,000)		(2,657,000)		(326,718)		(14,543,718)	
Unamortized premium								
/ (discount)	26,000,721		(57,215)		-		25,943,506	
Long-term portion	\$ 312,815,721		\$ 38,270,785		\$ 1,076,791		\$ 352,163,297	

Leases Payable

The City is a lessee of buildings, office space and equipment under long-term, non-cancelable lease agreements. The leases expire at various dates and provide renewal options ranging from five to thirty years. The future principal and interest lease payments were as follows:

Fiscal Year	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 115,834	\$ 44,320	\$ 355,990	\$ 71,360	\$ 587,504
2026	127,965	39,034	378,385	48,160	593,544
2027	130,166	33,455	225,805	25,816	415,242
2028	138,332	27,705	57,113	19,583	242,733
2029	146,920	21,605	60,233	16,463	245,221
2030 - 2034	363,228	34,630	275,678	31,106	704,642
	<u>\$ 1,022,445</u>	<u>\$ 200,749</u>	<u>\$ 1,353,204</u>	<u>\$ 212,488</u>	<u>\$ 2,788,886</u>

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 15 – LONG-TERM LIABILITIES – Continued

Leases Payable – Continued

The City's lease payable is comprised of the following:

Governmental Activities:

Equipment leases - annual installment totaling \$5,724 plus an interest at rate of 4.63%, due dates ranging from August 12, 2022 to September 1, 2026.	\$ 11,259
Building and office space leases - annual installments totaling \$313,642 plus interest at rates ranging from 3.45% to 5.34%, due dates ranging from October 1, 2021 to August 1, 2033.	<u>1,011,186</u>
Total Governmental Activities Lease Payable	<u><u>\$ 1,022,445</u></u>

Business-Type Activities:

Equipment leases - annual installments totaling \$195,774 plus interest at rates ranging from 3.45% to 7.60%, due dates ranging from October 1, 2021 to April 1, 2027.	\$ 805,989
Building and office space leases - annual installments totaling \$238,606 plus interest at a rate of 5.34%, due dates ranging from October 1, 2022 to August 1, 2033.	<u>547,214</u>
Total Business-Type Lease Payable	<u><u>\$ 1,353,203</u></u>

Subscription Liabilities

The City has entered into SBITAs for finance and reporting software for a period of 1 to 6 years and an incremental borrowing rate of 3.45 percent. The SBITAs have been recorded at the present value of the future contract payments as of the date of their inception or, for SBITAs existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at October 1, 2022.

SBITA debt service requirements to maturity for governmental activities are as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2025	\$ 462,689	\$ 45,117
2026	330,970	29,155
2027	262,764	17,736
2028	251,329	8,671
	<u><u>\$ 1,307,752</u></u>	<u><u>\$ 100,679</u></u>

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 15 – LONG-TERM LIABILITIES – Continued

Subscription Liabilities – Continued

The City had 6 active subscriptions. The subscriptions have payments that range from \$20,500 to \$260,000 and interest rates that range from 3.45% to 3.45%. The City had no other payments, such as termination penalties, not previously included in the measurement of the subscription liability. The City had no commitments under SBITAs before the commencement of the subscription term or any losses associated with an impairment.

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 the end of this fiscal year.

Financing Purchase Obligations

Finance purchase obligations for governmental activities which are collateralized by equipment and vehicles, have total annual installments of \$2,833,744 with interest rates ranging from 0.00% to 6.54% and maturing through September 2029.

The future principal and interest payments were as follows:

<u>Governmental Activities</u>		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2025	\$2,833,744	\$305,927
2026	2,214,193	184,144
2027	1,124,881	77,007
2028	554,538	15,224
2029	359,143	4,984
Total	<u>\$7,086,499</u>	<u>\$587,286</u>

NOTE 16 – PRIOR YEAR DEFEASED DEBT AND CURRENT REFUNDING

Prior year defeasance of debt

In prior years, the City **Prior year defeasance of debt**

In prior years, the City defeased certain general obligation revenue bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 16 – PRIOR YEAR DEFEASED DEBT AND CURRENT REFUNDING – Continued

Prior year defeasance of debt – Continued

included in the City's financial statements. The amount of defeased bonds consisted of the following:

Governmental Activities

Improvement and Refunding Revenue Bonds, Series 2006 (refunded by 2014 Bonds)	\$ 16,120,000
Improvement and Refunding Revenue Bonds, Series 2006 (refunded by 2016 Bonds)	30,420,000
Improvement Refunding Revenue Bonds, Series 2007	-
Total for Governmental Activities	<u>\$ 46,540,000</u>

Business-type Activities

Utility System Revenue Bonds, Series 2006	\$ 33,675,000
Utility System Refunding and Revenue Bonds, Series 2011 (partial)	21,435,000
Utility System Refunding Revenue Note, Series 2017B	22,555,000
Utility System Refunding and Revenue Bonds, Series 2011 (balance)	8,990,000
Utility System Refunding and Revenue Bonds, Series 2012 (balance)	3,415,000
Total for Business-type Activities	<u>\$ 90,070,000</u>

NOTE 17 – FUND BALANCE

Minimum Fund Balance/Net Position Policy

On November 20 2023, the City adopted Resolution 2023-79 to amend Resolution 2022-4. The updated Fund Balance Policy continues to ensure the maintenance of adequate fund balance/net position and reserves in the City's various operating funds to provide the capacity to: 1) provide sufficient cash flow for daily financial needs, 2) secure and maintain investment grade bond ratings, 3) offset significant economic downturns and revenue shortfalls, and 4) provide funds for unforeseen expenditures related to emergencies.

General Fund – The General Fund reserve target is 20% of the current year budgeted appropriations in that fund (excluding any internal transfers to other funds within the General Fund "Group of Funds"). The General Fund "Group of Funds" includes the General Fund, Cemetery Trust Fund, Land Acquisition Fund, Off Duty Pay Fund, Beautification Fund, Submerged Land Lease Fund and the Southwest Florida Enterprise Center Fund. The budgetary fund balance of the General Fund Group of Funds will be compared to the annual appropriation to determine if the reserve target has been achieved.

Other governmental funds of the City have vastly differing objectives, cash flows and revenue patterns. Therefore, recommended levels of committed and/or assigned fund balance will be

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 17 – FUND BALANCE – Continued

Minimum Fund Balance/Net Position Policy – Continued

determined on a case-by-case basis, based on the needs of each fund, and as recommended by the City Manager and Director of Finance, or designee, and approved by City Council. Debt Service funds reserves shall include deposits as required by the bond covenants for each outstanding bond issue. The City shall make every effort to transfer only specific amounts, at specific times, as required under the bond covenants for each bond issue.

Enterprise Funds – The City will strive to maintain unrestricted net position equal to 25% of the budgeted annual operating expenses for the current year in the Water-Wastewater Operating Fund, Solid Waste Fund and Stormwater Fund to provide approximately a 90-day reserve for operating expenses.

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 every fund. Therefore, the appropriate level of net position in all other enterprise and internal service 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.

The updated fund balance policy contains provisions to designate amounts for the restoration of minimum reserves and to replenish minimum reserve deficits.

NOTE 18 – INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances is as follows:

Due to/from other funds

		Due From:			
		General Capital Projects	FEMA Disaster	Yacht Basin	Total Transfers
Due To:					
General Fund		\$ 3,979,862	\$ 13,907,950	\$60,864	\$ 17,948,676
	Total	<u>\$ 3,979,862</u>	<u>\$ 13,907,950</u>	<u>\$60,864</u>	<u>\$ 17,948,676</u>

The receivable amount from General Capital Projects relates to reimbursable amounts to interim end of year funding by the General Fund that will be reimbursed as project funding gets defined. The receivable amount in the General Fund from FEMA Disaster Grant relates to reimbursable amounts for Hurricane Ian and related expenses from the 2020 COVID response. The receivable amount from Yacht Basin relates to reimbursable amounts to cover Yacht Basin expenses, whose activity was negatively affected from Hurricane Ian.

The General Fund expects to collect the balances in the subsequent year.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 18 – INTERFUND RECEIVABLES AND PAYABLES – Continued

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 Tax Increment Financing Districts. None of the balance is scheduled to be collected in the subsequent year.

NOTE 19 – INTERFUND TRANSFERS

	Transfers In:							Total Transfers
	General Fund	Revenue Bonds and Notes Fund	Transportation Capital Projects Fund	General Capital Projects Fund	Other Governmental Funds	Water- Wastewater Utility Fund	Other Business-type Funds	
Transfers Out:								
General Fund ⁽¹⁾	\$ -	\$ 13,816,420	\$ 6,507,566	\$ 3,798,351	\$ 6,876,310	\$ -	\$ 698,200	\$31,696,847
Revenue Bonds and Notes ⁽²⁾	-	-	-	10,727,973	-	-	-	10,727,973
General Capital Projects Funds ⁽³⁾	2,536	400,000	1,562,833	-	-	-	7,874	1,973,243
Special Revenue Funds ⁽⁴⁾	2,504	-	226,479	702,015	676,604	4,756,828	280,001	6,644,431
Water-Wastewater Fund ⁽⁵⁾	7,159,200	7,984,282	-	-	-	-	-	15,143,482
Solid Waste Fund ⁽⁶⁾	1,265,200	-	-	-	-	-	-	1,265,200
Internal Service Fund ⁽⁷⁾	-	96,000	-	3,885	-	-	-	99,885
Nonmajor Business-type Funds ⁽⁸⁾	473,000	1,700,300	-	258,902	-	-	580,200	3,012,402
Total Transfers	<u>\$ 8,902,440</u>	<u>\$ 23,997,002</u>	<u>\$ 8,296,878</u>	<u>\$ 15,491,126</u>	<u>\$ 7,552,914</u>	<u>\$ 4,756,828</u>	<u>\$ 1,566,275</u>	<u>\$70,563,463</u>

⁽¹⁾ Transfers from the General Fund were used to fund debt service needs and capital and transportation improvements. Transportation Capital improvement expenditures helped fund improvements to local gas projects. Capital improvement expenditures comprised of \$2,167,594.55 for Parks and Recreation Facility relocation, \$853,138 for Edison Restaurant improvement at FMCC, \$350,000 for Georgetown public improvements. The transfers to the Nonmajor Governmental Funds include \$6,639,033 for tax increment funding to the Community Redevelopment Agency (CRA). In addition, the General Fund \$20,365 as a subsidy to the Para-Transit Fund. Transfers to the Nonmajor Business-type Funds relate to a subsidy for the Skatium enterprise fund.

⁽²⁾ Transfers from the Revenue Bonds and Notes Fund to the General Capital Projects Fund relate to the project funding from the Capital Improvement Revenue Note, Series 2022C for \$10,727,973.

⁽³⁾ Transfers from the General Capital Projects Fund were used to fund debt service needs. Transfers to the Revenue Bonds and Notes Fund relates to an annual reimbursement from Lee County in compliance with an interlocal agreement for the City's event center improvements. Transfers into the Transportation Capital Projects Funds were used to fund infrastructure and drainage improvements to area subdivisions, and flexible pavement reconstruction. Transfers to the Nonmajor Business-type Funds included \$4,375 for stormwater and drainage improvement projects as well as \$3,500 for Skatium improvements.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 19 – INTERFUND TRANSFERS – Continued

- (4) Transfers from Special Revenue Governmental Funds to the General Fund comprised payments for Law Enforcement equipment. Transfers into General Capital Projects Fund included \$100,000 towards initial research costs associated with replacing the City's aging ERP system, \$350,000 for STARS complex expansion, \$63,800 towards ongoing public arts projects and maintenance, and \$27,352 towards landscaping and irrigation system renovations for the US 41/Cleveland Avenue District. The transfer of \$206,500 between Nonmajor Governmental Funds relates to the subsidy from the CRA for downtown para-transit needs. The CRA also transferred \$280,000 in support of Stormwater equipment. Transfers to Waste Water Utility totaling \$4,756,827 for Water Plant expansion. Transfers to Transportation for \$226,500 for street maintenance and improvements.
- (5) Transfers from the Water-Wastewater Fund were used to contribute to General Fund operations, for South Street drainage improvements and used for debt service payments.
- (6) Transfers from the Solid Waste Fund were used to contribute to General Fund operations.
- (7) The transfer from the ITS Internal Service Fund to the Revenue Bonds and Notes Fund supported debt service needs. The transfer to the General Capital Projects Fund provided funding for the city-wide phone system replacement project in the amount of \$3,885 for telephone upgrades.
- (8) Transfers from the Nonmajor Business-type funds were used to support General Fund operations, fund debt service needs and \$258,902 from parking for Capital projects. Transfers to Other Business types is for Eastwood Golf Course operations.

NOTE 20 – CONTINGENCIES

Grants

The City participates in various federal and state grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit, Subpart F of the OMB Uniform Guidance. 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.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 20 – CONTINGENCIES – Continued

Litigation, Claims and Assessments – Continued

The City is currently involved in an environmental assessment by the State of Florida Department of Environmental Protection (FDEP) for regulatory exceedances related to wastewater, stormwater and monitoring. The City shall comply with the corrective actions mandated by the FDEP and City Council elected to implement an in-kind penalty project on February 16, 2021. The value of the in-kind penalty project was estimated at \$768,675 and in compliance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligation*, the City accrued the total estimated cost in the Water-Wastewater Enterprise Fund. The in-kind project was completed in July 2024. The City spent \$1.5 million to complete the work. The in-kind project has been closed out with FDEP.

City owned land was sold to Suncoast Beverage for \$9.1 million, the City received \$6 million and the remaining \$3.1 million was put into an escrow that will be used by Suncoast Beverage for remediation of that land to clear out any environmental hazards. If the cost goes over the \$3.1 million the City is not liable, but if the cost are less than \$3.1 million than the City will receive the remaining funds. There are currently no quantifiable projection on the final remediation cost of the land.

Significant Contingencies

On September 28, 2022, Hurricane Ian made landfall in Cayo Costa just 25 miles west of Fort Myers as a Category 4 storm, bringing hurricane force winds and significant storm surge to the coastal areas. The financial impact of Hurricane Ian to the City is estimated at just under \$63.5 million, we are in the Public Assistance process, this number may fluctuate. The City expects to receive substantial reimbursement from the Federal Emergency Management Agency (90%) and the Florida Division of Emergency Management (5%). We have already received ~\$21.2 million in reimbursement.

On September 26, 2024, Hurricane Helene made landfall north of Fort Myers in Taylor County, Florida as a Category 4 storm, bringing excessive rainfall causing catastrophic flooding, an expansive wind field led to tropical storm and hurricane force winds hundreds of miles away from the storm's center, and record-high storm surge to the coastal areas. The financial impact of Hurricane Helene to the City is estimated at just under \$1 million, we are in the Public Assistance process, this number may fluctuate. The City expects to receive substantial reimbursement from the Federal Emergency Management Agency (75%) and the Florida Division of Emergency Management (12.5%).

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 21 – TAX ABATEMENTS

The City's Community Redevelopment Agency (CRA) determined the use of tax increment rebates and other incentives are necessary to encourage development within the CRA's redevelopment areas. The terms and conditions of the tax increment rebate are provided for in a Development Agreement that is approved by the CRA Board of Commissioners during a public meeting. In such an agreement, the CRA agrees to provide financial support for a project by providing to the developer the increment revenue payment attributable to said project. The increment revenue payment attributable to a project is based on the increase in property taxes above the base year value of the project site. The amount of increment revenue that the agency receives for the project site each year from the "taxing authorities", as that term is defined in Section 163.340(2), Florida Statutes, will be 95% of the difference between the final assessment roll of taxable real property prepared by the Lee County Property Appraiser of Lee County, Florida, for the project site in a given year minus the base year defined above multiplied by the applicable millage rate for each taxing authority. The project payment to the developer will then be calculated by multiplying the approved rebate percentage for a specific year of the project by the amount of tax increment the CRA receives for the project site in a particular fiscal year as described above. The agreed upon rebate percentage of the tax increment received will be rebated if the total real estate taxes are paid prior to delinquency. If the taxes are not paid timely, there is no rebate of the property tax increment. This rebate program has no effect on the revenues of the primary government, the City of Fort Myers.

The City of Fort Myers rebated property taxes totaling \$5,087,907. The City entered into the following tax abatement agreements:

Table 1: Summary of Rebates for Completed Projects

Project Name (Developer)	Effective Date of Agreement	Rebate Amount (%)	Number of Years	Maximum Amount of Rebate Payment	Rebate Payments as of 9/30/2024	Purpose
Orthopedic Specialists of SW Florida (GRW, LLC.; The MacSydney Company, LLC.)	11/13/2010; amended 11/8/2013	Amendment reduced the rebate percentages by 10% for each year beginning in calendar year 2014.	21 years	95% from 2003-2014; payment decreases by 10% each year through calendar year 2023, for which the final rebate will be 5%.	\$126,655	Construction, operation and maintenance of a medical office facility.
The Banyan (fka: Hotel Indigo); Laxmi Lodging	12/11/2006	Years 1-2: 95% Years 3-20: 75%	20 years	\$2,500,000	\$430,106	Project represents the renovation of the historic Post Office Arcade for a hotel lobby and retail, restaurant and commercial uses, and to construct a new 7 story hotel containing between 60 and 70 hotel rooms.
David Plummer (McGregor-Clifford, LLC.) 2149 McGregor	12/8/2011	75%	15 years	\$106,442	\$8,836	Construction of a 5,100 square foot professional office development, related parking and other amenities.
Grand Central Fort Myers, LLC.	6/30/2016	Years 1-2: 95% Years 3-12: 77%	12 years	\$4,450,000	\$1,687,179	Construction of approximately 15,000 square feet of retail space and approximately 280 rental apartment units with amenities.
Luminary Hotel (MainSail, Fort Myers LLLP.)	12/13/2017	95%	7 Years	\$2,600,000	\$620,064	Project represents a structured parking garage containing at least 210 parking spaces and a full- service hotel consisting of full amenities, meeting rooms and at least 225 hotel rooms.
West End of City Walk (City Walk Fort Myers, LLC.)	7/25/2018; amended as of 12/11/2019	95%	10 years	\$5,500,000, with an annual maximum payment of \$550,000	\$1,100,000	Amended to increase the residential phase from 302 to 318 units; add 77 spaces to the parking garage; add a 12,000 square foot amenity center and approximately 14,000 square feet of Class A office space, and; remove the development of the hotel on the project site. The project develops property vacant since the recession, provides additional residential housing and retail, and attract additional development.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 21 – TAX ABATEMENTS – Continued

Royal Palm Gardens Apartments, LLLP.: Jones Walker Palm Gardens Apartments	1/6/2020	95%	15 years	\$800,000	\$37,744	Project represents the purchase and rehabilitation of the 80-unit affordable residential housing development to provide improved living conditions for the tenants, extend the economic life and attract additional development.
Edison Grand (2500 Edwards Drive Owner, LLC)	9/3/2013	95%	19 years	\$9,726,407	\$514,229	Project represents the renovation and adaptive reuse of an existing hotel into an independent living facility consisting of approximately 323 independent senior housing units and 14 lodging units, to provide affordable housing and attract significant new hotel and other development.
Silver Hills at Fort Myers Phase I (ESH Fort Myers, LLC)	8/28/2019	95%	Until rebate is satisfied.	\$12,960,000	\$563,094	Project represents two buildings containing a total of 327 apartments, which will be a mix of studio, one bedroom/one bath, two bedroom/two bath and three bedroom/two bath units. A 580-space parking garage will be located mid-block between the two residential buildings. The project provides additional residential housing and associated amenities, and attract additional development.

Table 2: Summary of Approved Rebates Where Construction Has Not Yet Been Completed

Project Name (Developer)	Effective Date of Agreement	Rebate Amount (%)	Number of Years	Maximum Amount of Rebate Payment	Purpose
One Allure (Cedar River at Fort Myers LLC.) Tower 1 and Tower 2	9/1/2015	Tower 1: 85%; Tower 2: 65%	10 years per tower	Tower 1: \$8,500,000 Tower 2: \$6,500,000	Tied to PUD. Project consists of two 32-story high rise residential towers, commercial square footage, docks, construction of a public riverwalk and other improvements to provide additional multi-family housing and attract additional development.
Prima Luce, LLC	10/2/2015; amended as of 11/30/2016 Amendment #3 8/26/2022	95%	14 years	1) \$14,993,120, if 176 units built or 2) \$18,469,561, if 220 units built	Project represents a single phase project consisting of two 22-story residential towers to provide additional multi-family housing and attract additional development.
Campo Felice Riverfront Senior Housing (The Macfarlane Group II, LLC. Phase II)	4/27/2016	Years 1-5: 70% Years 6-10: 30%	10 years per tower	\$3,500,000	Tied to PUD. Project represents the construction of an assisted living and memory care facility and medical office building, as a complementary second phase to the Campo Felice Riverfront Senior Housing Project on the adjoining parcel.
Allure One (Cedar River at Fort Myers II LLC.)	11/29/2016; amended as of 3/28/2018 Amendment #6 5/25/2022	95%	13 years	Amended to \$4,250,000, provided the project contains a maximum of 34 units or the project, after completion, has a taxable value equal to or greater than \$28,753,789, whichever comes first.	Project consists of a 15-story high rise residential tower with 34 residential units (amended from 24 units) and other improvements to provide additional multi-family housing and attract additional development.
Vantage Lofts (Vantage Ft. Myers, LLC.)	8/28/2019; amended as of 3/23/2022 Amendment #3 12/14/2022	95%	Until rebate is satisfied.	\$11,400,000	Construction of a mixed-use 16-story building with upscale modern, contemporary design; approximately 4,014 square feet of retail space and amenities, and; approximately 217 condo-quality apartment units. Project will provide additional residential housing and amenities, and attract additional development.
Hampton Inn by Hilton (HBH FTM Hotel, LLC.)	9/25/2019; amended as of 6/9/2022 Amendment #5 3/20/2023	Years 1-5: 95% Years 6 and beyond: 75%	Until rebate is satisfied and/or the community redevelopment area sunsets in 2044	\$1,900,000	Project represents a 4-story, 117-room Hampton Inn by Hilton and associated amenities to provide hotel services and to attract additional development.
Seaboard Waterside Apartments (Billy's Creek Preserve LLC)	1/22/2020; Amendment #2 8/16/2022	85%	Until rebate is satisfied.	Phase 1-\$7,145,000 Phase 2-\$4,335,000	Project consists of two phases to provide attainable residential housing and associated amenities and to attract additional development. Phase 1 represents the first residential building with 204 units and amenities including a clubhouse. Phase 2 represents the second residential building with 216 units, associated amenities and a future commercial retail building of approximately 2,000 square feet.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 21 – TAX ABATEMENTS - Continued

St. Peter Claver Place Apartments (St. Peter Claver Place I, LTD.)	1/22/2020; Amendment #2 8/16/2022	95%	Until rebate is satisfied.	\$4,500,000		Project consists of two phases to provide affordable residential housing and associated amenities to tenant families and individuals. Phase 1 represents 136 two-, three- and four-bedroom apartments in two- and three-story buildings, along with a community building. Phase 2 consists of 78 two- and three-bedroom apartments and associated amenities.
Silver Hills at Fort Myers, Phase II (ESH Fort Myers, LLC)	10/14/2020 Amendment #1 08/23/2023	95%	Until rebate is satisfied.	\$4,965,000		Project represents phase 2 of an urban, walkable apartment community consisting of approximately 125 units in one six-story concrete block residential building on property totaling 1.07 acres, more or less.
Hilton Tempo (FTM Downtown Hotel LLC)	1/7/2021; amended as of 8/24/2022 Amendment #3 9/27/2023	95%	Until rebate is satisfied.	\$5,570,000		Project represents a select-service Hilton Tempo (8/24/2022) hotel consisting of approximately 132 rooms, with associated hospitality amenities.
St. Peter Claver Place Apartments (St. Peter Claver Place II, LTD.)	1/19/2021 Amendment #1 4/7/2022	95%	Until rebate is satisfied.	\$2,600,000		Project represents phase 2, consisting of 78 two- and three-bedroom apartments, as part of an affordable housing apartment community, and associated amenities.
Palmera on the River (Palmera Ft. Myers, LLC)	3/1/2021; amended as of 5/25/2022 Amendment #4 3/20/2023	95%	Until rebate is satisfied.	\$9,535,000		Project consists of a 221-unit minimum luxury multi-family community with a variety of apartment options and amenities.
Towles Garden (Towles Garden LLC)	3/9/2021; Amendment #1 7/12/2022	95%	Until rebate is satisfied.	\$4,900,000		Project consists of a 140-townhome ownership community with related infrastructure, with 51% of the units dedicated to low-income residents making 80% or less of the area median income on the project site.
Montage at Midtown (Catalyst Midtown Apartments, LLC)	9/22/2021; amended 4/11/2022 Amendment #5 8/23/2023	Years 1-5: 95% Years 6-17: 85% Years 18-19: 50%	Until rebate is satisfied and/or the agency sunsets in 2044	\$11,665,217		Project consists of a 321-unit Class A apartment community and amenities.
First Street Apartments (ZP 362 Fort Myers Church, LLC)	12/6/2021 Amendment #2 12/14/2022	95%	Until rebate is satisfied and/or the agency sunsets in 2044	\$11,025,000		Project consists of a minimum of 270 units in a high quality apartment community with amenities.
Gardner's Park Grove (Fort Myers Land and Homes LLC)	5/25/2022	85%	Until rebate is satisfied and/or the agency sunsets in 2044	\$360,000		Project consists of a high-quality 10-unit single-family housing complex and common elements.
Staybridge Suites (HIDEV Group LLC:)	7/29/2022	85%	Until rebate is satisfied and/or the agency sunsets in 2044	\$3,300,000		Project Represents a limited service Staybridge Suites hotel consisting of approximately 100 units, pool, meeting space and outside amenity areas.
The Irving (2401 Bay Street, LLC)	12/1/2021 Amendment #2 6/29/2023	85%	Until rebate is satisfied and/or the agency sunsets in 2044	\$4,000,000		Project consists of a minimum of 54 units and a maximum of 66 units in a high-quality apartment community with amenities. (Increased units from 66 to 98 units)
McCollum Hall (G+C McCollum LLC)	10/26/2022	95%	Capped at annual maximum of \$100,000 for period of five (5) years or longer until \$500K is paid	\$500,000.00		Project consists of a 26-unit multi-family community and 14,200 square feet of commercial retail space at the existing McCollum Hall structure and adjacent parcels. The retail space will be used as a market/food hall.
Bloom, The (2010 Hanson LLC)	12/14/2022	85%	Until said amount is satisfied or the Area sunsets in 2040	\$8,200,000.00		Project consists of 336 high-quality workforce housing units with a 506 space parking garage and amenities will include an onsite park and community pool/clubhouse.

CITY OF FORT MYERS, FLORIDA
Notes to the Financial Statements, continued
September 30, 2024

NOTE 22 – SUBSEQUENT EVENTS

On October 9, 2024, Hurricane Milton made landfall just north of Fort Myers in Siesta Key as a Category 3 storm, bringing catastrophic rainfall flooding, 100 mph gusts, a tornado outbreak and storm surge to the coastal areas. The financial impact of Hurricane Milton to the City is estimated at \$3.5 million, we are in the Public Assistance process, this number may fluctuate. The City expects to receive substantial reimbursement from the Federal Emergency Management Agency (75%) and the Florida Division of Emergency Management (12.5%).

In November 2024, the City held a bond election with the purpose of providing the residents (voters) to approve a bond issuance not to exceed \$75 million with its maturity not to exceed 30 years. This bond would be to fund park improvements. It was approved by 67.34% of the voters. The bond issuance estimated to take place in May 2025.

The City has entered into five State Revolving Loan Fund agreements with the State of Florida Department of Environmental Protection. The total amount of loans authorized are \$127,964,370 with interest rates ranging from 0.47% - 1.48%. There is currently \$256,899 in loans drawn down and outstanding. In January 2025, \$2.4 million will be drawn down with a remaining loan funds expected to be drawn down late 2025 or in the following year. The delay in drawing down funds is due to the time it takes to engineer the project and for construction to begin.

The City entered into a Finance Purchase Agreement dated and effective as of February 15, 2024, with Leasing 2, Inc. in order to lease-purchase a Pierce Enforcer Pumper and Pierce Enforcer Heavy Duty Rescue for the City's Fire Department. The principal amount of the Lease-Purchase Agreement is \$2,670,978.00 and the interest rate thereon is 5.46% per annum. Principal and interest payments are due on February 15 of each year, commencing on February 15, 2025, and ending on February 15, 2031. Due to the time it takes to build the vehicles, this debt is not obligated until the vehicles are received by the City, which is expected to take place in the upcoming fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION





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CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
REVENUES				
Taxes	\$ 103,912,800	\$ 106,689,652	\$ 109,676,123	\$ 2,986,471
Permits and fees	16,686,000	16,686,000	21,886,348	5,200,348
Intergovernmental revenue	14,511,500	14,511,500	14,635,682	124,182
Charges for services	9,116,200	9,116,200	9,211,550	95,350
Fines and forfeitures	535,000	559,900	707,460	147,560
Miscellaneous	9,329,200	28,480,194	8,122,379	(20,357,815)
Contributions - private source	5,000	30,825	35,188	4,363
Total revenues	154,095,700	176,074,271	164,274,730	(11,799,541)
EXPENDITURES				
Current:				
General Government:				
Council - Mayor Pro Tem	7,200	7,200	4,402	2,798
Council - Ward 1	109,900	109,900	97,006	12,894
Council - Ward 2	121,200	121,200	111,319	9,881
Council - Ward 3	109,800	131,276	128,017	3,259
Council - Ward 4	97,200	97,200	95,934	1,266
Council - Ward 5	87,400	87,400	80,937	6,463
Council - Ward 6	120,600	120,600	110,493	10,107
Council - Mayor	151,700	151,700	140,782	10,918
City Manager	1,855,700	1,904,200	1,679,391	224,809
Internal Audit	182,100	182,100	144,916	37,184
Communications	955,100	799,223	515,080	284,143
Economic Development	309,700	299,700	240,358	59,342
Legal	2,309,900	2,523,444	1,683,612	839,832
City Clerk	1,339,300	1,339,300	1,238,953	100,347
Facilities Management	3,402,000	3,570,962	2,641,535	929,427
Financial Services	4,067,650	4,113,290	3,522,885	590,405
Human Resources	1,809,100	1,827,025	1,610,448	216,577
Real Estate	679,800	679,800	579,831	99,969
Community Development	2,532,600	2,695,817	2,318,577	377,240
Contributions	255,000	789,200	413,350	375,850
General Contingencies	226,500	6,480,350	193,519	6,286,831
Professional Services	107,000	107,000	117,822	(10,822)
Total General Government	20,836,450	28,137,887	17,669,167	10,468,720
Public Safety:				
Police	61,707,500	63,393,932	65,880,346	(2,486,414)
Fire	32,230,300	34,023,755	33,682,864	340,891
Protective Inspections	2,192,900	2,199,150	2,129,640	69,510
Total Public Safety	\$ 96,130,700	\$ 99,616,837	\$ 101,692,850	\$ (2,076,013)

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund - Continued
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
Transportation: Public Works Admin	\$ 776,800	\$ 800,500	\$ 635,023	\$ 165,477
Physical Environment:				
Engineering	3,216,400	3,454,691	2,718,786	735,905
Parks	5,989,000	6,280,651	6,167,908	112,743
Cemetery	668,600	618,200	575,438	42,762
Insurance	337,700	337,700	337,810	(110)
Total Physical Environment	10,211,700	10,691,242	9,799,942	891,300
Economic Environment	1,482,200	5,188,873	1,326,647	3,862,226
Culture and Recreation	6,565,750	6,668,836	5,276,739	1,392,097
Principal	-	-	55,086	(55,086)
Total Current	136,003,600	151,104,175	136,455,454	14,648,721
Capital outlay:				
General	-	219,700	219,626	74
Police	450,000	584,611	3,549,427	(2,964,816)
Fire	34,100	1,659,921	1,452,986	206,935
Protective inspections	-	11,750	11,723	27
Physical environment	169,600	209,796	208,469	1,327
Total Capital outlay	653,700	2,685,778	5,442,231	(2,756,453)
Total expenditures	136,657,300	153,789,953	141,897,685	11,892,268
Excess of revenues over expenditures	17,438,400	22,284,318	22,377,045	92,727
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,000,000	1,018,450	2,975,342	1,956,892
Finance purchase obligations	-	-	3,450,487	3,450,487
Transfers in	8,897,400	15,174,200	8,902,440	(6,271,760)
Transfers out:				
Debt service transfers out	15,441,400	15,304,988	13,816,420	1,488,568
Capital funding transfers out	6,330,000	17,833,578	10,305,917	7,527,661
Non General transfers out	7,189,400	7,394,587	7,574,510	(179,923)
Total transfers out	28,960,800	40,533,153	31,696,847	8,836,306
Total other financing sources (uses)	(19,063,400)	(24,340,503)	(16,368,578)	7,971,925
Net change in fund balances	(1,625,000)	(2,056,185)	6,008,467	8,064,652
Fund balance - beginning	59,508,941	59,508,941	59,508,941	
Fund balance - ending	\$ 57,883,941	\$ 57,452,756	\$ 65,517,408	

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - Revenue Bonds and Notes
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
REVENUES				
Miscellaneous	\$ -	\$ 7,300,000	\$ 450,064	\$ (6,849,936)
Total revenues	<u>-</u>	<u>7,300,000</u>	<u>450,064</u>	<u>(6,849,936)</u>
EXPENDITURES				
Current:				
Debt Service:				
Interest	6,766,500	7,043,800	5,754,627	1,289,173
Principal	10,871,200	10,457,488	18,231,061	(7,773,573)
Total Debt Service	<u>17,637,700</u>	<u>17,501,288</u>	<u>23,985,688</u>	<u>(6,484,400)</u>
Total expenditures	<u>17,637,700</u>	<u>17,501,288</u>	<u>23,985,688</u>	<u>(6,484,400)</u>
Excess of revenues over expenditures	<u>(17,637,700)</u>	<u>(10,201,288)</u>	<u>(23,535,624)</u>	<u>(13,334,336)</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	37,350,000	37,750,295	10,727,973	(27,022,322)
Transfers in	17,637,700	17,501,288	23,997,002	6,495,714
Transfers out	<u>(37,350,000)</u>	<u>(45,050,295)</u>	<u>(10,727,973)</u>	<u>(34,322,322)</u>
Total other financing sources (uses)	<u>17,637,700</u>	<u>10,201,288</u>	<u>23,997,002</u>	<u>(54,848,930)</u>
Net change in fund balances	-	-	461,378	461,378
Fund balance - beginning	<u>8,277,554</u>	<u>8,277,554</u>	<u>8,277,554</u>	
Fund balance - ending	<u>\$ 8,277,554</u>	<u>\$ 8,277,554</u>	<u>\$ 8,738,932</u>	

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - Transportation Capital Projects
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
REVENUES				
Taxes	\$ 1,576,000	\$ 1,576,000	\$ 1,418,872	\$ (157,128)
Permits and fees	-	-	3,698,757	3,698,757
Intergovernmental revenue	544	4,419,033	2,067,493	(2,351,540)
Miscellaneous	10,357,000	18,506,986	2,299,491	(16,207,495)
Contributions - private source	-	-	35,486	35,486
Capital grants and contributions	-	1,757,292	3,388	(1,753,904)
Total revenues	11,933,544	26,259,311	9,523,487	(16,735,824)
EXPENDITURES				
Current:				
General Government	1,000	1,000	993	7
Transportation	32,000	32,000	13,541	18,459
Total Current	<u>33,000</u>	<u>33,000</u>	<u>14,534</u>	<u>18,466</u>
Capital outlay:				
Transportation	22,150,544	45,648,140	9,782,504	35,865,636
Total Capital outlay	<u>22,150,544</u>	<u>45,648,140</u>	<u>10,416,073</u>	<u>35,865,636</u>
Total expenditures	22,183,544	45,681,140	10,430,607	35,884,102
Excess of revenues over expenditures	<u>(10,250,000)</u>	<u>(19,421,829)</u>	<u>(907,120)</u>	<u>18,514,709</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,350,000	18,341,829	8,296,878	(10,044,951)
Transfers out	-	(70,000)	-	(70,000)
Total other financing sources (uses)	<u>8,350,000</u>	<u>18,271,829</u>	<u>8,296,878</u>	<u>(10,114,951)</u>
Net change in fund balances	(1,900,000)	(1,150,000)	7,389,758	8,539,758
Fund balance - beginning	38,937,752	38,937,752	38,937,752	
Fund balance - ending	<u>\$ 37,037,752</u>	<u>\$ 37,787,752</u>	<u>\$ 46,327,510</u>	

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Capital Projects
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
REVENUES				
Permits and fees	\$ -	\$ -	\$ 748,621	\$ 748,621
Intergovernmental revenue	400,000	3,768,557	872,981	(2,895,576)
Miscellaneous	6,382,000	13,334,403	824,328	(12,510,075)
Contributions - private source	-	34,716	874	(33,842)
Total revenues	6,782,000	17,137,676	2,446,804	(14,690,872)
EXPENDITURES				
Current:				
General Government	-	400,000	17	399,983
Fire	-	-	440	(440)
Physical Environment	2,831,000	1,851,553	874	1,850,679
Transportation	2,381,700	2,831,700	-	2,831,700
Economic Environment	-	-	3	(3)
Culture and Recreation	-	7,300,000	7,301,983	(1,983)
Total Current	5,212,700	12,383,253	7,303,317	5,079,936
Capital outlay:				
General	500,000	4,090,586	898,271	3,192,315
Police	18,750,000	10,260,490	1,401,345	8,859,145
Fire	1,455,000	3,791,687	306,609	3,485,078
Physical environment	925,000	1,108,884	566,405	542,479
Transportation	2,446,600	4,356,210	317,912	4,038,298
Economic Environment	-	202,542	-	202,542
Culture and Recreation	16,600,890	32,782,986	7,239,118	25,543,868
Total Capital outlay	40,677,490	56,593,385	10,729,660	45,863,725
Total expenditures	45,890,190	68,976,638	18,032,977	50,943,661
Excess of revenues over expenditures	(39,108,190)	(51,838,962)	(15,586,173)	36,252,789
OTHER FINANCING SOURCES (USES)				
Transfers in	45,995,190	65,548,530	15,491,126	(50,057,404)
Transfers out	(5,500,000)	(13,106,502)	(1,973,243)	(11,133,259)
Total other financing sources (uses)	40,495,190	52,442,028	13,517,883	(61,190,663)
Net change in fund balances	1,387,000	603,066	(2,068,290)	(2,671,356)
Fund balance - beginning	4,685,744	4,685,744	4,685,744	
Fund balance - ending	\$ 6,072,744	\$ 5,288,810	\$ 2,617,454	

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Changes in Net Pension Liability and Related Ratios
General Employees' Pension Plan
Last Ten Fiscal Years

	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total pension liability				
Service cost	\$ 2,812,625	\$ 3,418,705	\$ 2,938,146	\$ 2,624,522
Interest	15,177,035	14,661,625	14,252,642	13,768,146
Changes of benefit terms	(3,117)	-	-	(9,390)
Differences between expected and actual experience	5,408,177	1,950,915	781,063	1,388,678
Changes of assumptions	3,589,009	-	-	-
Contributions - members	77,997	97,622	2,818	71,027
Benefit payments, including refunds of member contributions	(13,043,910)	(13,085,114)	(12,025,467)	(11,385,178)
Net change in total pension liability	14,017,816	7,043,753	5,949,202	6,457,805
Total pension liability - beginning	212,522,600	205,478,847	199,529,645	193,071,840
Total pension liability - ending (a)	\$ 226,540,416	\$ 212,522,600	\$ 205,478,847	\$ 199,529,645
Plan fiduciary net position				
Contributions - employer	\$ 10,263,647	\$ 8,682,161	\$ 8,625,169	\$ 10,079,924
Contributions - members	1,843,916	1,727,314	1,486,218	1,764,626
Net investment income (loss)	38,539,198	19,609,319	(33,483,946)	32,724,476
Benefit payments, including refunds of member contributions	(13,182,020)	(12,965,932)	(12,111,300)	(11,323,471)
Administrative expense	(256,601)	(226,166)	(222,465)	(175,032)
Net change in plan fiduciary net position	37,208,140	16,826,696	(35,706,324)	33,070,523
Plan fiduciary net position - beginning	161,917,943	145,091,247	180,797,571	147,727,048
Plan fiduciary net position - ending (b)	\$ 199,126,083	\$ 161,917,943	\$ 145,091,247	\$ 180,797,571
Net pension liability - ending (a) - (b)	\$ 27,414,333	\$ 50,604,657	\$ 60,387,600	\$ 18,732,074
Plan fiduciary net position as a percentage of the total pension liability	87.90%	76.19%	70.61%	90.61%
Covered payroll	\$ 35,867,192	\$ 32,692,987	\$ 29,030,511	\$ 29,202,628
Net pension liability as a percentage of covered payroll	76.43%	154.79%	208.01%	64.15%

9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
\$ 2,937,411	\$ 2,796,627	\$ 2,428,377	\$ 2,802,062	\$ 2,603,341	\$ 2,461,949
13,473,986	12,972,343	12,475,849	12,214,755	11,396,703	11,016,448
-	-	9,191	382	-	-
3,003,873	634,616	1,813,109	(1,853,950)	383,871	(675,391)
2,112,038	696,296	2,208,471	-	7,542,789	-
31,606	32,648	114,065	28,076	39,831	104,188
(10,810,020)	(10,497,887)	(9,541,469)	(9,272,156)	(8,556,536)	(7,731,928)
10,748,894	6,634,643	9,507,593	3,919,169	13,409,999	5,175,266
182,322,946	175,688,303	166,180,710	162,261,541	148,851,542	143,676,276
<u>\$ 193,071,840</u>	<u>\$ 182,322,946</u>	<u>\$ 175,688,303</u>	<u>\$ 166,180,710</u>	<u>\$ 162,261,541</u>	<u>\$ 148,851,542</u>
\$ 9,959,509	\$ 9,534,821	\$ 8,517,979	\$ 7,760,600	\$ 8,149,579	\$ 7,248,247
1,612,869	1,269,187	1,070,880	908,353	1,003,269	1,056,162
17,010,206	2,516,024	14,890,636	14,529,743	7,220,356	311,772
(10,808,293)	(10,497,887)	(9,541,469)	(9,272,156)	(8,556,536)	(7,731,928)
(178,122)	(212,307)	(192,732)	(167,963)	(161,736)	(144,689)
17,596,169	2,609,838	14,745,294	13,758,577	7,654,932	739,564
130,130,879	127,521,041	112,775,747	99,017,170	91,362,238	90,622,674
<u>\$ 147,727,048</u>	<u>\$ 130,130,879</u>	<u>\$ 127,521,041</u>	<u>\$ 112,775,747</u>	<u>\$ 99,017,170</u>	<u>\$ 91,362,238</u>
<u>\$ 45,344,792</u>	<u>\$ 52,192,067</u>	<u>\$ 48,167,262</u>	<u>\$ 53,404,963</u>	<u>\$ 63,244,371</u>	<u>\$ 57,489,304</u>
76.51%	71.37%	72.58%	67.86%	61.02%	61.38%
\$ 26,507,116	\$ 22,951,785	\$ 21,710,056	\$ 20,918,917	\$ 22,012,119	\$ 22,278,817
171.07%	227.40%	221.87%	255.30%	287.32%	258.04%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Contributions
General Employees' Pension Plan
Last Ten Fiscal Years

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Actuarially determined contribution	\$ 10,114,548	\$ 8,663,642	\$ 8,680,123	\$ 10,218,387	\$ 9,912,752
Contributions in relation to the actuarially determined contributions	10,263,647	8,682,161	8,625,169	10,079,924	9,959,509
Contribution deficiency (excess)	<u>\$ (149,099)</u>	<u>\$ (18,519)</u>	<u>\$ 54,954</u>	<u>\$ 138,463</u>	<u>\$ (46,757)</u>
Covered payroll ⁽¹⁾	\$ 35,867,192	\$ 32,692,987	\$ 29,030,511	\$ 29,202,628	\$ 26,507,116
Contributions as a percentage of covered payroll	28.62%	26.56%	29.71%	34.52%	37.57%

Notes to Required Supplementary Information for the Year Ended September 30, 2024

Methods and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule:

Actuarial cost method	Entry age normal								
Amortization method	New UAAL amortization bases amortized over 15 years								
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.								
Inflation	2.5% per year								
Salary increases	<table> <tr> <th><u>Credited Service:</u></th><th><u>Increase:</u></th></tr> <tr> <td><2</td><td>10%</td></tr> <tr> <td>2-9</td><td>6.5%</td></tr> <tr> <td>10+</td><td>6.0%</td></tr> </table> This assumption was adopted based on the results of the August 20, 2019 actuarial experience study.	<u>Credited Service:</u>	<u>Increase:</u>	<2	10%	2-9	6.5%	10+	6.0%
<u>Credited Service:</u>	<u>Increase:</u>								
<2	10%								
2-9	6.5%								
10+	6.0%								
Investment rate of return	7.25% per year, compounded annually, net of investment related expenses.								
Payroll growth	0.0% per year								
Cost of living adjustment (COLA)	2.5% per year for normal and early retirees, beginning one year after retirement. COLA is for Tier 3 and Tier 4 members only.								
Retirement age	Earlier of age-62 with five years of service, or thirty years of service, regardless of age, or the age when service plus age equals 80, but no earlier than one year after the valuation date.								
Early retirement	Commencing with the earliest early retirement age (age 55 with seven years of service, or age 60 with five years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.								
Mortality	Healthy active lives: Female - PubG.H-2010 for employees; Male - PubG.H-2010 for employees, set back one year. Healthy retiree lives: Female - PubG.H-2010 for healthy retirees; Male - PubG.H-2010 (Below Median) for healthy retirees, set back one year. Beneficiary lives: Female - PubG.H-2010 for healthy retirees; Male - PubG.H-2010 for healthy retirees, set back one year. Disabled lives: PubG.H-2010 for disabled retirees, set forward three years.								

Termination and Disability Rate Tables

<u>Age</u>	<u>Rate (0-5 years)</u>	<u>% terminating during the year</u>		<u>% becoming disabled during the year</u>
		<u>Rate (0-5 years)</u>	<u>Rate (5+ years)</u>	
<23	40.0%		20	0.02%
23-29	22.5%		25	0.02%
30+	15.0%		30	0.02%
<30		15.0%	35	0.03%
30-34		10.0%	40	0.04%
35+		5.5%	45	0.05%
			50	0.09%
			55+	0.18%
			60	0.45%
			65	1.10%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Contributions (continued)
General Employees' Pension Plan
Last Ten Fiscal Years

<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
\$ 8,992,347	\$ 8,400,220	\$ 7,760,600	\$ 8,149,579	\$ 7,248,247
9,534,821	8,517,979	7,760,600	8,149,579	7,248,247
<u>\$ (542,474)</u>	<u>\$ (117,759)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 22,951,785	\$ 21,710,056	\$ 20,918,917	\$ 22,012,119	\$ 22,278,817
41.54%	39.24%	37.10%	37.02%	32.53%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Changes in Net Pension Liability and Related Ratios
Police Officers' Retirement System
Last Ten Fiscal Years

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>
Total pension liability				
Service cost	\$ 4,559,948	\$ 4,540,411	\$ 4,483,147	\$ 3,646,411
Interest	18,739,882	17,727,782	17,079,691	16,252,921
Change in excess state money	-	-	-	-
Share plan allocation	394,049	305,692	179,364	136,048
Differences between expected and actual experience	4,751,544	3,043,005	(316,475)	1,449,972
Changes of assumptions	-	-	6,419,521	-
Contributions - members	59,827	121,612	145,950	-
Benefit payments, including refunds of member contributions	(12,855,480)	(11,905,407)	(11,908,041)	(11,206,060)
Net change in total pension liability	<u>15,649,770</u>	<u>13,833,095</u>	<u>16,083,157</u>	<u>10,279,292</u>
Total pension liability - beginning	<u>251,785,951</u>	<u>237,952,856</u>	<u>221,869,699</u>	<u>211,590,407</u>
Total pension liability - ending (a)	<u><u>\$ 267,435,721</u></u>	<u><u>\$ 251,785,951</u></u>	<u><u>\$ 237,952,856</u></u>	<u><u>\$ 221,869,699</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 12,068,944	\$ 10,660,840	\$ 9,016,386	\$ 9,797,559
Contributions - state	1,516,567	1,339,854	1,087,198	1,000,567
Contributions - members	2,236,638	2,236,441	2,083,632	1,935,401
Net investment income (loss)	34,261,612	14,779,902	(32,099,444)	29,616,515
Benefit payments, including refunds of member contributions	(12,855,480)	(11,905,407)	(11,908,041)	(11,206,060)
Administrative expense	(178,865)	(148,466)	(190,455)	(156,804)
Net change in plan fiduciary net position	<u>37,049,416</u>	<u>16,963,164</u>	<u>(32,010,724)</u>	<u>30,987,178</u>
Plan fiduciary net position - beginning	<u>176,963,934</u>	<u>160,000,770</u>	<u>192,011,494</u>	<u>161,024,316</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 214,013,350</u></u>	<u><u>\$ 176,963,934</u></u>	<u><u>\$ 160,000,770</u></u>	<u><u>\$ 192,011,494</u></u>
Net pension liability - ending (a) - (b)	<u><u>\$ 53,422,371</u></u>	<u><u>\$ 74,822,017</u></u>	<u><u>\$ 77,952,086</u></u>	<u><u>\$ 29,858,205</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 80.02%	 70.28%	 67.24%	 86.54%
 Covered payroll	 \$ 22,586,627	 \$ 21,148,286	 \$ 19,383,242	 \$ 18,510,551
 Net pension liability as a percentage of covered payroll	 236.52%	 353.80%	 402.16%	 161.30%

9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
\$ 4,036,915	\$ 3,580,281	\$ 3,119,115	\$ 2,908,481	\$ 2,610,793	\$ 2,714,290
15,400,575	14,706,081	13,793,082	13,366,553	12,654,765	12,007,018
-	-	-	-	(58,951)	(58,952)
140,675	81,362	75,899	35,452	58,951	-
4,702,185	322,404	3,831,561	(1,566,690)	(3,082,812)	2,118,502
(2,495,828)	-	-	-	11,281,277	-
21,320	-	-	-	-	17,987
(10,453,865)	(9,610,033)	(9,220,487)	(9,671,429)	(9,295,255)	(8,015,172)
11,351,977	9,080,095	11,599,170	5,072,367	14,168,768	8,783,673
200,238,430	191,158,335	179,559,165	174,486,798	160,318,030	151,534,357
<u>\$ 211,590,407</u>	<u>\$ 200,238,430</u>	<u>\$ 191,158,335</u>	<u>\$ 179,559,165</u>	<u>\$ 174,486,798</u>	<u>\$ 160,318,030</u>
\$ 9,958,884	\$ 10,571,813	\$ 9,167,168	\$ 9,355,736	\$ 10,205,591	\$ 9,188,996
1,009,819	891,194	880,267	799,375	726,481	642,339
1,707,415	1,807,864	1,352,250	1,294,074	1,159,287	1,119,965
13,574,836	6,755,606	11,992,630	11,205,220	8,341,332	(861,763)
(10,453,865)	(9,610,033)	(9,220,487)	(9,671,429)	(9,295,255)	(8,015,172)
(142,892)	(103,472)	(95,338)	(97,446)	(106,868)	(70,101)
15,654,197	10,312,972	14,076,490	12,885,530	11,030,568	2,004,264
145,370,119	135,057,147	120,980,657	108,095,127	97,064,559	95,060,295
<u>\$ 161,024,316</u>	<u>\$ 145,370,119</u>	<u>\$ 135,057,147</u>	<u>\$ 120,980,657</u>	<u>\$ 108,095,127</u>	<u>\$ 97,064,559</u>
<u>\$ 50,566,091</u>	<u>\$ 54,868,311</u>	<u>\$ 56,101,188</u>	<u>\$ 58,578,508</u>	<u>\$ 66,391,671</u>	<u>\$ 63,253,471</u>
76.10%	72.60%	70.65%	67.38%	61.95%	60.55%
\$ 17,927,199	\$ 16,376,467	\$ 13,207,334	\$ 12,940,739	\$ 11,592,866	\$ 11,277,732
282.06%	335.04%	424.77%	452.67%	572.69%	560.87%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Contributions
Police Officers' Retirement System
Last Ten Fiscal Years

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Actuarially determined contribution	\$ 12,490,405	\$ 11,695,002	\$ 9,924,220	\$ 10,662,078	\$ 10,828,029
Contributions in relation to the actuarially determined contributions ⁽¹⁾	13,585,511	12,000,694	10,103,584	10,798,126	10,968,703
Contribution deficiency (excess) ⁽²⁾	<u>\$ (1,095,106)</u>	<u>\$ (305,692)</u>	<u>\$ (179,364)</u>	<u>\$ (136,048)</u>	<u>\$ (140,674)</u>
Covered payroll	\$ 22,586,627	\$ 21,148,286	\$ 19,383,242	\$ 18,510,551	\$ 17,927,199
Contributions as a percentage of covered payroll	60.15%	56.75%	52.13%	58.33%	61.18%

⁽¹⁾ Contributions consist of amounts from the City and the State, a non-employer contributing entity.

⁽²⁾ The excess contributions result from the fiscal year Share Plan allocation.

Notes to Required Supplementary Information for the Year Ended September 30, 2024

Methods and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of the

Actuarial cost method	Entry age normal								
Amortization method	New UAAL amortization bases amortized over 15 years.								
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses								
Inflation	2.5% per year								
Salary increases	The assumption was adopted based on the results of the September 20, 2021 actuarial experience study. Projected								
	<table> <tr> <th>Service</th><th>Rate</th></tr> <tr> <td>< 2 years</td><td>12.00%</td></tr> <tr> <td>2-14 years</td><td>6.00%</td></tr> <tr> <td>15+ years</td><td>5.00%</td></tr> </table>	Service	Rate	< 2 years	12.00%	2-14 years	6.00%	15+ years	5.00%
Service	Rate								
< 2 years	12.00%								
2-14 years	6.00%								
15+ years	5.00%								
Investment rate of return	7.50% per year, compounded annually, net of investment-related expenses.								
Payroll growth	0.0% per year								
Cost of living adjustment (COLA)	Payments on the cost-of-living increase vary, based on retirement date. See Note 10 for specific disclosure.								
Retirement age	The assumption was adopted based on the results of the September 20, 2021 actuarial experience study.								

% retiring during the year		
Service	Age	Rate
< 25	55	75%
	56-59	50%
	60+	100%
25+	Any	100%

Early retirement The assumption was adopted based on the results of the September 20, 2021 actuarial experience study.

% retiring during the year		
Service	Age	Rate
10-14 years	45+	2.0%
15-17 years	Any	4.5%
18-19 years	Any	7.5%
20-24 years	Any	12.0%

Mortality **Healthy active lives:** Female - PubS.H-2010 for employees, set forward one year; Male - PubS.H-2010 for **Healthy retiree lives:** Female - PubS.H-2010 for healthy retirees, set forward one year; Male - PubS.H-2010 for **Beneficiary lives:** Female - PubG.H-2010 for healthy retirees; Male - PubG.H-2010 for healthy retirees, set back one **Disabled lives:** 80% PubG.H-2010 for disabled retirees / 20% PubS.H-2010 for disabled retirees.

9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
\$ 11,381,645	\$ 9,971,538	\$ 10,119,658	\$ 10,932,072	\$ 9,831,335
11,463,007	10,047,435	10,155,111	10,932,072	9,831,335
<u>\$ (81,362)</u>	<u>\$ (75,897)</u>	<u>\$ (35,453)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,376,467	\$ 13,207,334	\$ 12,940,739	\$ 11,592,866	\$ 11,277,732
70.00%	76.07%	78.47%	94.30%	87.17%

Methods and assumptions used in calculations of actuarially determined contributions (continued)

Termination and Disability Rate Tables:

The assumption was adopted based on the results of the September 20, 2021 actuarial experience study.

% terminating during the year		% becoming disabled during the year	
Service	Rate	Age	Rate
< 1 year	11.4%	20	0.05%
1-4 years	8.3%	25	0.05%
5-9 years	6.4%	30	0.06%
10+ years	2.6%	35	0.07%
		40	0.12%
		45	0.22%
		50	0.43%
		55	0.89%
		60	1.61%
		65+	0.00%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Changes in Net Pension Liability and Related Ratios
Firefighters' Retirement System
Last Ten Fiscal Years

	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total pension liability				
Service cost	\$ 3,133,480	\$ 2,665,092	\$ 2,376,356	\$ 2,200,778
Interest	12,955,719	12,668,666	11,884,036	11,472,327
Share plan allocation	558,450	443,365	139,389	41,245
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	4,386,253	(3,914,034)	5,254,307	971,803
Changes of assumptions	2,212,394	-	4,600,330	1,756,459
Contributions - members	45,030	43,983	18,885	48,573
Benefit payments, including refunds of members contributions	(8,462,035)	(8,716,336)	(11,211,949)	(7,674,427)
Net change in total pension liability	14,829,291	3,190,736	13,061,354	8,816,758
Total pension liability - beginning	173,851,554	170,660,818	157,599,464	148,782,706
Total pension liability - ending (a)	\$ 188,680,845	\$ 173,851,554	\$ 170,660,818	\$ 157,599,464
Plan fiduciary net position				
Contributions - employer	\$ 9,351,172	\$ 9,210,886	\$ 7,633,999	\$ 7,843,466
Contributions - state	1,260,285	1,145,199	841,225	743,080
Contributions - members	1,120,201	1,073,816	841,162	849,028
Net investment income (loss)	27,347,094	11,516,032	(16,775,818)	22,782,350
Benefit payments, including refunds of members contributions	(8,462,035)	(8,716,336)	(11,211,949)	(7,623,337)
Administrative expense	(190,905)	(163,820)	(167,130)	(163,881)
Net change in plan fiduciary net position	30,425,812	14,065,777	(18,838,511)	24,430,706
Plan fiduciary net position - beginning	\$ 128,864,841	114,799,064	133,637,575	109,206,869
Plan fiduciary net position - ending (b)	\$ 159,290,653	\$ 128,864,841	\$ 114,799,064	\$ 133,637,575
Net pension liability - ending (a) - (b)	\$ 29,390,192	\$ 44,986,713	\$ 55,861,754	\$ 23,961,889
Plan fiduciary net position as a percentage of the total pension liability	84.42%	74.12%	67.27%	84.80%
Covered payroll	\$ 13,439,637	\$ 13,060,417	\$ 10,278,464	\$ 9,699,547
Net pension liability as a percentage of covered payroll	218.68%	344.45%	543.48%	247.04%

9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
\$ 1,966,124	\$ 1,749,412	\$ 1,969,349	\$ 1,930,988	\$ 1,505,575	\$ 1,986,264
10,795,028	10,387,041	9,828,439	9,417,309	8,758,455	8,383,338
8,851	(233,883)	233,883	302,760	362,631	435,503
-	5,192	-	-	-	(1,250,890)
767,949	766,453	2,544,751	897,499	179,085	(52,669)
4,440,025	1,527,660	-	-	4,134,132	-
42,520	12,479	13,639	47,664	9,569	7,737
(7,814,335)	(7,465,942)	(7,389,968)	(7,526,478)	(6,549,368)	(4,948,778)
10,206,162	6,748,412	7,200,093	5,069,742	8,400,079	4,560,505
138,576,544	131,828,132	124,628,039	119,558,297	111,158,218	106,597,713
<u>\$ 148,782,706</u>	<u>\$ 138,576,544</u>	<u>\$ 131,828,132</u>	<u>\$ 124,628,039</u>	<u>\$ 119,558,297</u>	<u>\$ 111,158,218</u>
\$ 5,840,974	\$ 5,954,869	\$ 5,656,025	\$ 6,685,155	\$ 6,534,956	\$ 4,907,703
719,537	645,434	639,810	708,686	768,557	841,430
650,911	634,475	599,335	711,392	615,760	591,653
6,596,914	2,890,300	9,248,134	10,499,660	7,231,319	(485,367)
(7,811,765)	(7,465,942)	(7,389,968)	(7,526,478)	(6,549,368)	(4,948,778)
(150,748)	(147,583)	(120,964)	(102,156)	(99,640)	(77,815)
5,845,823	2,511,553	8,632,372	10,976,259	8,501,584	828,826
103,361,046	100,849,493	92,217,121	81,240,862	72,739,278	71,910,452
<u>\$ 109,206,869</u>	<u>\$ 103,361,046</u>	<u>\$ 100,849,493</u>	<u>\$ 92,217,121</u>	<u>\$ 81,240,862</u>	<u>\$ 72,739,278</u>
<u>\$ 39,575,837</u>	<u>\$ 35,215,498</u>	<u>\$ 30,978,639</u>	<u>\$ 32,410,918</u>	<u>\$ 38,317,435</u>	<u>\$ 38,418,940</u>
73.40%	74.59%	76.50%	73.99%	67.95%	65.44%
\$ 8,098,467	\$ 7,774,957	\$ 7,321,199	\$ 8,293,662	\$ 7,577,381	\$ 7,788,322
488.68%	452.93%	423.14%	390.79%	505.68%	493.29%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Contributions
Firefighter' Retirement System
Last Ten Fiscal Years

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Actuarially determined contribution	\$ 9,327,108	\$ 9,063,929	\$ 8,335,834	\$ 8,545,301	\$ 6,551,660
Contributions in relation to the actuarially determined contributions ⁽¹⁾	10,611,457	10,356,085	8,475,224	8,586,546	6,560,511
Contribution deficiency (excess) ⁽²⁾	<u>\$ (1,284,349)</u>	<u>\$ (1,292,156)</u>	<u>\$ (139,390)</u>	<u>\$ (41,245)</u>	<u>\$ (8,851)</u>
Covered payroll	\$ 13,439,637	\$ 13,060,417	\$ 10,278,464	\$ 9,699,547	\$ 8,098,467
Contributions as a percentage of covered payroll	78.96%	79.29%	82.46%	88.53%	81.01%

⁽¹⁾ Contributions consist of amounts from the City and the State, a non-employer contributing entity.

⁽²⁾ The excess contributions result from the fiscal year Share Plan allocation.

Notes to Required Supplementary Information for the Year Ended September 30, 2024

Methods and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule:

Actuarial cost method	Entry age normal												
Amortization method	New UAAL amortization bases amortized over 15 years.												
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.												
Inflation	2.5% per year												
Salary increases	The assumption was adopted based on the results of the September 20, 2021 actuarial experience study.												
	<table> <tr> <th>Service</th><th>Expected Increase</th></tr> <tr> <td>< 2 years</td><td>10.00%</td></tr> <tr> <td>2-4 years</td><td>5.50%</td></tr> <tr> <td>5-14 years</td><td>5.00%</td></tr> <tr> <td>15+ years</td><td>4.25%</td></tr> </table>	Service	Expected Increase	< 2 years	10.00%	2-4 years	5.50%	5-14 years	5.00%	15+ years	4.25%		
Service	Expected Increase												
< 2 years	10.00%												
2-4 years	5.50%												
5-14 years	5.00%												
15+ years	4.25%												
Investment rate of return	7.4% per year, compounded annually, net of investment-related expenses.												
Payroll growth	0.0% per year												
Cost of living adjustment (COLA)	Payments on the cost-of-living increase vary, based on retirement date. See Note 10 for specific disclosure.												
Retirement age	The assumption was adopted based on the results of the September 20, 2021 actuarial experience study.												
	<table> <tr> <th colspan="2">% Retiring during the year</th></tr> <tr> <th>Service</th><th>Rate</th></tr> <tr> <td>25 years</td><td>50%</td></tr> <tr> <td>26 years</td><td>60%</td></tr> <tr> <td>27 years</td><td>50%</td></tr> <tr> <td>28+ years</td><td>100%</td></tr> </table>	% Retiring during the year		Service	Rate	25 years	50%	26 years	60%	27 years	50%	28+ years	100%
% Retiring during the year													
Service	Rate												
25 years	50%												
26 years	60%												
27 years	50%												
28+ years	100%												
	<table> <tr> <th colspan="2">% Retiring during the year</th></tr> <tr> <th>Age</th><th>Rate</th></tr> <tr> <td>52 years</td><td>40%</td></tr> <tr> <td>53 years</td><td>30%</td></tr> <tr> <td>54 years</td><td>50%</td></tr> <tr> <td>55+ years</td><td>100%</td></tr> </table>	% Retiring during the year		Age	Rate	52 years	40%	53 years	30%	54 years	50%	55+ years	100%
% Retiring during the year													
Age	Rate												
52 years	40%												
53 years	30%												
54 years	50%												
55+ years	100%												
Early retirement	Commencing with attainment of early retirement status (age 45 with ten years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption is supported by the results of the September 20, 2021 actuarial experience study.												
Mortality	Healthy active lives: Female - PubS.H-2010 for employees, set forward one year; Male - PubS.H-2010 for employees, set forward one year. Healthy retiree lives: Female - PubS.H-2010 (Above Median) for healthy retirees, set forward one year; Male - PubS.H-2010 (Above Median) for healthy retirees, set forward one year. Beneficiary lives: Female - PubG.H-2010 (Above Median) for healthy retirees; Male - PubG.H-2010 (Above Median) for healthy retirees, set back one year. Disabled lives: 80% PubG.H-2010 for disabled retirees / 20% PubS.H-2010 for disabled retirees.												

9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
\$ 6,834,185	\$ 6,061,953	\$ 7,091,082	\$ 6,940,882	\$ 5,313,630
6,600,303	6,295,835	7,393,841	7,303,513	5,749,133
<u>\$ 233,882</u>	<u>\$ (233,882)</u>	<u>\$ (302,759)</u>	<u>\$ (362,631)</u>	<u>\$ (435,503)</u>
\$ 7,774,957	\$ 7,321,199	\$ 8,293,662	\$ 7,577,381	\$ 7,788,322
84.89%	85.99%	89.15%	96.39%	73.82%

Methods and assumptions used in calculations of actuarially determined contributions (continued)

Termination and Disability Rate Tables

The assumption was adopted based on the results of the September 20, 2021 actuarial experience study.

% terminating during the year		% becoming disabled during the year	
Service	Rate	Age	Rate
< 1 year	20.0%	20	0.14%
1-2 years	11.0%	25	0.15%
3-4 years	7.0%	30	0.18%
5-9 years	1.5%	35	0.23%
10+ years	2.0%	40	0.30%
		45	0.51%
		50	1.00%
		55	1.55%
		60+	2.09%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Investment Returns
Last Ten Fiscal Years

Annual money-weighted rate of return, net of investment expense for the pension plans:

For the year ended September 30,	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
2024	24.18%	19.60%	20.99%
2023	13.68%	9.45%	10.09%
2022	-18.81%	-17.47%	-13.15%
2021	22.52%	19.68%	21.89%
2020	13.27%	9.56%	6.70%
2019	1.99%	5.25%	3.05%
2018	13.63%	10.52%	10.60%
2017	14.75%	11.13%	13.69%
2016	7.98%	9.32%	10.89%
2015	0.36%	-0.98%	-0.78%

CITY OF FORT MYERS, FLORIDA
Other Postemployment Benefits Plan
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Six Fiscal Years

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB liability							
Service cost	\$ 780,506	\$ 1,236,937	\$ 1,156,320	\$ 1,123,080	\$ 988,179	\$ 930,628	\$ 964,834
Interest on the total OPEB liability	669,148	419,775	401,192	437,346	683,174	602,916	533,288
Changes of benefits terms	-	-	-	-	1,681	-	-
Difference between expected and actual experience of the total OPEB liability	(1,037,989)	-	2,006,069	-	(1,546,913)	-	-
Changes in assumptions and inputs	423,652	(4,365,307)	(419,362)	(237,959)	(1,601,885)	(395,101)	(883,439)
Benefit payments	(826,861)	(762,869)	(645,102)	(579,362)	(606,845)	(562,564)	(551,756)
Net change in total OPEB liability	<u>8,456</u>	<u>(3,471,464)</u>	<u>2,499,117</u>	<u>743,105</u>	<u>(2,082,609)</u>	<u>575,879</u>	<u>62,927</u>
Total OPEB liability - beginning ⁽¹⁾	<u>14,840,841</u>	<u>18,312,305</u>	<u>15,813,188</u>	<u>15,070,083</u>	<u>17,152,692</u>	<u>16,576,813</u>	<u>16,513,886</u>
Total OPEB liability - ending	<u>\$14,849,297</u>	<u>\$14,840,841</u>	<u>\$18,312,305</u>	<u>\$15,813,188</u>	<u>\$15,070,083</u>	<u>\$17,152,692</u>	<u>\$16,576,813</u>
Covered-employee payroll	\$57,577,119	\$68,622,164	\$55,194,192	\$60,071,653	\$49,038,381	\$49,763,357	\$49,498,287
Total OPEB liability as a percentage of covered-employee payroll	25.79%	21.63%	33.18%	26.32%	30.73%	34.47%	33.49%

Notes to schedule

(1) The Total OPEB liability was rolled forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques.
There are no plan assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

Changes in assumptions.

For the measurement date September 30, 2023:

The discount rate changed from 4.40% as of the previous measurement date to 4.63% as of September 30, 2023.

Per capita costs and premiums were updated on information provided.

Changes in benefit terms.

There were no benefit changes during the year.

Note: Information for the fiscal years prior to 2018 is not available.



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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (SUPPLEMENTARY INFORMATION)



City of Palms



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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.

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.

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.

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

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.

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

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.

Special Assessment Geographical Area Administration (SAGA) – To account for Special Assessment District administration fees.

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

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

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

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

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

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

Para-Transit – 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, and the East Fort Myers Redevelopment Area.

FEMA Disaster Grant – to account for the expenditures related to the damage caused by Hurricane Irma and Hurricane Ian, and the associated cleanup costs to be reimbursed by the Federal government.

Nonmajor Governmental Funds – Permanent Fund

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.

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

Police Training Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 15,100	\$ 15,100	\$ 20,295	\$ 5,195
Total revenues	15,100	15,100	20,295	5,195
EXPENDITURES				
Current:				
Police	15,100	15,100	14,856	244
Total expenditures	15,100	15,100	14,856	244
Excess (deficiency) of revenues over expenditures	-	-	5,439	5,439
Net change in fund balances	-	-	5,439	5,439
Fund balances - beginning	59,085	59,085	59,085	
Fund balances - ending	<u>\$ 59,085</u>	<u>\$ 59,085</u>	<u>\$ 64,524</u>	

Law Enforcement Trust Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 42,884	\$ 42,884
Miscellaneous	75,000	76,459	20,738	(55,721)
Total revenues	75,000	76,459	63,622	(12,837)
EXPENDITURES				
Current:				
Police	75,000	76,459	16,648	59,811
Total expenditures	75,000	76,459	16,648	59,811
Excess (deficiency) of revenues over expenditures	-	-	46,974	46,974
Net change in fund balances	-	-	46,974	46,974
Fund balances - beginning	89,633	89,633	89,633	
Fund balances - ending	<u>\$ 89,633</u>	<u>\$ 89,633</u>	<u>\$ 136,607</u>	

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Federal Forfeiture Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 28,388	\$ 28,388
Miscellaneous	235,500	235,500	12,086	(223,414)
Total revenues	235,500	235,500	40,474	(195,026)
EXPENDITURES				
Current:				
Police	10,500	15,000	4,413	10,587
Capital outlay - Police	225,000	220,500	204,508	15,992
Total expenditures	235,500	235,500	208,921	26,579
Excess (deficiency) of revenues over expenditures	-	-	(168,447)	(221,605)
Net change in fund balances	-	-	(168,447)	(168,447)
Fund balances - beginning	291,758	291,758	291,758	
Fund balances - ending	\$ 291,758	\$ 291,758	\$ 123,311	

	Crime Prevention Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Fines and forfeitures	\$ 800	\$ 800	\$ 1,264	\$ 464
Miscellaneous	18,200	18,200	1,763	(16,437)
Total revenues	19,000	19,000	3,027	(15,973)
EXPENDITURES				
Current:				
Police	19,000	19,000	2,967	16,033
Total expenditures	19,000	19,000	2,967	16,033
Excess (deficiency) of revenues over expenditures	-	-	60	60
Net change in fund balances	-	-	60	60
Fund balances - beginning	29,245	29,245	29,245	
Fund balances - ending	\$ 29,245	\$ 29,245	\$ 29,305	

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Grants			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ 6,286,987	\$ 6,286,987
Miscellaneous	281,803	16,179,180	208,721	(15,970,459)
Total revenues	281,803	16,179,180	6,495,708	(9,683,472)
EXPENDITURES				
Current:				
Police	-	2,481,615	1,426,508	1,055,107
Fire	207,389	261,138	45,614	215,524
Economic environment	-	40,578	-	40,578
Capital outlay - Police	-	454,835	161,492	293,343
Capital outlay - Fire	102,594	134,888	-	134,888
Total expenditures	309,983	3,373,054	1,633,614	1,739,440
Excess (deficiency) of revenues over expenditures	(28,180)	12,806,126	4,862,094	(7,944,032)
OTHER FINANCING SOURCES (USES)				
Transfers in	28,180	253,360	686,980	433,620
Transfers out	-	(13,059,486)	(4,756,923)	8,302,563
Total other financing sources (uses)	28,180	(12,806,126)	(4,069,943)	8,736,183
Net change in fund balances	-	-	792,151	792,151
Fund balances - beginning	1,262,558	1,262,558	1,262,558	
Fund balances - ending	<u>\$ 1,262,558</u>	<u>\$ 1,262,558</u>	<u>\$ 2,054,709</u>	

	Community Development Block Grant Program			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental revenue	\$ 1,339,921	\$ 2,869,626	\$ 721,433	\$ (2,148,193)
Miscellaneous	-	123,978	-	(123,978)
Total revenues	1,339,921	2,993,604	721,433	(2,272,171)
EXPENDITURES				
Current:				
Economic environment	1,339,921	2,993,604	964,199	2,029,405
Total expenditures	1,339,921	2,993,604	964,199	2,029,405
Excess (deficiency) of revenues over expenditures	-	-	(242,766)	(242,766)
Net change in fund balances	-	-	(242,766)	(242,766)
Fund balances - beginning	205,608	205,608	205,608	
Fund balances - ending	<u>\$ 205,608</u>	<u>\$ 205,608</u>	<u>\$ (37,158)</u>	

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

Street Light Maintenance Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 3,400	\$ 3,400	\$ 550	\$ (2,850)
Total revenues	<u>3,400</u>	<u>3,400</u>	<u>550</u>	<u>(2,850)</u>
EXPENDITURES				
Current:				
Transportation	3,400	3,400	508	2,892
Total expenditures	<u>3,400</u>	<u>3,400</u>	<u>508</u>	<u>2,892</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>42</u>	<u>42</u>
Net change in fund balances	-	-	42	42
Fund balances - beginning	12,634	12,634	12,634	
Fund balances - ending	<u>\$ 12,634</u>	<u>\$ 12,634</u>	<u>\$ 12,676</u>	

Street Maintenance Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,144,000	\$ 2,144,000	\$ 1,966,754	\$ (177,246)
Intergovernmental revenue	967,200	967,200	969,026	1,826
Miscellaneous	1,317,200	1,948,495	560,172	(1,388,323)
Total revenues	<u>4,428,400</u>	<u>5,059,695</u>	<u>3,495,952</u>	<u>(1,563,743)</u>
EXPENDITURES				
Current:				
Transportation	4,456,400	4,599,549	4,173,788	425,761
Capital outlay - Transportation	20,000	235,681	157,854	77,827
Total expenditures	<u>4,476,400</u>	<u>4,835,230</u>	<u>4,331,642</u>	<u>503,588</u>
Excess (deficiency) of revenues over expenditures	<u>(48,000)</u>	<u>224,465</u>	<u>(835,690)</u>	<u>(1,060,155)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(150,000)	(422,465)	(226,479)	195,986
Total other financing sources (uses)	<u>(150,000)</u>	<u>(422,465)</u>	<u>(226,479)</u>	<u>195,986</u>
Net change in fund balances	(198,000)	(198,000)	(1,062,169)	(864,169)
Fund balances - beginning	1,904,996	1,904,996	1,904,996	
Fund balances - ending	<u>\$ 1,706,996</u>	<u>\$ 1,706,996</u>	<u>\$ 842,827</u>	

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

SAGA Administration

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Miscellaneous	\$ -	\$ 100,000	\$ 5,060	\$ (94,940)
Total revenues	-	100,000	5,060	(94,940)
EXPENDITURES				
Current:				
Culture and recreation	-	-	22	(22)
Total expenditures	-	-	22	(22)
Excess (deficiency) of revenues over expenditures	-	100,000	5,038	(94,962)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(100,000)	(100,000)	-
Total other financing sources (uses)	-	(100,000)	(100,000)	-
Net change in fund balances	-	-	(94,962)	(94,962)
Fund balances - beginning	116,453	116,453	116,453	
Fund balances - ending	<u>\$ 116,453</u>	<u>\$ 116,453</u>	<u>\$ 21,491</u>	

Public Art Fund

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Miscellaneous	\$ -	\$ 227,685	\$ 10,094	\$ (217,591)
Total revenues	-	227,685	10,094	(217,591)
EXPENDITURES				
Current:				
Culture and recreation	-	-	59	(59)
Total expenditures	-	-	59	(59)
Excess (deficiency) of revenues over expenditures	-	227,685	10,035	(217,650)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(227,685)	(33,803)	193,882
Total other financing sources (uses)	-	(227,685)	(33,803)	193,882
Net change in fund balances	-	-	(23,768)	(23,768)
Fund balances - beginning	179,815	179,815	179,815	
Fund balances - ending	<u>\$ 179,815</u>	<u>\$ 179,815</u>	<u>\$ 156,047</u>	

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

Attainable Workforce Housing Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ 18,339	\$ 12,358	\$ (5,981)
Total revenues	-	18,339	12,358	(5,981)
EXPENDITURES				
Current:				
Economic environment	-	18,339	1,788	16,551
Total expenditures	-	18,339	1,788	16,551
Excess (deficiency) of revenues over expenditures	-	-	10,570	10,570
Net change in fund balances	-	-	10,570	10,570
Fund balances - beginning	183,404	183,404	183,404	
Fund balances - ending	<u>\$ 183,404</u>	<u>\$ 183,404</u>	<u>\$ 193,974</u>	

Hurricane Shelter				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ 350,000	\$ 17,758	\$ (332,242)
Total revenues	-	350,000	17,758	(332,242)
EXPENDITURES				
Current:				
Physical environment	-	-	106	(106)
Total expenditures	-	-	106	(106)
Excess (deficiency) of revenues over expenditures	-	350,000	17,652	(332,348)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(350,000)	(350,000)	-
Total other financing sources (uses)	-	(350,000)	(350,000)	-
Net change in fund balances	-	-	(332,348)	(332,348)
Fund balances - beginning	355,013	355,013	355,013	
Fund balances - ending	<u>\$ 355,013</u>	<u>\$ 355,013</u>	<u>\$ 22,665</u>	

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Para-Transit Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Miscellaneous	\$ 100	\$ 40,700	\$ 3,171	\$ (37,529)
Contributions - private source	79,200	79,200	55,063	(24,137)
Total revenues	79,300	119,900	58,234	(61,666)
EXPENDITURES				
Current:				
Transportation	408,100	408,100	284,394	123,706
Total expenditures	408,100	408,100	284,394	123,706
Excess (deficiency) of revenues over expenditures	(328,800)	(288,200)	(226,160)	62,040
OTHER FINANCING SOURCES (USES)				
Transfers in	328,800	288,200	226,901	(61,299)
Total other financing sources (uses)	328,800	288,200	226,901	(61,299)
Net change in fund balances	-	-	741	741
Fund balances - beginning	69,550	69,550	69,550	
Fund balances - ending	\$ 69,550	\$ 69,550	\$ 70,291	

	State Housing Initiative Partnership Program			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental revenue	\$ 1,741,651	\$ 5,455,269	\$ 2,038,982	\$ (3,416,287)
Miscellaneous	101,087	296,784	400,172	103,388
Total revenues	1,842,738	5,752,053	2,439,154	(3,312,899)
EXPENDITURES				
Current:				
Economic environment	1,842,738	5,752,053	1,975,758	3,776,295
Total expenditures	1,842,738	5,752,053	1,975,758	3,776,295
Excess (deficiency) of revenues over expenditures	-	-	463,396	463,396
Net change in fund balances	-	-	463,396	463,396
Fund balances - beginning	3,623,765	3,623,765	3,623,765	
Fund balances - ending	\$ 3,623,765	\$ 3,623,765	\$ 4,087,161	

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Community Redevelopment Agency			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 3,610,900	\$ 3,610,900	\$ 3,728,120	\$ 117,220
Miscellaneous	9,005,410	9,354,281	706,218	(8,648,063)
Contributions - private source	-	431,732	1,187,510	755,778
Total revenues	<u>12,616,310</u>	<u>13,396,913</u>	<u>5,621,848</u>	<u>(7,775,065)</u>
EXPENDITURES				
Current:				
Economic environment	15,302,220	14,927,617	7,037,397	7,890,220
Total current	<u>15,302,220</u>	<u>14,927,617</u>	<u>7,037,397</u>	<u>7,890,220</u>
Debt service:				
Lease payments	-	-	52,175	(52,175)
Interest	-	-	1,080	(1,080)
Total debt service	<u>-</u>	<u>-</u>	<u>53,255</u>	<u>(53,255)</u>
Capital outlay - Economic environment	-	-	802,768	(802,768)
Total expenditures	<u>15,302,220</u>	<u>14,927,617</u>	<u>7,893,420</u>	<u>7,034,197</u>
Excess (deficiency) of revenues over expenditures	<u>(2,685,910)</u>	<u>(1,530,704)</u>	<u>(2,271,572)</u>	<u>(740,868)</u>
OTHER FINANCING SOURCES (USES)				
Leases	-	-	7,000	7,000
Transfers in	6,430,200	6,430,200	6,639,033	208,833
Transfers out	(3,744,290)	(4,899,496)	(704,749)	4,194,747
Total other financing sources (uses)	<u>2,685,910</u>	<u>1,530,704</u>	<u>5,941,284</u>	<u>4,410,580</u>
Net change in fund balances	-	-	3,669,712	3,669,712
Fund balances - beginning	8,858,224	8,858,224	8,858,224	
Fund balances - ending	<u>\$ 8,858,224</u>	<u>\$ 8,858,224</u>	<u>\$ 12,527,936</u>	



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CITY OF FORT MYERS, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

Special Revenue Funds

	Police Training	Law Enforcement Trust	Federal Forfeiture	Crime Prevention	Grants
ASSETS					
Cash and cash equivalents	\$ 30,837	\$ 60,136	\$ 60,391	\$ 15,508	\$ 6,432,704
Investments	31,795	62,004	62,267	15,990	3,882,215
Accounts receivable, net	-	-	-	-	-
Interest receivable	633	683	653	309	-
Due from other governmental agencies	1,259	-	-	125	562,551
Prepaid items	-	15,449	-	-	-
Notes receivable, net	-	-	-	-	-
Allowance for notes receivable	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Total assets	<u>64,524</u>	<u>138,272</u>	<u>123,311</u>	<u>31,932</u>	<u>10,877,470</u>
LIABILITIES					
Accounts and contracts payable	-	1,540	-	2,627	240,734
Accrued and other liabilities	-	125	-	-	10,336
Due to other funds	-	-	-	-	-
Funds held in escrow	-	-	-	-	-
Customer deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	8,302,659
Advances to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,665</u>	<u>-</u>	<u>2,627</u>	<u>8,553,729</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - grants, contribution	-	-	-	-	269,032
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,032</u>
FUND BALANCES (DEFICITS)					
Nonspendable:					
Prepaid items	-	15,449	-	-	-
Asset held for resale	-	-	-	-	-
Public safety principal, nonexpendable	-	-	-	-	-
Restricted for:					
Donations received	-	-	-	-	-
Community redevelopment agency	-	-	-	-	-
Economic environment	-	-	-	-	-
Law enforcement programs	64,524	121,158	123,311	-	-
Physical environment	-	-	-	-	-
Public safety	-	-	-	-	2,054,709
Transportation	-	-	-	-	-
Committed to:					
Law enforcement programs	-	-	-	29,305	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>64,524</u>	<u>136,607</u>	<u>123,311</u>	<u>29,305</u>	<u>2,054,709</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 64,524</u>	<u>\$ 138,272</u>	<u>\$ 123,311</u>	<u>\$ 31,932</u>	<u>\$10,877,470</u>

Special Revenue Funds

Community Development Block Grant	Street Light Maintenance	Street Maintenance	SAGA Administration	Public Art	Law Enforcement Equipment	Attainable Workforce Housing
\$ 48,574	\$ 5,885	\$ 392,845	\$ 10,053	\$ 76,402	\$ -	\$ 92,524
50,084	5,992	405,051	10,366	78,776	-	95,399
-	-	-	-	-	-	-
-	799	4,216	1,072	869	-	6,051
57,645	-	304,328	-	-	-	-
-	-	-	-	-	-	-
6,344,470	-	-	-	-	-	101,681
(6,344,470)	-	-	-	-	-	(101,681)
141,716	-	-	-	-	-	-
<u>298,019</u>	<u>12,676</u>	<u>1,106,440</u>	<u>21,491</u>	<u>156,047</u>	<u>-</u>	<u>193,974</u>
65,300	-	259,023	-	-	-	-
71	-	4,590	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
269,806	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>335,177</u>	<u>-</u>	<u>263,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
141,716	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	156,047	-	193,974
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	21,491	-	-	-
-	-	-	-	-	-	-
-	12,676	842,827	-	-	-	-
-	-	-	-	-	-	-
(178,874)	-	-	-	-	-	-
<u>(37,158)</u>	<u>12,676</u>	<u>842,827</u>	<u>21,491</u>	<u>156,047</u>	<u>-</u>	<u>193,974</u>
<u>\$ 298,019</u>	<u>\$ 12,676</u>	<u>\$ 1,106,440</u>	<u>\$ 21,491</u>	<u>\$ 156,047</u>	<u>\$ -</u>	<u>\$ 193,974</u>

CITY OF FORT MYERS, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue Funds				
	East				
	Hurricane Shelter	Public-Private Parking	Riverside Community Center	Para-Transit	Patrons of the Palms
ASSETS					
Cash and cash equivalents	\$ 10,170	\$ 198,722	\$ 12,376	\$ 15,756	\$ 9,936
Investments	10,486	204,896	12,761	16,245	10,245
Accounts receivable, net	-	-	-	36,984	-
Interest receivable	2,009	2,171	135	1,306	109
Due from other governmental agencies	-	-	-	-	-
Prepaid items	-	-	-	-	-
Notes receivable, net	-	-	-	-	-
Allowance for notes receivable	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Total assets	<u>22,665</u>	<u>405,789</u>	<u>25,272</u>	<u>70,291</u>	<u>20,290</u>
LIABILITIES					
Accounts and contracts payable	-	-	-	-	-
Accrued and other liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Funds held in escrow	-	-	-	-	-
Customer deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - grants, contribution	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable:					
Prepaid items	-	-	-	-	-
Asset held for resale	-	-	-	-	-
Public safety principal, nonexpendable	-	-	-	-	-
Restricted for:					
Donations received	22,665	405,789	25,272	70,291	20,290
Community redevelopment agency	-	-	-	-	-
Economic environment	-	-	-	-	-
Law enforcement programs	-	-	-	-	-
Physical environment	-	-	-	-	-
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Committed to:					
Law enforcement programs	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>22,665</u>	<u>405,789</u>	<u>25,272</u>	<u>70,291</u>	<u>20,290</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 22,665</u>	<u>\$ 405,789</u>	<u>\$ 25,272</u>	<u>\$ 70,291</u>	<u>\$ 20,290</u>

Special Revenue Funds			Permanent Fund	
State Housing Initiative Partnership	Community Redevelopment Agency	FEMA Disaster Grant	Ned Fould's Police Award Fund	Total Nonmajor Governmental Funds
\$ 2,098,306	\$ 6,220,262	\$ 628,218	\$ 1,292	\$ 16,420,897
2,162,420	6,413,622	-	1,316	13,531,930
-	1,560	-	-	38,544
2,255	27,395	47	14	50,726
-	-	1,095,753	-	2,021,661
-	19,131	-	-	34,580
4,763,065	-	-	-	11,209,216
(4,763,065)	-	-	-	(11,209,216)
-	711,985	-	-	853,701
4,262,981	13,393,955	1,724,018	2,622	32,952,039
175,820	228,769	547,687	-	1,521,500
-	9,079	2,079	-	26,280
-	-	13,907,950	-	13,907,950
-	-	-	622	622
-	11,171	-	-	11,171
-	-	210,364	-	8,782,829
-	617,000	-	-	617,000
175,820	866,019	14,668,080	622	24,867,352
-	-	1,095,753	-	1,364,785
-	-	1,095,753	-	1,364,785
-	19,131	-	-	34,580
-	711,985	-	-	853,701
-	-	-	2,000	2,000
-	-	-	-	894,328
-	11,796,820	-	-	11,796,820
4,087,161	-	-	-	4,087,161
-	-	-	-	308,993
-	-	-	-	21,491
-	-	-	-	2,054,709
-	-	-	-	855,503
-	-	-	-	29,305
-	-	(14,039,815)	-	(14,218,689)
4,087,161	12,527,936	(14,039,815)	2,000	6,719,902
\$ 4,262,981	\$ 13,393,955	\$ 1,724,018	\$ 2,622	\$ 32,952,039

CITY OF FORT MYERS, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue Funds				
	Police Training	Law Enforcement Trust	Federal Forfeiture	Crime Prevention	Grants
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-	6,286,987
Fines and forfeitures	-	42,884	28,388	1,264	-
Miscellaneous	20,295	20,738	12,086	1,763	208,721
Contributions - private source	-	-	-	-	-
Total revenues	<u>20,295</u>	<u>63,622</u>	<u>40,474</u>	<u>3,027</u>	<u>6,495,708</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public Safety:					
Police	14,856	16,648	4,413	2,967	1,426,508
Fire	-	-	-	-	45,614
Protective inspections	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Lease payments	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay					
Police	-	-	204,508	-	161,492
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Total expenditures	<u>14,856</u>	<u>16,648</u>	<u>208,921</u>	<u>2,967</u>	<u>1,633,614</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,439</u>	<u>46,974</u>	<u>(168,447)</u>	<u>60</u>	<u>4,862,094</u>
OTHER FINANCING SOURCES (USES)					
Leases	-	-	-	-	-
Transfers in	-	-	-	-	686,980
Transfers out	-	-	-	-	(4,756,923)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,069,943)</u>
Net change in fund balances	5,439	46,974	(168,447)	60	792,151
Fund balances - beginning of year	59,085	89,633	291,758	29,245	1,262,558
Fund balances - ending	<u>\$ 64,524</u>	<u>\$ 136,607</u>	<u>\$ 123,311</u>	<u>\$ 29,305</u>	<u>\$2,054,709</u>

Special Revenue Funds						
Community Development Block Grant	Street Light Maintenance	Street Maintenance	SAGA Administration	Public Art	Law Enforcement Equipment	Attainable Workforce Housing
\$ -	\$ -	\$ 1,966,754	\$ -	\$ -	\$ -	\$ -
721,433	-	969,026	-	-	-	-
-	-	-	-	-	-	-
-	550	560,172	5,060	10,094	100	12,358
-	-	-	-	-	-	-
721,433	550	3,495,952	5,060	10,094	100	12,358
-	-	-	22	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	508	4,173,788	-	-	-	-
964,199	-	-	-	-	-	1,788
-	-	-	-	59	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	157,854	-	-	-	-
-	-	-	-	-	-	-
964,199	508	4,331,642	22	59	-	1,788
(242,766)	42	(835,690)	5,038	10,035	100	10,570
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(226,479)	(100,000)	(33,803)	(2,409)	-
-	-	(226,479)	(100,000)	(33,803)	(2,409)	-
(242,766)	42	(1,062,169)	(94,962)	(23,768)	(2,309)	10,570
205,608	12,634	1,904,996	116,453	179,815	2,309	183,404
\$ (37,158)	\$ 12,676	\$ 842,827	\$ 21,491	\$ 156,047	\$ -	\$ 193,974

CITY OF FORT MYERS, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue Funds			
	Hurricane Shelter	Public-Private Parking	East Riverside Community Center	Para-Transit
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	17,758	22,270	1,387	3,171
Contributions - private source	-	-	-	55,063
Total revenues	<u>17,758</u>	<u>22,270</u>	<u>1,387</u>	<u>58,234</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public Safety:				
Police	-	-	-	-
Fire	-	-	-	-
Protective inspections	-	-	-	-
Physical environment	106	-	-	-
Transportation	-	133	-	284,394
Economic environment	-	-	-	-
Culture and recreation	-	-	9	-
Debt service:				
Lease payments	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Police	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Total expenditures	<u>106</u>	<u>133</u>	<u>9</u>	<u>284,394</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,652</u>	<u>22,137</u>	<u>1,378</u>	<u>(226,160)</u>
OTHER FINANCING SOURCES (USES)				
Leases	-	-	-	-
Transfers in	-	-	-	226,901
Transfers out	(350,000)	-	-	-
Total other financing sources (uses)	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>226,901</u>
Net change in fund balances	(332,348)	22,137	1,378	741
Fund balances - beginning of year	355,013	383,652	23,894	69,550
Fund balances - ending	<u>\$ 22,665</u>	<u>\$ 405,789</u>	<u>\$ 25,272</u>	<u>\$ 70,291</u>

Patrons of the Palms	Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental Funds
	State Housing Initiative Partnership	Community Redevelopment Agency	FEMA Disaster Grant	Ned Fould's Police Award Fund	
\$ -	\$ -	\$ 3,728,120	\$ -	\$ -	\$ 5,694,874
-	2,038,982	-	6,640,479	-	16,656,907
-	-	-	-	-	72,536
1,113	400,172	706,218	185,640	-	2,189,666
-	-	1,187,510	-	-	1,242,573
1,113	2,439,154	5,621,848	6,826,119	-	25,856,556
-	-	-	2,151,934	-	2,151,956
-	-	-	474,888	-	1,940,280
-	-	-	224,463	-	270,077
-	-	-	21,411	-	21,411
5	-	-	793,416	-	793,527
-	-	-	114,065	-	4,572,888
-	1,975,758	7,037,397	5,080	-	9,984,222
-	-	-	482,741	-	482,809
-	-	52,175	-	-	52,175
-	-	1,080	-	-	1,080
-	-	-	-	-	366,000
-	-	-	-	-	157,854
-	-	802,768	-	-	802,768
5	1,975,758	7,893,420	4,267,998	-	21,597,047
1,108	463,396	(2,271,572)	2,558,121	-	4,259,509
-	-	7,000	-	-	7,000
-	-	6,639,033	-	-	7,552,914
-	-	(704,749)	(470,068)	-	(6,644,431)
-	-	5,941,284	(470,068)	-	915,483
1,108	463,396	3,669,712	2,088,053	-	5,174,992
19,182	3,623,765	8,858,224	(16,127,868)	2,000	1,544,910
\$ 20,290	\$ 4,087,161	\$ 12,527,936	\$ (14,039,815)	\$ 2,000	\$ 6,719,902

Nonmajor Enterprise Funds – Business-Type Activities

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

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

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

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

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

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.

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



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CITY OF FORT MYERS, FLORIDA
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2024

	Stormwater	Downtown Parking Garages	Skatium	Yacht Basin
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,610,318	\$ 2,361,950	\$ 121,129	\$ -
Investments	4,611,703	2,435,402	123,877	83,063
Receivables:				
Accounts receivable, net	-	-	219,932	-
Interest receivable	15,585	1,072	-	3,402
Leases	-	157,718	-	-
Due from other governmental agencies	130,734	-	-	460
Inventories	-	-	5,615	-
Prepaid items	-	-	-	-
Total current assets	<u>9,368,340</u>	<u>4,956,142</u>	<u>470,553</u>	<u>86,925</u>
Noncurrent assets:				
Restricted cash and cash equivalents	-	5,133	1,222	90,562
Restricted investments	142,179	5,227	1,244	9,925
Restricted interest receivable	-	-	-	481
Land and improvements	103,718	551,713	170,241	195,315
Intangible	78,551	-	-	-
Construction in progress	1,302,970	-	-	-
Buildings, net	-	403,113	14,000	-
Improvements other than buildings, net	17,999,907	-	-	-
Equipment, net	1,638,458	-	-	59,440
Total noncurrent assets	<u>21,265,783</u>	<u>965,186</u>	<u>186,707</u>	<u>355,723</u>
Total assets	<u>30,634,123</u>	<u>5,921,328</u>	<u>657,260</u>	<u>442,648</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to postemployment benefits	29,985	-	8,731	-
Deferred outflows related to pensions	91,462	-	37,818	-
Total deferred outflows of resources	<u>121,447</u>	<u>-</u>	<u>46,549</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	712,728	117,776	100,313	27
Accrued and other liabilities	7,219	120	5,246	-
Accrued interest payable	-	-	-	2,738
Due to other funds	-	-	-	60,864
Due to other governmental agencies	-	10,360	2,466	-
Customer deposits	-	-	-	20,132
Unearned revenue	-	64,127	150,326	-
Notes payable	-	-	-	326,718
Leases payable	-	-	-	-
Compensated absences	72,123	-	-	-
Total current liabilities	<u>792,070</u>	<u>192,383</u>	<u>258,351</u>	<u>410,479</u>
Noncurrent liabilities:				
Notes payable	-	-	-	1,076,791
Capital lease payable	-	-	-	-
Compensated absences	32,250	-	24,344	-
Net pension liability	557,368	-	230,462	-
Other postemployment benefits liability	194,443	-	56,618	-
Total noncurrent liabilities	<u>784,061</u>	<u>-</u>	<u>311,424</u>	<u>1,076,791</u>
Total liabilities	<u>1,576,131</u>	<u>192,383</u>	<u>569,775</u>	<u>1,487,270</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to leases	-	145,705	-	-
Deferred inflows related to postemployment benefits	67,399	-	19,625	-
Deferred inflows related to pensions	259,419	-	107,265	-
Total deferred inflows of resources	<u>326,818</u>	<u>145,705</u>	<u>126,890</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	20,608,844	954,825	184,241	(1,148,755)
Restricted for:				
Capital projects	384,616	-	-	-
Renewal and replacement	-	-	-	163,581
Unrestricted	7,859,161	4,628,415	(177,097)	(59,448)
Total net position	<u>\$ 28,852,621</u>	<u>\$ 5,583,240</u>	<u>\$ 7,144</u>	<u>\$ (1,044,622)</u>

Fort Myers Country Club	Eastwood Golf Course	Building Permits and Inspections	Total Nonmajor Enterprise Funds
\$ 1,040,454	\$ 337,371	\$ 6,890,662	\$ 15,361,884
1,072,832	344,619	7,104,710	15,776,206
-	1,601	-	221,533
466	1,279	29,108	50,912
-	-	-	157,718
-	-	-	131,194
-	-	-	5,615
30,000	30,000	-	60,000
2,143,752	714,870	14,024,480	31,765,062
4,019	-	28,563	129,499
4,092	3,235	29,083	194,985
-	-	-	481
168,966	729,261	-	1,919,214
-	-	-	78,551
-	-	-	1,302,970
48,324	1,148,780	511,957	2,126,174
2,781,631	5,823,313	-	26,604,851
795,456	504,591	316,362	3,314,307
3,802,488	8,209,180	885,965	35,671,032
5,946,240	8,924,050	14,910,445	67,436,094
5,803	11,434	71,143	127,096
17,024	26,919	212,745	385,968
22,827	38,353	283,888	513,064
134,508	104,870	87,477	1,257,699
6,551	10,799	2,034	31,969
-	-	-	2,738
-	-	-	60,864
8,111	6,246	22,883	50,066
-	-	34,762	54,894
-	-	-	214,453
-	-	-	326,718
138,954	167,546	49,490	355,990
-	13,090	11,398	96,611
288,124	302,551	208,044	2,452,002
-	-	-	1,076,791
226,075	272,613	498,525	997,213
24,842	10,420	77,943	169,799
103,746	164,047	1,296,461	2,352,084
37,629	74,147	461,344	824,181
392,292	521,227	2,334,273	5,420,068
680,416	823,778	2,542,317	7,872,070
-	-	-	145,705
13,043	25,701	159,913	285,681
48,287	76,353	603,420	1,094,744
61,330	102,054	763,333	1,526,130
3,429,349	7,765,788	280,305	32,074,597
-	6,411	-	391,027
-	-	-	163,581
1,797,972	264,372	11,608,378	25,921,753
\$ 5,227,321	\$ 8,036,571	\$ 11,888,683	\$ 58,550,958

CITY OF FORT MYERS, FLORIDA
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2024

	Stormwater	Downtown Parking Garages	Skatium	Yacht Basin
OPERATING REVENUES				
Charges for services	\$ 6,660,958	\$ 3,291,257	\$ 1,192,601	\$ -
Rent	-	76,767	-	-
Miscellaneous	37,820	-	1	40,752
Total operating revenues	<u>6,698,778</u>	<u>3,368,024</u>	<u>1,192,602</u>	<u>40,752</u>
OPERATING EXPENSES				
Personnel services	1,136,561	-	646,578	-
Materials and supplies	603,090	4,919	217,650	-
Contractual services	609,348	1,195,817	266,279	20,433
General and administrative	427,844	140,000	169,889	5,768
Utilities	-	2,040	247,635	40,307
Repairs and maintenance	281,985	16,721	191,386	314
Rentals	320,587	4,300	77,083	-
Travel	1,328	-	-	-
Insurance	31,200	49,500	56,600	11,400
Depreciation and amortization	1,521,292	201,556	1,718	27,434
Total operating expenses	<u>4,933,235</u>	<u>1,614,853</u>	<u>1,874,818</u>	<u>105,656</u>
Operating income (loss)	<u>1,765,543</u>	<u>1,753,171</u>	<u>(682,216)</u>	<u>(64,904)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	552,761	218,803	19,331	24,942
Gain on disposal of capital assets	22,500	-	-	-
Interest expense and bond insurance costs	-	-	-	(71,603)
Total nonoperating revenues (expenses)	<u>575,261</u>	<u>218,803</u>	<u>19,331</u>	<u>(46,661)</u>
Income (loss) before contributions and transfers	2,340,804	1,971,974	(662,885)	(111,565)
Capital grants and contributions	589,268	-	-	-
Transfers in	284,375	-	701,700	-
Transfers out	(716,000)	(809,902)	(31,700)	-
Change in net position	2,498,447	1,162,072	7,115	(111,565)
Net position - beginning	26,354,174	4,421,168	29	(933,057)
Net position - ending	<u>\$ 28,852,621</u>	<u>\$ 5,583,240</u>	<u>\$ 7,144</u>	<u>\$ (1,044,622)</u>

Fort Myers Country Club	Eastwood Golf Course	Building Permits and Inspections	Total Nonmajor Enterprise Funds
\$ 2,948,159	\$ 2,733,919	\$ 7,266,288	\$ 24,093,182
14,875	52,729	-	144,371
930	930	-	80,433
<u>2,963,964</u>	<u>2,787,578</u>	<u>7,266,288</u>	<u>24,317,986</u>
200,102	313,211	2,989,528	5,285,980
337,158	342,356	39,960	1,545,133
986,938	1,087,196	353,635	4,519,646
141,661	153,588	674,009	1,712,759
92,367	166,516	17,747	566,612
39,209	103,053	439	633,107
130,835	94,903	544,638	1,172,346
-	-	3,223	4,551
11,900	12,000	39,500	212,100
444,320	593,722	333,674	3,123,716
<u>2,384,490</u>	<u>2,866,545</u>	<u>4,996,353</u>	<u>18,775,950</u>
<u>579,474</u>	<u>(78,967)</u>	<u>2,269,935</u>	<u>5,542,036</u>
132,390	35,774	670,613	1,654,614
5	-	-	22,505
(12,651)	(15,267)	(30,647)	(130,168)
<u>119,744</u>	<u>20,507</u>	<u>639,966</u>	<u>1,546,951</u>
699,218	(58,460)	2,909,901	7,088,987
-	-	-	589,268
-	580,200	-	1,566,275
(865,600)	(589,200)	-	(3,012,402)
(166,382)	(67,460)	2,909,901	6,232,128
5,393,703	8,104,031	8,978,782	52,318,830
<u>\$ 5,227,321</u>	<u>\$ 8,036,571</u>	<u>\$ 11,888,683</u>	<u>\$ 58,550,958</u>

CITY OF FORT MYERS, FLORIDA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2024

	Stormwater	Downtown Parking Garages	Skatium
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 6,473,334	\$ 3,357,462	\$ 972,669
Payments to suppliers and service providers	(1,623,217)	(1,348,961)	(1,150,642)
Payments to employees for services	(1,553,744)	-	(649,002)
Other operating receipts	37,820	-	-
Other operating payments	(428,157)	35,463	143,112
Net cash provided by (used for) operating activities	<u>2,906,036</u>	<u>2,043,964</u>	<u>(683,863)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	284,375	-	701,700
Transfers out	(716,000)	(809,902)	(31,700)
Receipts on interfund loans	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>(431,625)</u>	<u>(809,902)</u>	<u>670,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(3,618,435)	-	(179,377)
Capital grants and contributions	589,268	-	-
Interest paid on notes and bonds	-	-	-
Proceeds from leases	-	10,563	-
Principal paid on leases	-	-	-
Interest paid on leases	-	-	-
Principal paid on notes and bonds	-	-	-
Proceeds from sale of capital assets	22,500	-	-
Net cash provided by (used for) capital and related financing activities	<u>(3,006,667)</u>	<u>10,563</u>	<u>(179,377)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	223,134	83,523	5,885
Purchase of investments	-	(557,011)	-
Proceeds from sale of investments	475,255	1,557	108,886
Net cash provided by (used for) investing activities	<u>698,389</u>	<u>(471,931)</u>	<u>114,771</u>
Net increase (decrease) in cash and cash equivalents	166,133	772,694	(78,469)
Balances - beginning of year	4,444,185	1,594,389	200,820
Balances - end of the year	<u>\$ 4,610,318</u>	<u>\$ 2,367,083</u>	<u>\$ 122,351</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 1,765,543	\$ 1,753,171	\$ (682,216)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	1,521,292	201,556	1,718
Non-cash transaction	-	-	-
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(187,468)	(10,562)	(219,932)
(Increase) in bad debt	(156)	-	-
Decrease in inventories	-	-	598
(Increase) in prepaid items	-	-	-
(Decrease) increase in customer deposits payable	-	-	-
(Decrease) increase in accounts payable - supplier	224,319	37,928	69,421
(Decrease) increase in accounts payable - other	(314)	61,871	148,970
(Decrease) increase in compensated absences	(5,167)	-	5,631
(Decrease) increase in total other postemployment benefits liability	(44,321)	-	2,454
Decrease (Increase) in deferred outflows of resources related to other postemployment benefits	6,373	-	(483)
(Decrease) increase in deferred inflows of resources related to other postemployment benefits	(22,345)	-	-
(Decrease) increase in net pension liability	(829,063)	-	(167,555)
Decrease in deferred outflows of resources related to net pension liability	217,924	-	51,000
(Decrease) in deferred inflows of resources related to net pension liability	259,419	-	106,531
Net cash provided by (used for) operating activities	<u>\$ 2,906,036</u>	<u>\$ 2,043,964</u>	<u>\$ (683,863)</u>
Schedule of non-cash investing, capital, and financing activities:			
Interest receivable / unrealized gain	\$ 328,648	\$ 125,696	\$ 13,446
Right to use equipment, real estate, and software	-	-	-

Yacht Basin	Fort Myers Country Club	Eastwood Golf Course	Building Permits and Inspections	Total Nonmajor Enterprise Funds
\$ -	\$ 2,963,034	\$ 2,785,047	\$ 7,236,288	\$ 23,787,834
(72,774)	(1,688,527)	(2,241,833)	(1,660,404)	(9,786,358)
-	(223,359)	(362,355)	(3,117,132)	(5,905,592)
125	930	930	(89)	39,716
(6,138)	570	(23,146)	(10,326)	(288,622)
(78,787)	1,052,648	158,643	2,448,337	7,846,978
-	-	580,200	-	1,566,275
-	(865,600)	(589,200)	-	(3,012,402)
60,864	-	-	-	60,864
60,864	(865,600)	(9,000)	-	(1,385,263)
-	(429,934)	(73,099)	(41,863)	(4,342,708)
-	-	-	-	589,268
(75,261)	-	-	-	(75,261)
-	-	-	-	10,563
-	(86,614)	(104,444)	(50,881)	(241,939)
-	(12,651)	(15,267)	(30,646)	(58,564)
(311,615)	-	-	-	(311,615)
-	-	-	-	22,500
(386,876)	(529,199)	(192,810)	(123,390)	(4,407,756)
6,704	52,864	11,348	257,503	640,961
-	-	(136,171)	(955,272)	(1,648,454)
220,144	225,605	175,906	30,580	1,237,933
226,848	278,469	51,083	(667,189)	230,440
(177,951)	(63,682)	7,916	1,657,758	2,284,399
268,513	1,108,155	329,455	5,261,467	13,206,984
\$ 90,562	\$ 1,044,473	\$ 337,371	\$ 6,919,225	\$ 15,491,383
\$ (64,904)	\$ 579,474	\$ (78,967)	\$ 2,269,935	\$ 5,542,036
27,434	444,320	593,722	333,674	3,123,716
-	-	-	-	-
23,434	-	(1,601)	-	(396,129)
(23,434)	-	-	-	(23,590)
-	-	-	-	598
-	30,000	30,000	-	60,000
(715)	-	-	(30,000)	(30,715)
26	21,735	(334,854)	12,659	31,234
-	375	(515)	(10,326)	200,061
-	2,875	4,621	(6,356)	1,604
(2,932)	(580)	(3,162)	20,710	(27,831)
446	16	339	(4,050)	2,641
(1,102)	(1,319)	(3,357)	(5,707)	(33,830)
(47,680)	(101,258)	(172,008)	(1,045,490)	(2,363,054)
10,640	28,723	48,072	309,868	666,227
-	48,287	76,353	603,420	1,094,010
\$ (78,787)	\$ 1,052,648	\$ 158,643	\$ 2,448,337	\$ 7,846,978
\$ 18,238	\$ 79,526	\$ 24,426	\$ 413,110	\$ 1,003,090
-	447,584	539,957	-	987,541

Nonmajor Enterprise Funds – 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.

Health Insurance Self-Funding – To account for the City's self-funded health insurance benefit provided to City employees and their dependents.

Fleet Maintenance – To account for repair operations and maintenance related to City-owned vehicles.

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

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

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

CITY OF FORT MYERS, FLORIDA
Combining Statement of Net Position
Internal Service Funds
September 30, 2024

	Health Insurance Self Funding	Fleet Maintenance	Information Technology Services	Public Works Warehouse Operations	Risk Management	Total Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 2,310,304	\$ 1,846,230	\$ 950,807	\$ 71,435	\$ 12,918,862	\$18,097,638
Investments	2,382,085	1,903,592	980,348	73,654	10,182,441	15,522,120
Accounts receivable, net	-	-	-	-	2,264	2,264
Interest receivable	-	4,280	6,423	-	63,865	74,568
Due from other governmental agencies	-	-	-	-	476	476
Inventories	-	431,762	-	581,456	-	1,013,218
Prepaid items	-	-	682,883	-	673,639	1,356,522
Total current assets	<u>4,692,389</u>	<u>4,185,864</u>	<u>2,620,461</u>	<u>726,545</u>	<u>23,841,547</u>	<u>36,066,806</u>
Noncurrent assets:						
Restricted cash and cash equivalents	-	-	-	-	2,477,746	2,477,746
Restricted investments	-	-	-	-	2,522,842	2,522,842
Intangible assets, net	-	-	15,600	-	-	15,600
Buildings, net	-	225	-	-	-	225
Equipment, net	-	1,187,230	441,062	-	-	1,628,292
Subscription assets, net	-	-	1,284,774	-	-	1,284,774
Total noncurrent assets	<u>-</u>	<u>1,187,455</u>	<u>1,741,436</u>	<u>-</u>	<u>5,000,588</u>	<u>7,929,479</u>
Total assets	<u>4,692,389</u>	<u>5,373,319</u>	<u>4,361,897</u>	<u>726,545</u>	<u>28,842,135</u>	<u>43,996,285</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to other postemployment benefits	-	38,448	59,609	-	9,895	107,952
Deferred outflows on pensions	<u>-</u>	<u>118,556</u>	<u>238,736</u>	<u>-</u>	<u>31,700</u>	<u>388,992</u>
Total deferred outflows of resources	<u>-</u>	<u>157,004</u>	<u>298,345</u>	<u>-</u>	<u>41,595</u>	<u>496,944</u>
LIABILITIES						
Current liabilities:						
Accounts and contracts payable	512,249	340,176	570,817	58,898	225,231	1,707,371
Accrued and other liabilities	1,374	15,528	124,501	2,657	266	144,326
Subscription liabilities	-	-	462,689	-	-	462,689
Finance purchase obligations	-	-	167,486	-	-	167,486
Compensated absences	-	41,814	9,220	-	-	51,034
Claims and judgments	734,576	-	-	-	2,162,408	2,896,984
Total current liabilities	<u>1,248,199</u>	<u>397,518</u>	<u>1,334,713</u>	<u>61,555</u>	<u>2,387,905</u>	<u>5,429,890</u>
Noncurrent liabilities:						
Subscription liabilities	-	-	845,063	-	-	845,063
Finance purchase obligations	-	-	47,866	-	-	47,866
Compensated absences	-	45,316	161,074	-	14,299	220,689
Claims and judgments	-	-	-	-	6,083,636	6,083,636
Net pension liability	-	722,475	1,454,854	-	193,179	2,370,508
Other postemployment benefits liability	-	249,323	386,546	-	64,166	700,035
Total noncurrent liabilities	<u>-</u>	<u>1,017,114</u>	<u>2,895,403</u>	<u>-</u>	<u>6,355,280</u>	<u>10,267,797</u>
Total liabilities	<u>1,248,199</u>	<u>1,414,632</u>	<u>4,230,116</u>	<u>61,555</u>	<u>8,743,185</u>	<u>15,697,687</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to other postemployment benefits	-	86,422	133,986	-	22,242	242,650
Deferred inflows related to pensions	<u>-</u>	<u>336,266</u>	<u>677,141</u>	<u>-</u>	<u>89,912</u>	<u>1,103,319</u>
Total deferred inflows of resources	<u>-</u>	<u>422,688</u>	<u>811,127</u>	<u>-</u>	<u>112,154</u>	<u>1,345,969</u>
NET POSITION						
Net investment in capital assets	-	1,187,455	223,892	-	-	1,411,347
Unrestricted	3,444,190	2,505,548	(604,893)	664,990	20,028,391	26,038,226
Total net position	<u>\$3,444,190</u>	<u>\$ 3,693,003</u>	<u>\$ (381,001)</u>	<u>\$ 664,990</u>	<u>\$ 20,028,391</u>	<u>\$27,449,573</u>

CITY OF FORT MYERS, FLORIDA
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2024

	Health Insurance Self Funding	Fleet Maintenance	Information Technology Services	Public Works Warehouse Operations	Risk Management	Total Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 16,319,727	\$ 8,180,900	\$ 10,992,852	\$ 585,389	\$ 4,496,007	\$ 40,574,875
Miscellaneous	2,491,903	118,409	83,846	-	291,101	2,985,259
Total operating revenues	<u>18,811,630</u>	<u>8,299,309</u>	<u>11,076,698</u>	<u>585,389</u>	<u>4,787,108</u>	<u>43,560,134</u>
OPERATING EXPENSES						
Personnel services	-	1,740,996	2,912,072	-	467,185	5,120,253
Materials and supplies	-	3,886,084	739,199	455,144	5,399	5,085,826
Contractual services	15,501,087	1,070,536	14,079	151	95,435	16,681,288
General and administrative	-	340,574	494,933	-	479,435	1,314,942
Utilities	-	45,490	1,117,910	-	-	1,163,400
Repairs and maintenance	-	5,794	-	-	-	5,794
Rentals	-	273,100	4,706,493	1,800	72,354	5,053,747
Travel	-	2,848	9,093	-	1,877	13,818
Insurance	-	36,100	37,900	-	2,570,695	2,644,695
Self insurance claims	-	-	-	-	1,930,968	1,930,968
Depreciation and amortization	-	655,086	957,541	-	-	1,612,627
Total operating expenses	<u>15,501,087</u>	<u>8,056,608</u>	<u>10,989,220</u>	<u>457,095</u>	<u>5,623,348</u>	<u>40,627,358</u>
Operating income (loss)	<u>3,310,543</u>	<u>242,701</u>	<u>87,478</u>	<u>128,294</u>	<u>(836,240)</u>	<u>2,932,776</u>
NONOPERATING REVENUES (EXPENSES)						
Interest Income	177,755	184,693	81,776	6,813	1,463,063	1,914,100
Gain on disposal of capital assets	-	113,963	-	-	-	113,963
Interest expense and bond insurance cost	-	-	(75,369)	-	-	(75,369)
Total nonoperating revenues (expenses)	<u>177,755</u>	<u>298,656</u>	<u>6,407</u>	<u>6,813</u>	<u>1,463,063</u>	<u>1,952,694</u>
Income (loss) before contributions and transfers	3,488,298	541,357	93,885	135,107	626,823	4,885,470
Transfers out	-	-	(99,885)	-	-	(99,885)
Change in net position	<u>3,488,298</u>	<u>541,357</u>	<u>(6,000)</u>	<u>135,107</u>	<u>626,823</u>	<u>4,785,585</u>
Net position - beginning	<u>(44,108)</u>	<u>3,151,646</u>	<u>(375,001)</u>	<u>529,883</u>	<u>19,401,568</u>	<u>22,663,988</u>
Net position - ending	<u>\$ 3,444,190</u>	<u>\$ 3,693,003</u>	<u>\$ (381,001)</u>	<u>\$ 664,990</u>	<u>\$ 20,028,391</u>	<u>\$ 27,449,573</u>

CITY OF FORT MYERS, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2024

	Health Insurance Self Funding	Fleet Maintenance	Information Technology Services	Public Works Warehouse Operations	Risk Management	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$16,319,727	\$ 8,180,900	\$10,992,852	\$ 585,389	\$ 4,494,125	\$40,572,993
Payments to suppliers and service providers	(14,252,888)	(5,491,149)	(6,867,789)	(547,882)	(5,813,404)	(32,973,112)
Payments to employees for services	-	(1,809,189)	(3,048,739)	-	(880,091)	(5,738,019)
Other operating receipts	2,491,903	118,409	4,160	-	291,103	2,905,575
Other operating payments	(1,688,338)	-	-	-	-	(1,688,338)
Net cash provided by (used for) operating activities	2,870,404	998,971	1,080,484	37,507	(1,908,267)	3,079,099
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers out	-	-	(99,885)	-	-	(99,885)
Net cash (used for) noncapital financing activities	-	-	(99,885)	-	-	(99,885)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	-	(594,227)	-	-	-	(594,227)
Interest paid on notes and bonds	-	-	(85,709)	-	-	(85,709)
Principal paid on finance purchase obligations	-	-	(159,962)	-	-	(159,962)
Principal paid on subscription liabilities	-	-	(477,637)	-	-	(477,637)
Proceeds from sale of capital assets	-	117,341	-	-	-	117,341
Net cash (used for) capital and related financing activities	-	(476,886)	(723,308)	-	-	(1,200,194)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	101,542	73,218	21,996	3,045	556,408	756,209
Purchase of investments	(1,443,194)	(196,305)	(86,420)	(17,016)	-	(1,742,935)
Proceeds from sale of investments	-	-	-	-	1,605,705	1,605,705
Net cash provided by (used for) investing activities	(1,341,652)	(123,087)	(64,424)	(13,971)	2,162,113	618,979
Net increase (decrease) in cash and cash equivalents	1,528,752	398,998	192,867	23,536	253,846	2,397,999
Balances - beginning of year	781,552	1,447,232	757,940	47,899	15,142,762	18,177,385
Balances - end of the year	\$ 2,310,304	\$ 1,846,230	\$ 950,807	\$ 71,435	\$ 15,396,608	\$20,575,384
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ 3,310,543	\$ 242,701	\$ 87,478	\$ 128,294	\$ (836,240)	\$ 2,932,776
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	-	655,086	957,541	-	-	1,612,627
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	-	-	-	-	(1,882)	(1,882)
(Increase) decrease in inventories	-	86,602	-	(134,816)	-	(48,214)
(Increase) decrease in prepaid items	-	-	4,042	-	(593,182)	(589,140)
(Decrease) increase in customer deposits payable	(1,688,338)	-	-	-	-	(1,688,338)
(Decrease) increase in accounts payable - supplier	1,243,999	82,776	168,090	44,029	(419,210)	1,119,684
(Decrease) increase in accounts payable - other	4,200	-	-	-	-	4,200
(Decrease) increase in compensated absences	-	11,780	19,595	-	4,687	36,062
(Decrease) increase in total other postemployment benefits liability	-	(12,846)	16,446	-	(10,407)	(6,807)
Decrease in deferred outflows of resources related to other postemployment benefits	-	1,472	(3,255)	-	1,460	(323)
Increase in deferred inflows of resources related to other postemployment benefits	-	(12,120)	(5,123)	-	(5,788)	(23,031)
(Decrease) increase in net pension liability	-	(560,485)	(1,193,785)	-	(191,833)	(1,946,103)
Decrease in deferred outflows of resources related to net pension liability	-	167,740	352,314	-	54,216	574,270
(Decrease) in deferred inflows of resources related to net pension liability	-	336,265	677,141	-	89,912	1,103,318
Net cash provided by (used for) operating activities	\$ 2,870,404	\$ 998,971	\$ 1,080,484	\$ 37,507	\$ (1,908,267)	\$ 3,079,099
Noncash investing, capital, and financing activities:						
Interest receivable / unrealized gain	\$ 76,213	\$ 111,474	\$ 59,780	\$ 3,768	\$ 906,656	\$ 1,157,891

Fiduciary Funds – Custodial Funds

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

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

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

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

CITY OF FORT MYERS, FLORIDA
Combining Statement of Fiduciary Net Position
Custodial Funds
September 30, 2024

	<u>Regional Park Impact Fees</u>	<u>Emergency Medical Services Impact Fees</u>	<u>School Board Impact Fees</u>	<u>Total Custodial Funds</u>
ASSETS				
Cash and short-term investments	\$ 54,003	\$ 8,797	\$ 241,120	\$ 303,920
Total assets	<u>54,003</u>	<u>8,797</u>	<u>241,120</u>	<u>303,920</u>
LIABILITIES				
Accounts and contracts payable	54,003	8,797	241,120	303,920
Total liabilities	<u>54,003</u>	<u>8,797</u>	<u>241,120</u>	<u>303,920</u>
FIDUCIARY NET POSITION				
Restricted for governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FORT MYERS, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended September 30, 2024

	Regional Park Impact Fees	Emergency Medical Services Impact Fees	School Board Impact Fees	Total Custodial Funds
ADDITIONS				
Fees collected for other governments	\$ 242,440	\$ 52,425	\$ 1,725,160	\$ 2,020,025
Total additions	<u>242,440</u>	<u>52,425</u>	<u>1,725,160</u>	<u>2,020,025</u>
DEDUCTIONS				
Payment of fees to other governments	<u>242,440</u>	<u>52,425</u>	<u>1,725,160</u>	<u>2,020,025</u>
Total deductions	<u>242,440</u>	<u>52,425</u>	<u>1,725,160</u>	<u>2,020,025</u>
Net change in fiduciary net position	-	-	-	-
Fiduciary net position - beginning	-	-	-	-
Fiduciary bet position - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

STATISTICAL SECTION



City of Palms



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STATISTICAL SECTION

This part of City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

PAGE

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

G2

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

G10

Debt Capacity

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.

G13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

G20

Operating Information

These schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

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CITY OF FORT MYERS, FLORIDA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 54,323,549	\$ 56,482,531	\$ 60,134,131	\$ 65,903,703
Restricted				
Capital projects	31,831,335	27,834,549	21,865,715	20,066,414
Culture and recreation	157,454	142,267	289,543	298,533
Debt service	5,241,087	1,924,799	1,579,142	1,719,419
Economic environment	3,384,862	3,948,768	4,530,612	5,953,304
Impact fee projects	14,982,630	14,002,426	14,773,232	18,658,766
Public safety:				
Expendable	646,857	1,250,752	1,490,567	2,067,261
Nonexpendable	2,000	2,000	2,000	2,000
Renewal and replacement	-	-	-	-
Transportation	1,761,702	2,171,175	2,031,314	2,205,166
Unrestricted	(126,181,151)	(119,034,904)	(113,751,995) ⁽¹⁾	(114,803,958)
Total governmental activities net position	<u>\$ (13,849,675)</u>	<u>\$ (11,275,637)</u>	<u>\$ (7,055,739)⁽¹⁾</u>	<u>\$ 2,070,608</u>
Business-type activities				
Net investment in capital assets	\$ 81,959,336	\$ 92,942,225	\$ 102,444,190	\$ 134,274,249
Restricted				
Capital projects	13,798,738	11,175,181	23,404,995	20,260,583
Culture and recreation	2,147	936	-	-
Debt service	10,125,372	12,633,950	12,146,226	13,247,382
Impact fee projects	6,549,995	9,246,357	9,358,389	14,847,262
Physical environment	-	-	-	111,721
Renewal and replacement	10,292,820	8,617,133	9,654,874	4,468,641
Transportation	19,370	9,367	27,637	38,757
Unrestricted	14,535,250	15,100,749	25,126,666 ⁽¹⁾	33,464,346
Total business-type activities net position	<u>\$ 137,283,028</u>	<u>\$ 149,725,898</u>	<u>\$ 182,162,977⁽¹⁾</u>	<u>\$ 220,712,941</u>
Primary government				
Net investment in capital assets	\$ 136,282,885	\$ 149,424,756	\$ 162,578,321	\$ 200,177,952
Restricted				
Capital projects	45,630,073	39,009,730	45,270,710	40,326,997
Culture and recreation	159,601	143,203	289,543	298,533
Debt service	15,366,459	14,558,749	13,725,368	14,966,801
Economic environment	3,384,862	3,948,768	4,530,612	5,953,304
Impact fee projects	21,532,625	23,248,783	24,131,621	33,506,028
Physical environment	-	-	-	111,721
Public safety:				
Expendable	646,857	1,250,752	1,490,567	2,067,261
Nonexpendable	2,000	2,000	2,000	2,000
Renewal and replacement	10,292,820	8,617,133	9,654,874	4,468,641
Transportation	1,781,072	2,180,542	2,058,951	2,243,923
Unrestricted	(111,645,901)	(103,934,155)	(88,625,329) ⁽¹⁾	(81,339,612)
Total primary government net position	<u>\$ 123,433,353</u>	<u>\$ 138,450,261</u>	<u>\$ 175,107,238⁽¹⁾</u>	<u>\$ 222,783,549</u>

⁽²⁾ Restated per Note 24 in fiscal year 2018.

2019	2020	2021	2022	2023	2024
\$ 73,505,922	\$ 67,028,162	\$ 62,419,767	\$ 52,371,629	\$ 44,864,359	\$ 74,234,357
10,845,911	12,862,490	12,650,444	9,936,644	6,363,916	-
131,352	132,876	127,450	189,807	222,891	201,608
-	-	-	6,002,780	6,540,456	7,086,490
6,276,048	8,013,015	7,037,920	11,063,989	16,692,041	17,564,206
24,582,311	30,230,013	31,010,446	27,987,677	36,132,817	41,755,544
6,008,275	5,924,719	6,513,211	1,103,455	-	1,300,084
2,000	2,000	2,000	2,000	2,000	2,000
-	-	-	-	-	-
2,154,708	1,801,736	1,836,177	2,464,242	2,487,286	1,353,074
(103,272,627)	(90,785,047)	(74,388,373)	(66,535,343)	(56,655,000)	(35,243,884)
<u>\$ 20,233,900</u>	<u>\$ 35,209,964</u>	<u>\$ 47,209,042</u>	<u>\$ 44,586,880</u>	<u>\$ 56,650,766</u>	<u>\$108,253,479</u>
\$ 82,473,812	\$ 144,891,763	\$ 154,255,579	\$ 178,879,471	\$ 247,674,593	\$ 239,315,997
80,955,610	17,502,622	13,299,279	19,458,192	14,133,216	21,680,892
-	-	-	-	-	-
12,484,510	10,599,080	11,080,346	17,171,268	18,823,477	18,587,382
17,141,640	27,965,958	26,030,402	7,891,268	10,080,159	8,088,728
-	-	-	-	267,668	267,398
4,812,031	8,195,056	9,563,401	10,605,096	10,809,719	9,830,524
13,177	-	-	-	-	-
56,182,187	72,787,521	78,733,745	76,765,751	59,996,865	92,687,277
<u>\$ 254,062,967</u>	<u>\$ 281,942,000</u>	<u>\$ 292,962,752</u>	<u>\$ 310,771,046</u>	<u>\$ 361,785,697</u>	<u>\$ 390,458,198</u>
\$ 155,979,734	\$ 211,919,925	\$ 216,675,346	\$ 231,251,100	\$ 292,538,952	\$ 313,550,354
91,801,521	30,365,112	25,949,723	29,394,836	19,797,132	21,680,892
131,352	132,876	127,450	189,807	222,891	201,608
12,484,510	10,599,080	11,080,346	23,174,048	25,363,933	25,673,872
6,276,048	8,013,015	7,037,920	11,063,989	17,392,041	17,564,206
41,723,951	58,195,971	57,040,848	35,878,945	46,212,976	49,844,272
-	-	-	-	267,668	267,398
6,008,275	5,924,719	6,513,211	1,103,455	-	1,300,084
2,000	2,000	2,000	2,000	2,000	2,000
4,812,031	8,195,056	9,563,401	10,605,096	10,809,719	9,830,524
2,167,885	1,801,736	1,836,177	2,464,242	2,487,286	1,353,074
(47,090,440)	(17,997,526)	4,345,372	10,230,408	3,341,865	57,443,393
<u>\$ 274,296,867</u>	<u>\$ 317,151,964</u>	<u>\$ 340,171,794</u>	<u>\$ 355,357,926</u>	<u>\$ 418,436,463</u>	<u>\$ 498,711,677</u>

CITY OF FORT MYERS, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018
Expenses				
Governmental Activities:				
General government	\$ 9,914,148	\$ 16,503,612	\$ 13,464,131	\$ 15,193,193
Police	35,863,633	36,761,500	40,999,085	43,282,973
Fire	19,496,788	20,645,613	22,986,548	23,354,151
Protective inspections	1,546,049	1,582,825	1,551,754	1,477,029
Physical environment	5,882,766	6,419,251	10,149,183	8,101,942
Transportation	17,111,271	10,872,397	10,644,457	12,868,653
Economic environment	4,184,294	4,458,408	4,341,052	7,761,936
Culture and recreation	3,635,056	3,764,010	4,831,427	4,900,535
Interest on long-term debt	4,481,774	3,850,491	3,734,827	4,177,605
Total Governmental Activities	<u>102,115,779</u>	<u>104,858,107</u>	<u>112,702,464</u>	<u>121,118,017</u>
Business-type Activities:				
Water-Wastewater	49,841,779	49,059,105	49,158,524	54,494,162
Solid Waste	9,642,121	10,816,688	11,466,446	12,665,538
Building Permits and Inspections	3,129,113	3,887,112	3,417,693	3,260,129
Stormwater	3,134,327	3,169,455	3,417,096	3,791,294
Golf Courses	4,425,763	4,172,868	4,006,874	3,990,264
Yacht Basin	2,587,863	2,379,323	2,559,447	2,713,878
Downtown Parking Garages	1,049,490	1,094,280	1,141,881	1,393,887
Skatium	1,250,814	1,012,505	1,272,678	1,363,376
Harborside Event Center	3,280,921	2,839,677	3,345,448	-
Department of Cultural and Historic Affairs	1,628,842	1,464,340	1,478,948	-
Total Business-type Activities	<u>79,971,033</u>	<u>79,895,353</u>	<u>81,265,035</u>	<u>83,672,528</u>
Total Expenses	<u>\$ 182,086,812</u>	<u>\$ 184,753,460</u>	<u>\$ 193,967,499</u>	<u>\$ 204,790,545</u>
Program Revenues				
Governmental Activities:				
Charges for services				
General government	\$ 1,256,131	\$ 1,481,693	\$ 1,434,025	\$ 1,529,444
Police	1,063,539	1,190,969	983,345	864,009
Fire	2,507,883	3,084,528	4,782,484	5,563,525
Protective inspections	1,663,511	1,691,810	1,456,954	2,074,683
Physical environment	4,083,754	4,259,586	4,400,720	5,322,251
Transportation	171,900	177,410	186,100	209,600
Economic environment	433,298	411,617	365,161	533,489
Culture and recreation	936,170	971,294	963,748	878,041
Operating grants and contributions	2,908,307	3,590,879	4,695,864	3,194,271
Capital grants and contributions	1,217,297	1,526,909	4,812,144	7,598,933
Total Governmental Activities	<u>16,241,790</u>	<u>18,386,695</u>	<u>24,080,545</u>	<u>27,768,246</u>
Business-type Activities:				
Charges for services				
Water-Wastewater	65,993,362	66,530,485	76,114,104	89,489,660
Solid Waste	14,739,561	15,408,793	16,176,303	16,719,648
Building Permits and Inspections	4,462,337	5,194,690	4,718,746	6,554,118
Stormwater	2,798,933	2,982,149	3,790,477	4,845,315
Golf Courses	3,606,997	3,342,525	3,312,504	3,704,457
Yacht Basin	2,389,856	2,292,037	2,604,081	2,844,383
Downtown Parking Garages	1,170,576	1,278,093	1,495,879	1,509,086
Skatium	999,622	1,019,633	884,484	1,131,821
Harborside Event Center	2,026,898	1,654,132	556,051	-
Department of Cultural and Historic Affairs	535,185	436,475	57,065	-
Operating grants and contributions	1,646	1,393	21,788	-
Capital grants and contributions	6,968,886	1,129,854	8,824,934	2,635,178
Total Business-type Activities	<u>105,693,859</u>	<u>101,270,259</u>	<u>118,556,416</u>	<u>129,433,666</u>
Total Program Revenues	<u>\$ 121,935,649</u>	<u>\$ 119,656,954</u>	<u>\$ 142,636,961</u>	<u>\$ 157,201,912</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (85,873,989)	\$ (86,471,412)	\$ (88,621,919)	\$ (93,349,771)
Business-type Activities	<u>25,722,826</u>	<u>21,374,906</u>	<u>37,291,381</u>	<u>45,761,138</u>
Total Net Expense	<u>\$ (60,151,163)</u>	<u>\$ (65,096,506)</u>	<u>\$ (51,330,538)</u>	<u>\$ (47,588,633)</u>

2019	2020	2021	2022	2023	2024
\$ 18,935,366	\$ 16,796,501	\$ 19,332,515	\$ 18,479,616	\$ 11,865,842	\$ 25,500,391
50,094,186	53,692,418	48,055,077	61,012,272	75,622,152	65,238,254
24,012,018	24,908,318	23,405,565	34,465,131	46,549,570	32,211,496
1,206,667	1,269,101	1,285,922	1,674,852	2,204,157	1,916,894
8,300,274	7,415,015	7,346,558	7,591,614	24,861,980	10,018,096
12,834,980	12,515,560	14,742,735	14,453,028	12,847,542	5,596,388
7,227,557	7,226,197	7,856,160	11,236,632	6,822,360	8,373,307
5,112,618	5,012,211	6,504,253	6,693,857	7,804,991	16,260,191
4,373,083	5,429,286	5,106,027	5,841,339	5,985,123	5,877,745
<u>132,096,749</u>	<u>134,264,607</u>	<u>133,634,812</u>	<u>161,448,341</u>	<u>194,563,717</u>	<u>170,992,762</u>
54,033,880	64,156,608	65,648,967	63,291,039	71,836,757	100,672,189
13,207,099	13,599,332	14,328,991	15,742,088	16,949,004	17,984,599
3,824,020	3,572,440	4,013,838	4,122,782	4,453,260	5,027,000
6,397,793	4,082,427	4,143,041	5,295,838	4,275,405	4,933,235
4,555,423	4,127,465	4,164,101	4,205,053	4,750,824	5,278,953
2,496,668	2,714,546	2,659,658	6,061,353	292,923	177,259
1,171,565	1,276,021	1,334,231	1,473,926	1,559,683	1,614,853
1,272,062	1,277,518	1,263,628	1,429,610	1,507,252	1,874,818
-	-	-	-	-	-
-	-	-	-	-	-
<u>86,958,510</u>	<u>94,806,357</u>	<u>97,556,455</u>	<u>101,621,689</u>	<u>105,625,108</u>	<u>137,562,906</u>
<u>\$ 219,055,259</u>	<u>\$229,070,964</u>	<u>\$ 231,191,267</u>	<u>\$ 263,070,030</u>	<u>\$ 300,188,825</u>	<u>\$ 308,555,668</u>
\$ 1,379,190	\$ 1,793,015	\$ 2,511,911	\$ 2,695,171	\$ 2,653,708	\$ 2,676,423
791,076	726,004	773,588	626,422	622,658	1,163,594
6,109,752	6,092,860	5,765,095	15,158,373	17,723,169	17,610,696
2,338,705	2,023,347	1,756,791	2,426,427	2,760,025	2,862,734
5,623,902	6,301,979	5,515,155	6,180,630	6,418,378	6,811,458
226,800	97,500	92,900	115,400	307,800	106,900
491,010	678,043	642,691	1,019,275	710,286	772,700
1,072,132	841,214	948,848	1,194,450	1,356,449	1,170,475
13,897,119	6,167,523	8,013,123	9,640,213	8,518,882	13,162,955
8,575,992	13,608,006	5,266,100	4,620,129	23,256,990	13,931,089
<u>40,505,678</u>	<u>38,329,491</u>	<u>31,286,202</u>	<u>43,676,490</u>	<u>64,328,345</u>	<u>60,269,024</u>
89,303,304	92,276,156	77,812,625	83,547,624	98,259,707	113,710,840
17,360,885	17,546,378	18,782,745	20,339,790	21,690,439	21,567,241
3,461,999	2,385,000	1,529,805	4,559,920	6,398,872	7,266,288
6,154,614	6,324,708	6,308,216	6,057,904	6,661,676	6,698,778
3,779,227	4,029,798	4,555,596	5,053,940	5,255,297	5,751,542
2,662,845	2,703,654	3,099,340	3,599,562	-	40,752
1,636,132	1,390,000	1,921,000	2,375,307	2,814,039	3,368,024
1,119,413	731,279	812,691	1,062,237	1,123,800	1,192,602
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,962,907</u>	<u>2,758,466</u>	<u>3,453,831</u>	<u>2,522,980</u>	<u>11,418,585</u>	<u>4,808,794</u>
<u>128,441,326</u>	<u>130,145,439</u>	<u>118,275,849</u>	<u>129,119,264</u>	<u>153,622,415</u>	<u>164,404,861</u>
<u>\$ 168,947,004</u>	<u>\$168,474,930</u>	<u>\$ 149,562,051</u>	<u>\$ 172,795,754</u>	<u>\$ 217,950,760</u>	<u>\$ 224,673,885</u>
\$ (91,591,071)	\$ (95,935,116)	\$ (102,348,610)	\$ (117,771,851)	\$ (130,235,372)	\$ (110,723,738)
41,482,816	35,339,082	20,719,394	27,497,575	47,997,307	26,841,955
<u>\$ (50,108,255)</u>	<u>\$ (60,596,034)</u>	<u>\$ (81,629,216)</u>	<u>\$ (90,274,276)</u>	<u>\$ (82,238,065)</u>	<u>\$ (83,881,783)</u>

CITY OF FORT MYERS, FLORIDA
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Revenues				
Governmental activities:				
Taxes				
Property taxes	\$ 39,540,177	\$ 43,228,377	\$ 47,489,913	\$ 52,492,216
Public service taxes	11,128,791	11,657,511	12,391,892	12,878,111
Fuel taxes	4,757,761	4,989,361	5,109,905	5,194,989
Local business tax	1,866,306	2,063,988	2,277,282	2,345,133
Franchise taxes	5,587,985	5,554,198	5,933,105	5,844,019
Intergovernmental, unrestricted	8,707,856	9,418,377	9,822,260	10,726,651
Interest and investment income	231,581	567,493	938,962	1,328,876
Miscellaneous	1,334,794	2,079,352	1,549,585	3,145,764
Debt Proceeds to be reclassified	-	-	1,188,193	-
Transfers	9,048,150	9,486,793	5,945,695	8,520,360
Total general revenues and transfers	<u>82,203,401</u>	<u>89,045,450</u>	<u>92,646,792</u>	<u>102,476,119</u>
Business-type Activities:				
Interest and investment income	166,314	340,870	565,845	1,274,054
Miscellaneous	148,851	213,887	349,507	35,133
Loss on disposal of capital assets	-	-	(1,188,193)	-
Special items	-	-	1,790,819	-
Transfers	(9,048,150)	(9,486,793)	(5,945,695)	(8,520,360)
Total Business-type Activities	<u>(8,732,985)</u>	<u>(8,932,036)</u>	<u>(4,427,717)</u>	<u>(7,211,173)</u>
Total primary government	<u>\$ 73,470,416</u>	<u>\$ 80,113,414</u>	<u>\$ 88,219,075</u>	<u>\$ 95,264,946</u>
Change in Net Position				
Governmental activities	\$ (3,670,588)	\$ 2,574,038	\$ 4,024,873	\$ 9,126,348
Business-type activities	16,989,841	12,442,870	32,863,664	38,549,965
Total Change in Net Position	<u>\$ 13,319,253</u>	<u>\$ 15,016,908</u>	<u>\$ 36,888,537</u>	<u>\$ 47,676,313</u>

CITY OF FORT MYERS, FLORIDA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund				
Nonspendable	\$ 630,305	\$ 657,877	\$ 665,752	\$ 654,971
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	3,174,670	4,954,240	5,669,783	8,301,345
Unassigned	11,064,377	16,015,483	20,189,290	24,546,267
Total General Fund	<u>\$ 14,869,352</u>	<u>\$ 21,627,600</u>	<u>\$ 26,524,825</u>	<u>\$ 33,502,583</u>
All other governmental funds				
Nonspendable	\$ 261,135	\$ 2,000	\$ 2,000	\$ 2,092
Restricted	66,686,745	73,303,052	59,439,741	49,045,326
Committed	66,838	71,497	67,220	70,882
Assigned	2,361	2,382	2,393	2,413
Unassigned	(17,646)	(27,689)	(2,591,598)	(7,651,269)
Total all other governmental funds	<u>\$ 66,999,433</u>	<u>\$ 73,351,242</u>	<u>\$ 56,919,756</u>	<u>\$ 41,469,444</u>
Total Fund Balance, All Governmental Funds	<u>\$ 81,868,785</u>	<u>\$ 94,978,842</u>	<u>\$ 83,444,581</u>	<u>\$ 74,972,027</u>

2019	2020	2021	2022	2023	2024
\$ 55,451,904	\$ 58,361,391	\$ 61,810,638	\$ 64,967,621	\$ 72,144,752	\$ 80,443,382
13,266,106	13,549,249	14,093,869	15,203,132	18,053,346	18,350,357
5,195,694	3,989,619	4,052,036	4,232,095	3,925,674	3,474,945
2,546,362	2,643,692	2,275,024	2,489,958	3,292,784	3,410,370
6,154,779	6,012,222	6,391,293	7,740,890	8,680,183	8,423,282
11,074,496	11,111,912	13,573,591	16,451,941	17,285,414	17,281,955
3,419,840	1,992,436	26,540	(5,158,321)	5,372,226	10,959,109
1,856,246	2,362,829	2,081,664	2,964,764	10,714,732	6,885,070
-	-	-	-	-	-
10,788,936	10,887,830	10,043,033	6,257,609	2,326,662	13,097,981
109,754,363	110,911,180	114,347,688	115,149,689	141,795,773	162,326,451
2,437,627	2,897,664	75,612	(3,456,670)	5,081,740	14,850,372
218,519	530,117	268,779	24,998	262,266	78,155
-	-	-	-	-	-
-	-	-	-	-	-
(10,788,936)	(10,887,830)	(10,043,033)	(6,257,609)	(2,326,662)	(13,097,981)
(8,132,790)	(7,460,049)	(9,698,642)	(9,689,281)	3,017,344	1,830,546
<u>\$ 101,621,573</u>	<u>\$103,451,131</u>	<u>\$ 104,649,046</u>	<u>\$ 105,460,408</u>	<u>\$ 144,813,117</u>	<u>\$ 164,156,997</u>
\$ 18,163,292	\$ 14,976,064	\$ 11,999,078	\$ (2,622,162)	\$ 11,560,401	\$ 51,602,713
33,350,026	27,879,033	11,020,752	17,808,294	51,014,651	28,672,501
<u>\$ 51,513,318</u>	<u>\$ 42,855,097</u>	<u>\$ 23,019,830</u>	<u>\$ 15,186,132</u>	<u>\$ 62,575,052</u>	<u>\$ 80,275,214</u>

2019	2020	2021	2022	2023	2024
\$ 645,699	\$ 643,993	\$ 648,643	\$ 1,933,946	\$ 1,920,136	\$ 656,560
-	-	-	3,232,075	-	-
-	-	-	-	9,995,864	10,609,380
13,093,042	11,508,556	7,710,142	5,672,915	18,838,219	16,998,303
26,274,742	24,583,647	23,984,308	33,457,619	28,754,722	37,253,165
<u>\$ 40,013,483</u>	<u>\$ 36,736,196</u>	<u>\$ 32,343,093</u>	<u>\$ 44,296,555</u>	<u>\$ 59,508,941</u>	<u>\$ 65,517,408</u>
\$ 13,030	\$ 6,553	\$ 6,503	\$ 41,298	\$ 33,508	\$ 890,281
72,871,122	64,878,071	60,828,068	60,658,376	69,508,529	102,275,232
54,118	51,307	47,347	42,639	29,245	29,305
2,445	2,486	2,492	2,495	2,546	-
(2,125,629)	(1,566,904)	(2,263,798)	(698,131)	(16,127,868)	(38,791,020)
<u>\$ 70,815,086</u>	<u>\$ 63,371,513</u>	<u>\$ 58,620,612</u>	<u>\$ 60,046,677</u>	<u>\$ 53,445,960</u>	<u>\$ 64,403,798</u>
<u>\$ 110,828,569</u>	<u>\$100,107,709</u>	<u>\$ 90,963,705</u>	<u>\$ 104,343,232</u>	<u>\$ 112,954,901</u>	<u>\$ 129,921,206</u>

CITY OF FORT MYERS, FLORIDA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018
Revenues				
Taxes	\$ 64,285,118	\$ 68,936,377	\$ 74,425,669	\$ 80,326,454
Permits and fees	4,594,785	6,344,149	7,648,622	13,847,782
Intergovernmental revenue	10,450,816	11,632,039	13,819,824	12,490,090
Charges for services	6,666,238	6,908,940	7,024,815	7,457,400
Fines and forfeitures	638,039	610,711	446,734	473,273
Miscellaneous	2,046,053	2,923,160	2,900,130	4,717,054
Contributions-capital contribution & private source	127,963	334,978	187,822	330,673
Total Revenues	<u>88,809,012</u>	<u>97,690,354</u>	<u>106,453,616</u>	<u>119,642,726</u>
Expenditures				
Current:				
General government	10,417,815	11,530,400	12,681,709	15,327,081
Police	38,019,221	37,160,135	40,862,828	44,222,198
Fire	20,494,102	20,783,032	23,621,467	23,259,848
Protective inspections	1,625,700	1,607,047	1,502,826	1,594,763
Physical environment	5,968,175	5,827,071	8,879,263	7,912,701
Transportation	4,683,326	7,171,333	7,149,986	4,602,034
Economic environment	3,876,766	4,378,959	4,356,079	7,421,064
Culture and recreation	2,852,402	2,712,057	3,183,413	3,593,302
Debt service:				
Principal retirement	7,334,189	7,526,084	5,342,979	6,839,334
Interest and fiscal charges	4,196,644	4,560,435	3,487,356	3,913,087
Capital outlay	9,495,953	11,970,997	14,127,394	18,963,590
Total Expenditures	<u>108,964,293</u>	<u>115,227,550</u>	<u>125,195,300</u>	<u>137,649,002</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(20,155,281)</u>	<u>(17,537,196)</u>	<u>(18,741,684)</u>	<u>(18,006,276)</u>
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Leases	-	-	-	-
Transfers in	28,086,124	47,503,053	27,559,883	27,707,436
Transfers out	(17,720,254)	(36,317,735)	(20,406,441)	(18,173,714)
Refunding bonds issued	-	52,130,000	-	-
Finance purchase obligations	-	-	-	-
Premiums on bonds issued	-	5,067,430	-	-
Payments to bond escrow agent	-	(37,735,495)	-	-
Total Other Financing Sources (Uses)	<u>10,365,870</u>	<u>30,647,253</u>	<u>7,153,442</u>	<u>9,533,722</u>
Net change in fund balances	<u>\$ (9,789,411)</u>	<u>\$ 13,110,057</u>	<u>\$ (11,588,242)</u>	<u>\$ (8,472,554)</u>
Debt service as a percentage of noncapital expenditures	11.5%	11.0%	7.8%	8.8%

2019	2020	2021	2022	2023	2024
\$ 84,101,283	\$ 86,215,665	\$ 90,275,805	\$ 96,488,297	\$ 108,503,173	\$ 116,789,869
15,412,607	17,366,024	10,940,446	22,018,963	29,775,917	26,333,726
22,716,477	17,250,558	22,188,666	25,112,286	37,874,003	34,233,063
8,364,654	8,904,705	8,411,997	8,857,411	9,460,065	9,211,550
590,318	672,471	747,930	729,537	776,760	779,996
6,011,447	5,876,418	3,558,589	1,015,841	12,473,775	13,885,928
139,003	217,904	228,257	311,126	848,421	1,317,509
137,335,789	136,503,745	136,351,690	154,533,461	199,712,114	202,551,641
15,987,348	16,393,415	19,242,185	18,452,256	20,538,771	19,822,133
51,403,159	56,817,809	57,022,602	59,887,911	72,563,624	67,820,626
23,501,577	24,524,839	27,321,444	33,562,735	42,022,932	33,953,381
1,308,200	1,479,286	1,534,184	1,660,619	2,115,751	2,151,051
7,502,621	7,671,925	8,354,256	8,544,333	24,688,216	10,594,343
4,699,201	4,650,377	4,860,400	5,060,131	4,819,688	5,221,452
4,710,403	5,695,861	8,319,742	11,182,961	9,291,144	11,310,872
3,953,859	3,919,336	4,175,680	4,739,560	7,021,512	13,061,531
4,889,417	7,088,487	6,676,910	36,775,508	10,130,247	5,755,707
4,854,899	5,271,759	4,953,181	5,129,763	5,949,618	18,338,322
27,986,698	41,012,281	19,596,527	20,816,859	12,477,363	27,914,586
150,797,382	174,525,375	162,057,111	205,812,636	211,618,866	215,944,004
(13,461,593)	(38,021,630)	(25,705,421)	(51,279,175)	(11,906,752)	(13,392,363)
-	-	-	-	6,026,571	2,975,342
2,432,598	-	-	1,525,459	3,485	-
63,708,431	46,996,479	38,555,502	52,209,608	37,458,325	64,240,360
(51,580,991)	(35,718,061)	(28,248,616)	(45,686,172)	(35,021,532)	(51,042,494)
45,656,995	16,022,352	6,254,531	51,619,725	9,638,887	10,727,973
-	-	-	-	1,912,685	3,457,487
2,467,946	-	-	-	-	-
(13,366,844)	-	-	-	-	-
49,318,135	27,300,770	16,561,417	59,668,620	20,018,421	30,358,668
\$ 35,856,542	\$ (10,720,860)	\$ (9,144,004)	\$ 8,389,445	\$ 8,111,669	\$ 16,966,305
7.2%	8.9%	7.9%	22.2%	8.1%	12.8%

CITY OF FORT MYERS, FLORIDA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(\$ in thousands)

Tax Year ⁽¹⁾	Real Property	Personal Property	Total Assessed Value	Allowable Exemptions ⁽²⁾	Total Taxable Assessed Value	Assessed Value as a Percentage of Actual Value ⁽³⁾	Estimated Actual Assessed Value ⁽⁴⁾	Total Direct Tax Rate
2014	\$5,978,526	\$606,789	\$6,585,315	\$2,028,995	\$4,556,320	69.19%	\$6,585,229	8.7760
2015	6,666,152	612,226	7,278,378	2,301,496	4,976,882	68.38%	7,278,271	8.7760
2016	7,629,258	617,739	8,246,997	2,765,783	5,481,214	66.46%	8,247,388	8.7500
2017	8,382,657	648,185	9,030,842	2,908,701	6,122,141	67.79%	9,031,039	8.6500
2018	8,868,932	731,056	9,599,988	2,962,866	6,637,122	69.14%	9,599,540	8.4500
2019	9,484,898	765,235	10,250,133	3,145,187	7,104,946	69.32%	10,249,489	8.2500
2020	10,306,595	804,187	11,110,782	3,303,394	7,807,388	70.27%	11,110,556	7.9643
2021	11,694,604	822,499	12,517,103	3,902,452	8,614,651	68.82%	12,517,656	7.5875
2022	15,589,112	944,707	16,533,819	6,214,762	10,319,057	62.41%	16,534,301	6.9999
2023	18,776,198	1,077,453	19,853,650	7,871,197	11,982,453	60.35%	19,854,935	6.6999

Source: Lee County Property Appraiser

⁽¹⁾ Calendar year basis.

⁽²⁾ Allowable exemptions include the assessment differential value of capped parcels, which is more commonly known as the "Save Our Homes" constitutional amendment.

⁽³⁾ Florida Statutes require assessments at just valuation.

⁽⁴⁾ Estimated actual value is calculated by dividing total taxable assessed value by assessed value as a percentage of actual value.

CITY OF FORT MYERS, FLORIDA
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(per \$1,000 of assessed value)

Tax Year ⁽¹⁾	Fiscal Year	City of Fort Myers Direct Rates			Overlapping Rates			Total Direct & Overlapping Rates
		Operating Millage ⁽²⁾	GO Debt Service Millage	Total Direct Tax Rate	Lee County General	Other ⁽³⁾	School District Millage	
2014	2014/15	8.7760	0.0000	8.7760	4.1506	1.2866	7.416	21.6292
2015	2015/16	8.7760	0.0000	8.7760	4.1506	1.2561	7.285	21.4677
2016	2016/17	8.7500	0.0000	8.7500	4.0506	1.2317	6.989	21.0213
2017	2017/18	8.6500	0.0000	8.6500	4.0506	1.2498	6.679	20.6294
2018	2018/19	8.4500	0.0000	8.4500	4.0506	1.1161	6.401	20.0177
2019	2019/20	8.2500	0.0000	8.2500	4.0506	1.0914	6.147	19.5390
2020	2020/21	7.9643	0.0000	7.9643	4.0506	1.0685	6.058	19.1414
2021	2021/22	7.5875	0.0000	7.5875	3.8623	1.0354	5.891	18.3762
2022	2022/23	6.9999	0.0000	6.9999	3.7623	0.9934	5.557	17.3126
2023	2023/24	6.6999	0.0000	6.6999	3.7623	0.9926	5.430	16.8848

Source: Lee County Tax Collector

⁽¹⁾ Calendar year basis.

⁽²⁾ The City's operating millage tax rate may be increased only by a majority vote of the City Council.

⁽³⁾ 'Other' consists of Lee County Capital Improvement, Lee County Library District, Lee County All Hazards, and other Independent Special Districts.

CITY OF FORT MYERS, FLORIDA
Principal Property Taxpayers
September 30, 2024
Current Year and Ten Years Ago
(\$ in thousands)

Taxpayer	2024 ⁽¹⁾			2015 ⁽²⁾		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Value	Total Assessed Valuation	Rank	Percentage of Total Assessed Value
LNx 1 Properties LLC	\$ 161,741	1	1.03%			
Mahaffey Associates, Fort Myers	93,949	2	0.60%			
Fort Myers Multifamily II	89,185	3	0.57%			
Awpre Encore Vive 2021 LLC	82,267	4	0.52%			
Legacy Gateway 60 LLC	78,632	5	0.50%			
Six Mile Apartments LLC	76,619	6	0.49%			
West End Fort Myers Owner LLC	69,962	7	0.45%			
Venetian Multi Family LLC	68,789	8	0.44%			
ESH Fort Myers LLC	63,749	9	0.41%			
3040 Oasis Grand Blvd Owner LLC	60,276	10	0.38%			
Edison Mall Business Trust				\$ 74,166	1	1.63%
Gulf Stream Isles Apartments				20,401	2	0.45%
Inland Diversified				17,302	3	0.38%
Cole Mt Fort Myers FL, LLC				15,377	4	0.34%
Deancurt Fort Myers				14,479	5	0.32%
Cypress Legends, LLC				13,056	6	0.29%
Fort Myers Imports LLC				12,841	7	0.28%
Discovery Village at the Forum				11,494	8	0.25%
SPTMRT Properties Trust				11,447	9	0.25%
Cypress Woods Associated				10,321	10	0.23%
Total	<u>\$ 845,169</u>		<u>5.39%</u>	<u>\$ 200,884</u>		<u>4.42%</u>

Source: ⁽¹⁾ Lee County 2024 Preliminary Tax Roll
City of Fort Myers Budget Office - FY 2023-24 Budget Book
⁽²⁾ Lee County Property Appraiser - 2015 Tax Roll
City of Fort Myers Annual Comprehensive Financial Report, September 30, 2015

Notes: 2024 Total Taxable Assessed Value for fiscal year 2024 is \$15,674,207 in thousands.
2015 Total Taxable Assessed Value for fiscal year 2015 is \$4,556,320 in thousands.

CITY OF FORT MYERS, FLORIDA
Property Tax Levies and Collections
Last Ten Tax Years
(\$ in thousands)

Tax Year ⁽¹⁾	Total Tax Levy	Collected within the Year of the Levy		Prior Years Tax Collections ⁽²⁾	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percent of Levy
2014	\$39,701	\$39,634	99.8%	\$158	\$39,792	100.2%
2015	43,485	43,473	100.0%	44	43,517	100.1%
2016	47,770	47,794	100.1%	44	47,838	100.1%
2017	52,507	52,643	100.3%	90	52,733	100.4%
2018	55,688	55,736	100.1%	(20)	55,716	100.1%
2019	58,301	58,426	100.2%	112	58,538	100.4%
2020	61,762	61,840	100.1%	(58)	61,782	100.0%
2021	65,556	64,992	99.1%	14	65,006	99.2%
2022	72,295	68,881	95.3%	32	68,913	95.3%
2023	80,656	76,496	94.8%	2	76,498	94.8%

Source: Lee County Tax Collector

⁽¹⁾ Calendar year basis.

⁽²⁾ The Lee County Tax Collector auctions current year delinquent tax certificates in June of each year.
The County cannot reasonably provide us with delinquent taxes by year.

CITY OF FORT MYERS, FLORIDA
Water Sold by Type of Customer and Wastewater Billed by Type of Customer
Last Ten Fiscal Years
(in millions of gallons)

Water:

Type of Customer	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Residential	1,303.2	1,461.4	1,439.2	1,478.6	1,586.9	1,606.9	1,666.1	1,797.6	1,895.8	1,927.2
Commercial	2,863.8	3,027.3	2,181.3	1,791.5	1,837.0	1,905.4	1,702.7	1,781.5	1,948.6	1,976.8
Total	<u>4,167.0</u>	<u>4,488.7</u>	<u>3,620.5</u>	<u>3,270.1</u>	<u>3,423.9</u>	<u>3,512.3</u>	<u>3,368.8</u>	<u>3,579.1</u>	<u>3,844.4</u>	<u>3,904.0</u>

Total direct rate										
per 1,000 gallons	\$ 4.65	\$ 4.65	\$ 4.79	\$ 4.79	\$ 4.79	\$ 4.79	\$ 4.79	\$ 4.79	\$ 4.98	\$ 5.23

Wastewater:

Type of Customer	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Residential	1,261.4	1,304.7	1,366.2	1,403.3	1,410.3	1,513.6	1,574.2	1,722.3	1,814.7	1,851.6
Commercial	707.0	680.8	697.0	712.6	744.2	652.3	699.5	755.6	810.9	877.1
Total	<u>1,968.4</u>	<u>1,985.5</u>	<u>2,063.2</u>	<u>2,115.9</u>	<u>2,154.5</u>	<u>2,165.9</u>	<u>2,273.7</u>	<u>2,477.9</u>	<u>2,625.6</u>	<u>2,728.7</u>

Total direct rate										
per 1,000 gallons	\$13.25	\$13.25	\$13.65	\$13.65	\$13.65	\$13.65	\$13.65	\$13.65	\$14.19	\$14.90

Source: City of Fort Myers Utility Billing Department

Note: The City of Fort Myers' rates change incrementally with increases in usage of volume.

CITY OF FORT MYERS, FLORIDA
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(\$ in thousands)

Fiscal Year	Governmental Activities					Business-Type Activities		
	Revenue Bonds	Financing Purchase Obligations	Leases Payable	Subscription Liabilities	Notes Payable	Utility Revenue Bonds	State Revolving Fund Loans	Other Utility Debt
2015	\$ 101,502	\$ 504	\$ -	\$ -	\$ 3,793	\$ 131,160	\$ 68,581	\$ 48,327
2016	114,426	1,418	-	-	3,275	125,602	63,880	47,705
2017	108,193	1,031	-	-	2,682	81,279	59,056	84,150
2018	101,367	2,607	-	-	2,088	42,935	54,105	115,062
2019	131,442	5,301	-	-	1,488	161,421	49,025	82,070
2020	124,862	4,839	-	-	17,015	246,995	-	36,039
2021	118,590	4,059	-	-	22,773	218,666	-	47,109
2022	112,063	7,019	786	-	45,646	209,524	-	46,089
2023	106,257	6,574	1,135	1,785	52,895	196,377	-	43,537
2024	100,947	7,086	1,022	1,308	53,049	324,375	257	40,928

Fiscal Year	Business-Type Activities				Total Primary Government ⁽¹⁾	Percentage of Personal Income ⁽¹⁾	Debt Per Capita
	Other Revenue Bonds	Finance Purchase Obligations	Leases Payable	Other Proprietary Debt			
2015	\$ 599	\$ 509	\$ -	\$ 3,748	\$ 354,975	11.37%	\$ 4,903
2016	530	393	-	3,534	357,229	10.21%	4,694
2017	457	14,062	-	3,309	350,910	9.37%	4,436
2018	381	14,347	-	3,073	332,892	7.89%	4,066
2019	303	14,226	-	2,826	445,276	9.63%	5,067
2020	225	13,677	-	2,568	443,651	8.96%	4,791
2021	142	13,273	-	2,297	424,612	8.39%	4,638
2022	-	13,066	846	2,013	437,052	7.31%	4,517
2023	-	-	608	1,715	409,099	6.41%	4,187
2024	-	-	1,353	1,404	531,729	7.94%	5,276

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

⁽¹⁾ See Schedule 14 for personal income and population data.

CITY OF FORT MYERS, FLORIDA
Direct and Overlapping Governmental Activities Debt
September 30, 2024

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Fort Myers ⁽¹⁾	Amount Applicable to Fort Myers
City of Fort Myers	\$ 163,412,387	100.00%	\$ 163,412,387
Overlapping Bonded Debt:			
Lee County	334,519,000	6.36%	21,272,947
School Board	439,213,061	6.36%	27,928,537
Total Overlapping Bonded Debt	773,732,061		49,201,484
Total net direct and net overlapping bonded debt	\$ 937,144,448		\$ 212,613,871

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.

⁽¹⁾ Calculated as a ratio of taxable valuation of property in the City of Fort Myers (\$12,972,182,804) to total estimated taxable valuation of property in Lee County, Florida

CITY OF FORT MYERS, FLORIDA
General Revenue Bonds - Pledged Revenue Coverage
Last Ten Fiscal Years
(\$ in thousands)

General Revenue Bonds					
Fiscal Year	Excess Utilities Tax	Communications Tax	Guaranteed Entitlement Funds	Franchise Taxes	Local Business Tax
2015	\$ 8,285	\$ 2,844	\$ 893	\$ 5,521	\$ 1,909
2016	8,626	3,032	893	5,488	2,112
2017	9,102	3,290	893	5,733	2,326
2018	9,624	3,254	893	5,844	2,407
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-

Note: Debt service coverage is based on pledged revenues and annual debt service.

Note: There are no pledged revenues related to General Revenue Bonds debt service for fiscal years 2019 through 2024. The City covenanted and agreed to budget and appropriate amounts from Non-Ad Valorem Revenues sufficient to pay principal and interest when due. Such covenant to budget and appropriate does not create any lien or pledge of such Non-Ad Valorem Revenues.

General Revenue Bonds					
Fiscal Year	Excess Utilities Tax	Communications Tax	Guaranteed Entitlement Funds	Franchise Taxes	Local Business Tax
2015	\$ 8,285	\$ 2,844	\$ 893	\$ 5,521	\$ 1,909
2016	8,626	3,032	893	5,488	2,112
2017	9,102	3,290	893	5,733	2,326
2018	9,624	3,254	893	5,844	2,407
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-

Note: Bond coverage is based on the bond document calculation.

Note: Revised in fiscal year 2017 to calculate maximum amounts on bonds covenanted with pledged revenues only, not total general revenue bonds.

Note: There are no pledged revenues related to General Revenue Bonds debt service for fiscal years 2019 through 2024. The City covenanted and agreed to budget and appropriate amounts from Non-Ad Valorem Revenues sufficient to pay principal and interest when due. Such covenant to budget and appropriate does not create any lien or pledge of such Non-Ad Valorem Revenues.

General Revenue Bonds (continued)

Half-Cent Sales Tax	Total Pledged Revenues	Debt Service		Bond Coverage
		Principal	Interest	
\$ 5,613	\$ 25,065	\$ 4,520	\$ 3,793	3.02
5,929	26,080	4,745	3,559	3.14
6,152	27,496	2,525	868	8.10
6,883	28,905	2,660	738	8.51
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

General Revenue Bonds (continued)

Half-Cent Sales Tax	Total Pledged Revenues	Maximum Principal and Interest	Bond Coverage
\$ 5,613	\$ 25,065	\$ 7,416	3.38
5,929	26,080	3,408	7.65
6,152	27,496	3,408	8.07
6,883	28,905	3,408	8.48
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

CITY OF FORT MYERS, FLORIDA
General Revenue Bonds - Pledged Revenue Coverage
Last Ten Fiscal Years - Continued
(\$ in thousands)

Community Redevelopment Revenue Note, Series 2005

Fiscal Year	Tax Increment Financing Revenues	Maximum Principal and Interest	Bond Coverage
2015	\$ 3,226	637	5.06
2016	3,538	618	5.72
2017	4,006	597	6.71
2018	4,685	577	8.12
2019	5,047	557	9.06
2020	5,492	537	10.23
2021	6,342	516	12.29
2022	6,810	-	-
2023	9,560	-	-
2024	12,261	-	-

Note: Series 2005 CRA Note no longer has a balance and there is no principal and interest or bond coverage to record for fiscal year 2024.



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CITY OF FORT MYERS, FLORIDA
Water-Wastewater Utility - Pledged Revenue Coverage
Last Ten Fiscal Years
(\$ in thousands)

Fiscal Year	Gross Utility Revenues	Direct Operating Expenses	Net Operating Revenues	Pledged Impact Fees Available	Total Available Revenues
2015	\$ 65,993	\$ 40,264	\$ 25,729	\$ 3,630	\$ 29,359
2016	66,530	39,933	26,597	3,958	30,555
2017	76,114	40,947	35,167	5,309	40,476
2018	89,490	46,409	43,081	8,390	51,471
2019	89,303	45,180	44,123	6,314	50,437
2020	92,276	53,807	38,469	11,783	50,252
2021	77,813	56,790	21,023	3,187	24,210
2022	83,548	55,909	27,638	4,056	31,695
2023	98,260	64,421	33,838	6,726	40,565
2024	113,711	86,494	27,217	4,208	31,425

Coverage based on current year results and not calculated according to the bond documents.

Note: Corrected prior years for consistency in interpretation of bond documents.

⁽¹⁾ State Revolving Loans refunded by the Subordinate Utility System Refunding Revenue Bonds, Series 2020B.

⁽²⁾ Updated numbers from prior year report to reflect in final fiscal year 2023.

Fiscal Year	Total Operating Revenues	Total Operating Expenses	Net Operating Revenues	Adjustments Per Bond Documents	Net Operating Revenues Available for Debt Service
2015	\$ 62,388	\$ 32,339	\$ 30,049	\$ 10,643	\$ 40,692
2016	62,746	31,563	31,183	11,012	42,195
2017	71,038	31,257	39,781	11,104	50,885
2018	78,722	33,005	45,717	11,287	57,004
2019	83,726	36,834	46,892	12,064	58,956
2020	81,057	45,626	35,431	12,173	47,604
2021	74,944	44,729	30,215	12,863	43,078
2022	79,732	44,601	35,131	11,917	47,048
2023	92,647	51,700	40,947	11,452	52,400
2024	111,706	71,298	40,407	12,077	52,484

Coverage calculated according to the bond documents for coverage and additional bonds test.

Note: Corrected prior years for consistency in interpretation of bond documents.

⁽¹⁾ State Revolving Loans refunded by the Subordinate Utility System Refunding Revenue Bonds, Series 2020B.

<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>			
\$ 6,460	\$ 7,633	2.08	\$ 6,453	1.43
6,602	7,556	2.16	6,453	1.48
8,519	7,752	2.49	6,453	1.78
8,783	6,110	3.46	6,453	2.41
9,297	5,748	3.35	6,543	2.34
6,756	9,258	3.14	- ⁽¹⁾	3.14
7,865 ⁽²⁾	9,279 ⁽²⁾	1.41 ⁽²⁾	- ⁽¹⁾	1.41 ⁽²⁾
13,402	8,882	1.42	- ⁽¹⁾	1.42
11,330	7,086	2.20	-	2.20
11,560	13,615	1.25	-	1.25

<u>Impact Fees Available for Debt Service</u>	<u>Total Revenues Available for Debt Service</u>	<u>Maximum Debt Service</u>	<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>
\$ 3,630	\$ 44,322	\$ 16,271	2.50	2.72	\$ 6,453	4.35
3,958	46,153	16,271	2.59	2.84	6,453	4.63
5,309	56,194	15,846	3.21	3.55	6,453	6.25
8,390	65,394	15,556	3.66	4.20	6,453	7.72
6,314	65,270	19,079	3.09	3.42	6,453	7.16
11,783	59,387	22,376	2.13	2.65	- ⁽¹⁾	-
3,187	46,265	22,304	1.93	2.07	- ⁽¹⁾	-
4,056	51,104	22,299	2.11	2.29	- ⁽¹⁾	-
6,726	59,126	22,299	2.35	2.65	-	-
4,208	56,692	29,410	1.78	1.93	-	-

CITY OF FORT MYERS, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population		City of Fort Myers				
	City of Fort Myers ⁽¹⁾	Lee County ⁽¹⁾	Total Personal Income (in thousands) ⁽²⁾	Per Capita Income ⁽²⁾	Labor Force ⁽³⁾	Unemployed ⁽³⁾	Unemployment Rate ⁽³⁾
2015	72,395	665,845	\$ 1,645,104	\$ 22,724	30,300	1,574	5.2%
2016	76,108	680,539	1,946,158	25,571	31,950	1,493	4.7%
2017	79,106	698,468	2,156,904	27,266	32,654	1,426	4.4%
2018	81,868	713,903	2,324,559	28,394	34,034	1,258	3.7%
2019	87,871	735,148	2,300,067	28,203	35,736	1,214	3.4%
2020	92,599	750,493	2,517,451	29,272	35,142	2,905	8.3%
2021	91,544	782,579	2,896,181	32,407	38,123	1,887	4.9%
2022	96,755	802,178	3,638,806	38,867	40,098	1,300	3.2%
2023	97,711	800,989	3,886,895	39,351	42,209	1,421	3.4%
2024	100,780	827,016	4,339,835	42,725	40,939	1,569	3.8%
As Projected ⁽⁴⁾							
2029	109,958						

- Sources: ⁽¹⁾ Bureau of Economic and Business Research (B.E.B.R.), University of Florida (2015-2024). Population is projected. US Census Bureau (2020).
- ⁽²⁾ ESRI Executive Summary Report for the City of Fort Myers (2024). Population is projected. Lee County, Florida, Comprehensive Annual Financial Report, Demographic Statistics (2023). City of Fort Myers, Geographic Information Systems (2015-2023). Total personal and per capita income is estimated.
- ⁽³⁾ Florida Agency for Workforce Innovation, Labor Market Statistics Center (2024). Florida Department of Economic Opportunity (2015-2023).
- ⁽⁴⁾ ESRI Projection 01/12/2024

LEE COUNTY, FLORIDA
Principal Employers ⁽¹⁾
September 30, 2024
Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lee Health	14,000	1	3.82%	10,900	1	3.52%
Lee County School District	12,000	2	3.28%	10,600	2	3.43%
Lee County Local Government Entitie	9,553	3	2.61%			
Publix Super Market ¹	5,726	4	1.56%	5,007	3	1.62%
Chico's FAS Inc.	3,938	5	1.08%	1,642	8	0.53%
Herc Rentals	2,400	6	0.66%			
Amazon	2,200	7	0.60%			
Gartner, Inc.	2,100	8	0.57%			
Florida Gulf Coast University	1,778	9	0.49%			
Shell Point Retirement Community	1,546	10	0.42%			
Walmart				2,507	5	0.81%
Home Depot				1,783	6	0.58%
U.S. Postal Service				1,477	10	0.48%
Lee County Administration				2,584	4	0.84%
City of Cape Coral				1,654	7	0.53%
Lee County Sheriff's Office				1,585	9	0.51%
Total	55,241		15.09%	39,739		12.85%

Source: Lee County Office of Economic Development, SW Florida Economic Development Alliance, Florida Research and Economic Database, and U.S. Bureau of Labor Statistics.

⁽¹⁾ The information provides Lee County statistics since statistics for the City of Fort Myers are not available.

⁽²⁾ Third party citation.

CITY OF FORT MYERS, FLORIDA
Full-Time Equivalent Government - Employees by Function/Program
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	116.5	118.2	119.2	121.2	128.0	133.0	132.5	133.5	151.3	157.9
Public Safety	436.6	438.6	455.3	488.8	504.0	520.5	529.2	563.1	575.4	575.7
Physical Environment	254.9	256.8	254.9	258.9	257.9	259.5	259.4	264.4	257.5	268.6
Transportation	19.0	18.3	18.3	18.3	19.0	19.0	18.5	18.5	20.4	22.5
Culture/Recreation	103.0	100.3	101.8	66.6	63.6	63.6	63.4	65.3	65.3	55.5
Economic Environment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.1 ⁽¹⁾	6.6 ⁽¹⁾
Community Development	13.9	13.9	13.9	14.9	18.2	18.4	18.4	18.4	0.0 ⁽²⁾	0.0 ⁽²⁾
Total	943.9	946.1	963.4	968.7	990.7	1,014.0	1,021.4	1,063.2	1,076.0	1,086.8

Source: City of Fort Myers Budget Office

⁽¹⁾ The information for Economic Environment is added for fiscal year 2023.

⁽²⁾ The information for Community Development for fiscal year 2023 going forward is omitted.

CITY OF FORT MYERS, FLORIDA
Operations Indicators by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program										
Police										
Number of Police personnel and officers	262	262	255	307	312	313	319	319	304	303
Physical arrests	3,424 ⁽⁴⁾	3,060	2,962	2,927	3,165	3,116	2,868	3,381	4,068	3,831
Traffic violations	14,587 ⁽¹⁾	7,981 ⁽¹⁾	6,782 ⁽¹⁾	5,494 ⁽¹⁾	3,882	3,852	4,405	5,325	5,592	8,985 ⁽⁸⁾
Parking violations	15,238 ⁽⁵⁾	11,886	10,968	12,661	10,294	8,401 ⁽⁶⁾	12,611	13,590	14,384	24,777
Fire										
Number of Fire personnel and officers	121	125	125	124	117	124	135	146	167	171
Number of calls answered	10,847 ⁽³⁾	15,572	12,584	17,818	17,341	16,562	17,130	18,915	26,026	19,056
Number of inspections conducted	3,366	4,484	4,685	4,917	5,308	5,898	5,511	5,681	9,645	10,621
Solid Waste										
Commercial MSW (tonnage)	32,735	31,533	31,496	33,875	34,006	32,584	35,403	36,916	39,997	41,089
Residential MSW (tonnage)	8,781	12,897	13,327	14,355	14,441	16,183	17,744	17,145	17,892	15,376
Roll-Off Debris (tonnage)	17,639	16,442	15,920	19,146	18,628	18,403	20,293	19,895	20,922	19,853
Recycling (tonnage)	4,699	5,079	5,497	4,993	4,396	5,580	5,817	4,955	5,535	5,362
Culture and Recreation										
City Recreation Venues	579,642	656,936	815,278	752,242	897,080	470,745 ⁽²⁾	515,675 ⁽²⁾	742,206	766,721	782,352
Water system										
Number of service connections	23,692	25,210	26,069	26,257	27,142	27,939	30,751	31,156	31,507	31,789
Daily average finished flow in gallons*	6,881	6,922	7,293	7,423	7,471	7,540	8,006	8,020	9,100	9,023
Maximum daily capacity of plants, in gallons*	12,000	12,000	12,000	12,000	12,000	12,000	12,000	9,000	9,860	13,040
Wastewater system										
Number of service connections	21,351	23,051	23,825	24,022	24,878	25,683	28,069	28,424	28,711	28,983
Daily average treatment in gallons*	14,810	14,780	15,040	14,410	14,750	14,990	17,745	18,050	17,545	20,169
Maximum daily capacity of treatment plants, in gallons*	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Building Permits and Inspection										
Building permits issued	8,916	9,174	7,982	8,611	8,314	8,673	8,824	8,317	10,281 ⁽⁷⁾	8,857
Golf Courses										
Number of rounds per year, Eastwood	56,466	52,439	42,815	52,197	54,324	51,938	60,044	51,089	54,023	64,410
Number of rounds per year, Fort Myers	58,756	58,245	63,461	61,687	63,548	65,260	70,502	73,082	66,692	58,203

Sources: Various City departments

* Amounts are in thousands

⁽¹⁾ Citations declined due to fewer traffic stops.

⁽²⁾ Comprises attendance at City community centers, athletics and aquatics venues, and special events. Significant decrease in fiscal years 2020 and 2021 due to the pandemic.

⁽³⁾ Decrease due to low acuity call types dispatched by 911 as an EMS only response, not requiring the additional response by Firefighters.

⁽⁴⁾ Decline due to change in reporting software.

⁽⁵⁾ Increase due to the inclusion of warning citations, FMPD citations issued after hours, and a better enforcement program.

⁽⁶⁾ Total parking citations declined due to the pandemic. Enforcement removed from the streets for several months and less people visiting the downtown area.

⁽⁷⁾ Increase most likely due to Hurricane Ian and the need for permits due to the severity of storm damage.

⁽⁸⁾ Total increase traffic citations due to added officers which helped our new police chief put more focus on traffic safety.

CITY OF FORT MYERS, FLORIDA
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/program										
General Government										
Number of Enterprise Center buildings	2	2	2	2	2	2	2	2	2	2
Number of Facility Management vehicles	14	14	14	12	12	14	17	14	15	15
Police										
Number of stations	2	2	1	1	1	1	1	1	1	1
Number of substations	0	0	3	3	6	6	6	6	5	4
Number of patrol vehicles	111	136	135	154	143	129	143	171	194	175
Number of unmarked vehicles	43	50	49	60	67	59	88	52	93	117
Number of pickup trucks	4	3	3	3	6	10	16	15	15	15
Number of vans	6	6	8	6	9	7	11	8	8	9
Number of motorcycles	2	2	2	2	2	2	2	2	0	0
Number of boats	1	1	1	1	1	1	1	1	1	1
Number of boat trailers	1	1	1	1	1	1	1	1	1	1
Number of Volunteers in Policing units	3	3	1	1	1	1	1	3	3	1
Mobile command post	1	1	1	1	1	1	1	1	1	1
ERV (MCOPS vehicle)	1	1	1	1	1	1	1	1	1	1
Hostage negotiator truck	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations	6	6	6	6	6	6	6	8	8	8
Number of fire fighting units	11	10	11	11	13	13	11	13	13	14
Number of rescue units	2	2	2	4	4	4	4	4	4	4
Number of marine units	2	2	1	1	1	1	1	1	1	1
Number of support/specialty units	5	5	5	14	15	16	20	22	24	27
Culture and Recreation										
Number of community centers	3	3	3	1	1	1	1	1	1	1
Number of parks	35	35	35	35	36	36	37	39	39	39
Park acreage (including golf courses)	537	537	497	497	498	498	519	563	563	563
Number of swimming pools	4	4	4	4	4	4	4	4	4	3
Number of tennis courts	16	16	16	17	17	17	17	17	17	16
Number of skate parks	1	0	0	0	0	0	0	0	0	0
Public Works										
Number of Public Works buildings	132	132	132	155	155	155	155	155	155	158
Miles of City maintained streets	240	226 ⁽²⁾	247	224	224	224	240	240	240	240
Number of street lights	10,346	10,425 ⁽²⁾	10,425	10,425	10,425	10,425	10,425	10,425	10,425	10,425
Number of bridges	27	27	27	27	27	27	27	27	27	27
Number of culverts	12	35 ⁽³⁾	35	35	35	35	35	37	37	37
Sewer system										
Miles of sanitary sewers	422	357 ⁽²⁾	368	430	440	451	475	474	391	398
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	469	434 ⁽²⁾	439	439	514	531	555	559	446	459
Number of fire hydrants	3,231	3,189 ⁽²⁾	4,100	4,194	4,200	4,511	4,639	4,660	5111	5,253
Stormwater										
Miles of storm drainage pipes	139	58 ⁽²⁾	59	54	54	54	54	54	54	54
Number of catch basins ⁽⁴⁾	844	4,681	4,691	4,691	4,691	4,691	4,691	4,691	4,691	4,691

CITY OF FORT MYERS, FLORIDA
Capital Asset Statistics by Function
Last Ten Fiscal Years (Continued)

Function/program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Solid Waste										
Number of refuse collection vehicles	46	47	44	45	44	45	45	52	56	54
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	284	284	284	284	284	284	284	0 ⁽⁵⁾	0 ⁽⁵⁾	0 ⁽⁵⁾
Number of non-transient boats docked ⁽¹⁾	145	155	156	177	164	180	185	0 ⁽⁵⁾	0 ⁽⁵⁾	0 ⁽⁵⁾
Downtown Parking Garages										
Number of parking garages	2	2	2	2	2	2	3	3	3	3
Caloosa Sound										
Number of event center buildings	1	1	1	1	1	1	1	1	1	1
Cultural and Recreation										
Number of buildings	4	4	4	4	4	4	4	4	4	4

Sources: Various city departments

⁽¹⁾ Updated description in fiscal year 2015 to non-transient boats (leases longer than thirty days).

⁽²⁾ Updated, based on GIS data.

⁽³⁾ Verified with Google Earth by City of Fort Myers, Florida Stormwater Resource Manager.

⁽⁴⁾ Updated, based on GIS data, in fiscal year 2016 to include manholes, curb inlets, headwalls and mitered end sections.

⁽⁵⁾ Due to Hurricane Ian, Yacht Basin was deemed inoperable.

REPORTING SECTION





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

To the Honorable Mayor, City Council and City Manager
City of 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 ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Fort Myers, Florida (the "City"), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 30, 2025. Our report includes a reference to other auditors who audited the financial statements of the Community Redevelopment Agency of the City of Fort Myers, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Tampa, FL
April 30, 2025

Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

To the Honorable Mayor, City Council and City Manager
City of Fort Myers, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Fort Myers, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and major state projects for the fiscal year ended September 30, 2024. The City's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 major state projects for the fiscal year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.550, Rules of the Auditor General ("Chapter 10.550"). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and major state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

CBIZ CPAs P.C.

Tampa, FL
April 30, 2025

CITY OF FORT MYERS, FLORIDA
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Funding Agency / Grant Name	Federal Assistance Listing Number	Federal or Passed through Grant Number	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
CDBG – Entitlement/Special Purpose Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-12-0006	\$ 3,377
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-12-0006	14,773
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-12-0006	3,177
Community Development Block Grants/Entitlement Grants (CDBG-CV)	14.218	B-20-MW-12-0006	7,078
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-12-0006	118,686
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-12-0006	438,234
Community Development Block Grants/Entitlement Grants	14.218	B-23-MC-12-0006	135,254
Community Development Block Grants/Entitlement Grants-NSP 1	14.218	B-08-MN-12-0008	55,149
Community Development Block Grants/Entitlement Grants-NSP 3	14.218	B-11-MN-12-0008	16
Total Community Development Block Grants / Entitlement Grants		14.218 Total	775,744
Total CDBG – Entitlement/Special Purpose Grants Cluster			775,744
<i>Passed through Lee County, Florida, Human and Veteran Services</i>			
Emergency Solutions Grants Program	14.231	N/A	209,818
Total U.S. Department of Housing and Urban Development			985,562
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership Program			
Patrick Leahy Bulletproof Vest Partnership Grant, FY 2024	16.607	N/A	16,000
		16.607 Total	16,000
Public Safety Partnership and Community Policing Grants	16.710	2020-UM-WX-0106	248,030
		16.710 Total	248,030
Edward Byrne Memorial Justice Assistance Grant Program			
<i>Passed through Florida Department of Law Enforcement</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-WY-BX-0005	81,127
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02386-JAGX	24,869
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03281-JAGX	45,044
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-00656-MUMU	40,000
		16.738 Total	191,040
Second Chance Act Reentry Initiative	16.812	2018-CZ-BX-0022	172,247
Total U.S. Department of Justice			627,317
U.S. DEPARTMENT OF TRANSPORTATION			
Federal Highway Administration			
<i>Passed through State of Florida, Department of Transportation</i>			
Highway Planning and Construction			
Winkler Ave at Challenger Blvd Roundabout	20.205	447820-1-58-01 G2M24	2,176,745
Winkler Ave Northbound Turn Lane	20.205	447897-1-58-01 G2882	370,820
Design Sidewalks at Marsh Ave from Michigan Ave to SR80	20.205	441900-1-38-01 G2L36	129
		20.205 Total	2,547,694
Highway Safety Cluster			
State and Community Highway Safety	20.600	SC-2024-00223	79,904
Total State and Community Highway Safety			79,904
Total Highway Safety Cluster			79,904
Total U.S. Department of Transportation			2,627,598
U.S. DEPARTMENT OF TREASURY			
Department of Treasury			
Equitable Sharing Program	21.016	FL0360100	208,867
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	4,756,827
Total U.S. Department of the Treasury			\$ 4,965,694

CITY OF FORT MYERS, FLORIDA
Schedule of Expenditures of Federal Awards - *Continued*
For the Year Ended September 30, 2024

Funding Agency / Grant Name	Federal Assistance Listing Number	Federal or Passed through Grant Number	Total Expenditures
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Geographic Programs - Gulf of Mexico Program (Trash Free Waters)	66.475	MX-02D18722-0	\$ 35,965
Total U.S. Environmental Protection Agency			35,965
U.S. DEPARTMENT OF HOMELAND SECURITY			
Federal Emergency Management Agency			
Assistance to Firefighters Grant	97.044	EMW-2021-FG-01599	988
		97.044 Total	988
<i>Passed through Florida Division of Emergency Management</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4673-DR-FL (Z3012)	7,328,502
Hazard Mitigation Grant Program	97.039	FEMA-DR-4337-FL	8,176
Homeland Security Grant Program	97.067	EMW-2022-SS-00029-S01	20,028
Total U.S. Department of Homeland Security			7,356,706
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 16,599,830

See accompanying notes to Schedule of Expenditures of Federal Awards

CITY OF FORT MYERS, FLORIDA
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2024

<u>Funding Agency / Grant Name</u>	<u>State CSFA Number</u>	<u>State Grant Number</u>	<u>Total Expenditures</u>
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Statewide Water Quality Restoration Projects			
Drainage Phase III, IV & Downtown	37.039	LPA0105	\$ 142,819
Citywide Septic Tank Abandonment Program	37.039	LPA0290	66,685
Fort Myers Water Treatment Plant Expansion	37.039	LPA0522	1,250,000
Fort Myers Water Injection Well	37.039	LPA0523	1,000,000
		37.039 Total	<u>2,459,504</u>
Water Restoration Assistance-Hurricane Wastewater Assistance			
S-19 Stormwater Pump Retrofit	37.114	HA029	102,799
Total Florida Department of Environmental Protection			<u>2,562,303</u>
FLORIDA HOUSING FINANCE CORPORATION			
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	1,066,933
Hurricane Housing Recovery Program (HHRP - Ian & Nicole)	40.901	N/A	854,460
Total Florida Housing Finance Corporation			<u>1,921,393</u>
FLORIDA DEPARTMENT OF LAW ENFORCEMENT			
State Assistance for Fentanyl Eradication (S.A.F.E.) in Florida	71.122	2023-SAFE-SF-033	346,598
FDLE Drone Replacement Program	71.092	3X058	52,531
Total Florida Department of Law Enforcement			<u>399,129</u>
FLORIDA DIVISION OF EMERGENCY MANAGEMENT			
State Hurricane Recovery Grant Program	31.081	D1486	389,636
Total Florida Division of Emergency Management			<u>389,636</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 5,272,461</u></u>

See accompanying notes to Schedule of Expenditures of State Financial Assistance

CITY OF FORT MYERS, FLORIDA
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Fort Myers, Florida (City) under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – COMMUNITY DEVELOPMENT BLOCK GRANTS / ENTITLEMENT GRANTS

In accordance with the terms of the award, program income totaling \$48,209 was used to reduce the amount of federal awards used to complete the project.

CITY OF FORT MYERS, FLORIDA
Notes to Schedule of Expenditures of State Financial Assistance
Year Ended September 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (State Schedule) includes the state award activity of the City of Fort Myers, Florida (City) under programs of the State of Florida for the year ended September 30, 2024. The information in the State Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes, and *Rules of the Auditor General*, Chapter 10.550. Because the State Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

CITY OF FORT MYERS, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified?

____ Yes X None reported

Non-compliance material to financial statements noted?

____ Yes X No

Federal Awards and State Projects

Internal control over the major federal program and state project:

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified?

____ Yes X None reported

Type of auditors’ report issued on compliance for the major federal programs and state projects:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General?

____ Yes X No

Identification of the Major Federal Programs and State Projects:

Assistance Listing Number

21.027

20.205

Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

Highway Planning and Construction
(Federal-Aid Highway Program)

CSFA No.

37.039

40.901

71.122

State Project

Statewide Surface Water Restoration and Wastewater Projects

State Housing Initiatives Partnership Program (S.H.I.P)

State Assistance for Fentanyl Eradication (S.A.F.E.)

Dollar threshold used to distinguish between Type A and Type B programs/state projects;

Federal and State: \$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?

____ Yes X No

CITY OF FORT MYERS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

None.

CITY OF FORT MYERS, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

MW2022-001 – was addressed in the current year.

SD2023-001 – was addressed in the current year.

SD2023-002 – was addressed in the current year.

II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

III. PRIOR YEAR STATE PROJECTS AND QUESTIONED COSTS

None.

**Management Letter in Accordance with the Rules of the
Auditor General of the State of Florida**

To the Honorable Mayor, City Council and City Manager
City of Fort Myers, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Fort Myers, Florida (the “City”), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated April 30, 2025. We did not audit the financial statements of the Community Redevelopment Agency of the City of Fort Myers (the “CRA”), which represents 4%, 12% and 6%, respectively, of the assets, net position and revenues of the governmental activities and 2%, 2% and 2%, respectively, of the assets, fund balance/net position and revenues/additions of the aggregate remaining fund information.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated April 30, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of findings and recommendations made in the preceding annual financial audit report have been addressed in the Summary Schedule of Prior Year Findings and Appendix A to the Report.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did have one (1) recommendation identified in the prior year as MLC2023-001 (Appendix A), which is not repeated in the current year. There were no current year recommendations.

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. There was no PACE Program operating within the City's geographical boundaries.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the Community Redevelopment Agency of the City of Fort Myers, Florida (the “CRA”) required information is reported in the Other Information section of the CRA’s stand-alone financial statements for the fiscal year ended September 30, 2024.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has 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 note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Mayor and the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

Tampa, FL
April 30, 2025

CITY OF FORT MYERS, FLORIDA

**APPENDIX A – CURRENT YEAR AND PRIOR YEARS
RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

		Observation Is Still Relevant	Observation Addressed or No Longer Relevant
No.	Current Year's Observations		
None			
No.	Prior Year's Observations		
MLC2023-001	General Information Technology		X

**Independent Accountants' Report on Compliance Pursuant to
Section 218.415, Florida Statutes**

To the Honorable Mayor, City Council and City Manager
City of Fort Myers, Florida

We have examined the City of Fort Myers, Florida (the "City") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2024. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, for the fiscal year ended September 30, 2024.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes, and it is not suitable for any other purpose.

CBIZ CPAs P.C.

Tampa, FL
April 30, 2025

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Christine Tenney, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of Fort Myers which is a local governmental entity of the State of Florida.

2. The governing body of the City of Fort Myers adopted Ordinance Nos. 2228 and 3644 implementing water, sewer and community park impact fees or authorized the City of Fort Myers to receive and expend proceeds of the impact fees implemented by City Council.

3. City of Fort Myers has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


Christine Tenney, City of Fort Myers

SWORN TO AND SUBSCRIBED before me this 18 day of September, 2024.

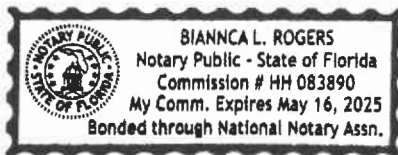

NOTARY PUBLIC

Print Name Biannca L. Rogers

Personally known or produced identification

Type of identification produced: Personally Known

My Commission Expires:



1 Pursuant to Section 163.31801(8), Florida Statutes, if there is no chief financial officer, the executive officer must sign the affidavit.

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Christine Tenney, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of Fort Myers which is a local governmental entity of the State of Florida.

2. The governing body of Lee County adopted Ordinance Nos. 89-17 and 89-15, implementing road and fire impact fees or authorized the City of Fort Myers to receive and expend proceeds of the impact fees implemented by Lee County.

3. City of Fort Myers has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


Christine Tenney, City of Fort Myers

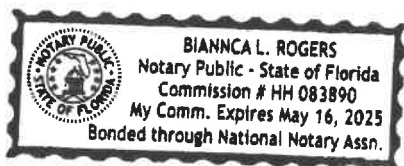
SWORN TO AND SUBSCRIBED before me this 18 day of September, 2024.


NOTARY PUBLIC
Print Name Biannca L. Rogers

Personally known or produced identification

Type of identification produced: Personally known

My Commission Expires:



1 Pursuant to Section 163.31801(8), Florida Statutes, if there is no chief financial officer, the executive officer must sign the affidavit.



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FINANCIAL SERVICES DEPARTMENT



IF YOU HAVE ANY
QUESTIONS REGARDING
THIS REPORT, PLEASE CALL
(239) 321-7147.

MAILING ADDRESS: 2200
SECOND STREET
FORT MYERS, FL 33901

YOU MAY ALSO CONTACT US
AT FORTMYERS.GOV.