GOING FURTHER

CITY OF ATLANTIS, FLORIDA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

City of Atlantis, Florida

PRINCIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Keller Lanahan	Mayor
Guy E. Motzer	Vice Mayor
Allan-Kaulbach	Council Member
Michael LaCoursiere	Council Member
Derek Cooper	Council Member

City Manager
Brian Moree

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FINANCIAL SECTION

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

**Honorable Mayor and Members of
the City Council,
City of Atlantis, Florida**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Atlantis, Florida (the "City"), as of and for the year ended September 30, 2025, 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, and each major fund of the City as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 4 through 7, budgetary comparison information, schedules of proportionate share of the net pension liability – FRS and HIS, and schedules of contributions – FRS and HIS, on pages 39 and 40 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of Principal Officials but does not include the basic financial statements and our auditor’s 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 June 25, 2026, 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 25, 2026

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Management's Discussion and Analysis

Our discussion and analysis of the financial performance of the City of Atlantis, Florida (the "City") provides an overview of the City's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the City's financial statements, which immediately follow this discussion.

This section includes the following tables for additional clarity:

- Table 1: Net Position Summary
- Table 2: Change in Net Position
- Table 3: Governmental Fund Balance Comparison

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $10,864,529 (net position). Of this amount, $5,915,522 is attributed to governmental activities and $4,949,007 to business-type activities.
- The City's governmental activities experienced an increase in net position of $1,393,929, while business-type activities experienced a decrease of $499,213.
- At the end of the fiscal year, the City's governmental funds reported a combined ending fund balance of $4,552,697, an increase of $1,038,200 compared to the prior year.
- The unassigned fund balance for the General Fund was $1,217,630, which represents approximately 17% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis 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
3. Notes to the financial statements

Government-Wide Financial Statements: The government-wide financial statements provide a broad overview of the City's finances using the accrual basis of accounting, similar to a private-sector business. The statement of net position presents all of the City's assets, liabilities, and deferred inflows/outflows of resources. The statement of activities shows how the City's net position changed during the fiscal year.

Fund Financial Statements: The fund financial statements provide detailed information about the City's significant funds using the modified accrual basis of accounting for governmental funds. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's governmental funds include the General Fund, Construction Services Fund, and Capital Projects Fund. The proprietary fund includes the Water, Sewer, and Stormwater Fund.

Management's Discussion and Analysis

Government-Wide Financial Analysis

Table 1: Net Position Summary (in dollars)

Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Current and other assets	$ 5,274,126	$ 4,869,314	$ 4,351,807	$ 4,852,319	$ 9,625,933	$ 9,721,633
Capital assets, net	4,909,528	4,877,395	1,225,717	1,359,135	6,135,245	6,236,530
Total assets	10,183,654	9,746,709	5,577,524	6,211,454	15,761,178	15,958,163
Total deferred outflows of resources	1,256,731	1,260,685	-	-	1,256,731	1,260,685
Current and other liabilities	4,684,283	1,359,524	628,517	747,084	5,312,800	2,106,608
Long-term liabilities		4,317,680		16,240	-	4,333,920
Total liabilities	4,684,283	5,677,204	628,517	763,324	5,312,800	6,440,528
Total deferred inflows of resources	840,580	808,597	-	-	840,580	808,597
Net position						
Net investment in capital assets	4,909,528	4,877,395	1,225,717	1,359,135	6,135,245	6,236,530
Restricted	1,246,768	991,555	1,856,069	1,285,516	3,102,837	2,277,071
Unrestricted	(240,774)	(1,347,357)	1,867,221	2,803,479	1,626,447	1,456,122
Total net position	$ 5,915,522	$ 4,521,593	$ 4,949,007	$ 5,448,130	$ 10,864,529	$ 9,969,723

The City's net investment in capital assets was $6,135,245. Restricted net position totaled $3,102,837, and unrestricted net position was $1,626,447.

Management's Discussion and Analysis

Table 2: Change in Net Position (in dollars)

Statement of Activities

	Governmental Activities		Business-Type Activities		Totals	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Revenues:						
Program revenues:						
Charges for services	$ 1,148,668	$ 774,974	$ 2,264,243	$ 1,938,156	$ 3,412,911	$ 2,713,130
Operating grants and contributions	758,692	754,940	-	-	758,692	754,940
Capital grants and contributions	684,691	-	-	-	684,691	-
General revenues:						
Property taxes	4,289,635	4,387,073	-	-	4,289,635	4,387,073
Other taxes and fees	1,428,328	1,176,599	-	-	1,428,328	1,176,599
Interest income	201,805	250,581	181,367	183,004	383,172	433,585
Other	36,804	33,673	-	-	36,804	33,673
Total revenues	8,548,623	7,377,840	2,445,610	2,121,160	10,994,233	9,499,000
Expenses:						
General government	1,278,181	1,342,648	-	-	1,278,181	1,342,648
Law enforcement	3,666,006	3,286,006	-	-	3,666,006	3,286,006
Fire control	1,145,354	1,108,968	-	-	1,145,354	1,108,968
Protective inspections	47,878	31,054	-	-	47,878	31,054
Physical environment	1,298,275	1,187,553	-	-	1,298,275	1,187,553
Water, sewer, stormwater	-	-	2,663,733	2,002,139	2,663,733	2,002,139
Total expenses	7,435,694	6,956,229	2,663,733	2,002,139	10,099,427	8,958,368
Change in net position before transfers	1,112,929	421,611	(218,123)	119,021	894,806	540,632
Transfers	281,000	291,000	(281,000)	(291,000)	-	-
Increase (decrease) in net position	1,393,929	712,611	(499,123)	(171,979)	894,806	540,632
Net position, beginning	4,521,593	3,808,982	5,448,130	5,620,109	9,969,723	9,429,091
Net position, ending	$ 5,915,522	$ 4,521,593	$ 4,949,007	$ 5,448,130	$ 10,864,529	$ 9,969,723

Financial Analysis of Governmental Funds

Table 3: Governmental Fund Balance Comparison (in dollars)

Fund	*2025 Ending Balance*	*2024 Ending Balance*	*Change*
General Fund	$1,796,253	$1,624,336	$171,917
Construction Svcs	$1,246,768	$991,555	$255,213
Capital Projects	$1,509,676	$898,606	$611,070
Total Governmental	$4,552,697	$3,514,497	$1,038,200

Governmental Funds: The City’s governmental funds reported a combined fund balance of $4,552,697, a net increase of $1,038,200 from the previous year. The General Fund, the chief operating fund, ended with an unassigned fund balance of $1,796,253.

Proprietary Fund

The City’s proprietary fund provides financial information about the Water, Sewer, and Stormwater Fund. For the fiscal year ended September 30, 2025, this fund had operating revenues of $2,264,243 and operating expenses of $2,663,733, resulting in an operating loss of $399,490. After including investment earnings of $181,367 and transfers out of a $281,000 interfund transfer, the total decrease in net position was $499,123. The ending net position for the proprietary fund was $4,949,007. This fund continues to be self-sustaining, though rising costs contributed to the net loss.

Capital Assets

As of September 30, 2025, the City’s investment in capital assets for its governmental and business-type activities amounted to $6,135,245 (net of depreciation). This includes land, buildings, improvements, vehicles, machinery, and infrastructure.

Economic Factors and Next Year’s Budget and Rates

The City remains financially stable with no outstanding debt obligations and sufficient reserves. While inflationary pressures increased operational costs in the fiscal year, these were mostly short-term.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. For questions or additional information, please contact the City Manager, City of Atlantis, 260 Orange Tree Drive, Atlantis, Florida 33462.

BASIC FINANCIAL STATEMENTS

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STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	$ 1,520,370	$ 340,029	$ 1,860,399
Investments	3,081,527	2,191,482	5,273,009
Receivables, net	93,606	306,389	399,995
Internal balance	578,060	(578,060)	-
Prepaid items	563	-	563
Restricted assets			
Cash equivalents	-	483,812	483,812
Investments	-	1,608,155	1,608,155
Noncurrent assets			
Capital assets			
Non-depreciable	2,842,213	132,000	2,974,213
Depreciable (net of depreciation)	2,067,315	1,093,717	3,161,032
Total assets	10,183,654	5,577,524	15,761,178
Deferred outflows of resources			
Pension items	1,256,731	-	1,256,731
Total deferred outflows of resources	1,256,731	-	1,256,731
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	158,996	66,825	225,821
Deposits	-	235,898	235,898
Unearned revenues	562,433	314,380	876,813
Compensated absences payable	57,156	1,141	58,297
Noncurrent liabilities			
Compensated absences payable	514,402	10,273	524,675
Net pension liability	3,391,296	-	3,391,296
Total liabilities	4,684,283	628,517	5,312,800
Deferred inflows of resources			
Pension items	840,580	-	840,580
Total deferred inflows of resources	840,580	-	840,580
Net position			
Investment in capital assets	4,909,528	1,225,717	6,135,245
Restricted for			
Building	1,246,768	-	1,246,768
Future water and sewer expenses	-	1,856,069	1,856,069
Unrestricted	(240,774)	1,867,221	1,626,447
Total net position	$ 5,915,522	$ 4,949,007	$ 10,864,529

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

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

		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**	**Total**
Functions/programs							
Governmental activities:							
General government	$ 1,278,181	$ 550,573	$ 20,085	$ 684,691	$ (22,832)	$ -	$ (22,832)
Public safety							
Law enforcement	3,666,006	521,825	15,786	-	(3,128,395)	-	(3,128,395)
Fire control	1,145,354	-	722,821	-	(422,533)	-	(422,533)
Protective inspections	47,878	76,270	-	-	28,392	-	28,392
Physical environment	1,298,275	-	-	-	(1,298,275)	-	(1,298,275)
Total governmental activities	7,435,694	1,148,668	758,692	684,691	(4,843,643)	-	(4,843,643)
Business-type activities:							
Water, sewer, and stormwater utility	2,663,733	2,264,243	-	-	-	(399,490)	(399,490)
Total business-type activities	2,663,733	2,264,243	-	-	-	(399,490)	(399,490)
Total primary government	$ 10,099,427	$ 3,412,911	$ 758,692	$ 684,691	(4,843,643)	(399,490)	(5,243,133)
General revenues and transfers							
Taxes							
Property taxes					4,289,635	-	4,289,635
Sales and use taxes					564,922	-	564,922
Franchise fees					438,779	-	438,779
Gas tax					101,959	-	101,959
Utility tax					239,997	-	239,997
Other taxes					82,671	-	82,671
Investment income					201,805	181,367	383,172
Miscellaneous					36,804	-	36,804
Transfers					281,000	(281,000)	-
Total general revenues and transfers					6,237,572	(99,633)	6,137,939
Change in net position					1,393,929	(499,123)	894,806
Net position, beginning of year					4,521,593	5,448,130	9,969,723
Net position, end of year					$ 5,915,522	$ 4,949,007	$ 10,864,529

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

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Construction Services Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	$ -	$ 432,662	$ 1,087,708	$ 1,520,370
Investments	1,832,970	832,371	416,186	3,081,527
Accounts receivable	93,606	-	-	93,606
Due from other funds	-	-	5,782	5,782
Advance to other funds	578,060	-	-	578,060
Prepaid items	563	-	-	563
Total assets	$ 2,505,199	$ 1,265,033	$ 1,509,676	$ 5,279,908
Liabilities				
Accounts payable and accrued liabilities	$ 140,731	$ 18,265	$ -	$ 158,996
Unearned revenues	562,433	-	-	562,433
Due to other funds	5,782	-	-	5,782
Deposits	-	-	-	-
Total liabilities	708,946	18,265	-	727,211
Fund Balance				
Nonspendable				
Prepaid items	563	-	-	563
Advance to other funds	578,060	-	-	578,060
Restricted				
Building	-	1,246,768	-	1,246,768
Unassigned	1,217,630	-	1,509,676	2,727,306
Total fund balance	1,796,253	1,246,768	1,509,676	4,552,697
Total liabilities and fund balances	$ 2,505,199	$ 1,265,033	$ 1,509,676	$ 5,279,908

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

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2025

Total fund balance - governmental funds		$ 4,552,697
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	$ 13,846,120	
Less: accumulated depreciation	(8,936,592)	4,909,528
Certain liabilities and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Compensated absences	(571,558)	
Net pension liability	(3,391,296)	
Deferred outflows related to pensions	1,256,731	
Deferred inflows related to pensions	(840,580)	(3,546,703)
Net position of governmental activities		$ 5,915,522

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Construction Services Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Taxes	$ 5,063,111	$ -	$ -	$ 5,063,111
Licenses and permits	1,755	548,254	-	550,009
Franchise fees	438,779	-	-	438,779
Intergovernmental	1,007,325	-	-	1,007,325
Charges for services	485,640	-	-	485,640
Assessments	722,821	-	-	722,821
Fines and forfeitures	36,185	-	-	36,185
Interest income	123,477	44,306	34,022	201,805
Fundraising and donations	6,144	-	-	6,144
Miscellaneous revenues	36,804	-	-	36,804
Total revenues	7,922,041	592,560	34,022	8,548,623
Expenditures				
General government	1,344,464	-	11,233	1,355,697
Public safety	5,081,898	-	-	5,081,898
Public works	47,878	-	-	47,878
Physical environment	888,025	329,847	-	1,217,872
Capital outlay	-	-	88,078	88,078
Contingency	-	-	-	-
Total expenditures	7,362,265	329,847	99,311	7,791,423
Excess (deficiency) of revenues over (under) expenditures	559,776	262,713	(65,289)	757,200
Other financing sources (uses)				
Transfers in	288,500	-	676,359	964,859
Transfers out	(676,359)	(7,500)	-	(683,859)
Total other financing sources (uses)	(387,859)	(7,500)	676,359	281,000
Change in fund balances	171,917	255,213	611,070	1,038,200
Fund balances (deficit), beginning of year	1,624,336	991,555	898,606	3,514,497
Fund balances, end of year	$ 1,796,253	$ 1,246,768	$ 1,509,676	$ 4,552,697

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

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, 2025

Net change in fund balances − total governmental funds		$ 1,038,200
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives. This is the amount by which capital outlay exceeded depreciation and disposals for the current period.		
Expenditures for capital assets	$ 195,565	
Less current year provision for depreciation	(163,432)	32,133
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.		
Change in compensated absences		(50,383)
Certain pension-related amounts, such as net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and, therefore, are not reported in the funds.		
Change in net pension liability	409,916	
Change in deferred inflows relating to pensions	(3,954)	
Change in deferred outflows relating to pensions	(31,983)	373,979
Change in net position of governmental activities		$ 1,393,929

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

STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2025

	Water, Sewer and Stormwater Fund
Assets	
Current assets	
Cash and cash equivalents	$ 340,029
Restricted cash equivalents	483,812
Investments	2,191,482
Restricted investments	1,608,155
Receivables, net	306,389
Total current assets	4,929,867
Noncurrent assets	
Capital assets, nondepreciable	132,000
Capital assets, depreciable, net	1,093,717
Total noncurrent assets	1,225,717
Total assets	$ 6,155,584
Liabilities	
Current liabilities	
Accounts payable	$ 66,825
Unearned revenue	314,380
Deposits	235,898
Compensated absences payable	1,141
Total current liabilities	618,244
Noncurrent liabilities	
Advance from other funds	578,060
Compensated absences	10,273
Total non-current liabilities	588,333
Total liabilities	1,206,577
Net position	
Investment in capital assets	1,225,717
Restricted for water and sewer expense	1,856,069
Unrestricted	1,867,221
Total net position	4,949,007
Total liabilities and net position	$ 6,155,584

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Water, Sewer and Stormwater Fund
Operating revenues	
Metered water charges	$ 1,100,627
Sewer charges	936,038
Stormwater user fees	183,474
Other operating income	44,104
Total operating revenues	2,264,243
Operating expenses	
Water services	565,640
Sewer services	519,083
Water/sewer combination services	735,917
Stormwater services	700,411
Provision for depreciation	142,682
Total operating expenses	2,663,733
Operating loss	(399,490)
Nonoperating revenues (expenses)	
Investment earnings	181,367
Interfund transfers	(281,000)
Total nonoperating revenues (expenses)	(99,633)
Change in net position	(499,123)
Total net position, beginning of year	5,448,130
Total net position, end of year	$ 4,949,007

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

City of Atlantis, Florida

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Water, Sewer and Stormwater Fund
Cash flows from operating activities	
Receipts from customers and users	$ 2,259,633
Payments to employees	(373,866)
Payments to suppliers	(2,298,177)
Net cash used in operating activities	(412,410)
Cash flows from capital and related financing activities	
Acquisition of capital assets	(9,264)
Cash payments to other funds	297,060
Net cash provided by capital and related financing activities	287,796
Cash flows from investing activities	
Purchases of investments	(2,047,768)
Interest received	181,367
Net cash used in investing activities	(1,866,401)
Net change in cash and cash equivalents	(1,991,015)
Cash and cash equivalents, beginning of year	2,814,856
Cash and cash equivalents, end of year	$ 823,841
Cash and cash equivalents reported on the statement of net position	
Cash and cash equivalents	$ 340,029
Restricted cash equivalents	483,812
	$ 823,841
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	$ (399,490)
Adjustment to reconcile operating income to net cash provided by operating activities:	
Provision for depreciation	142,682
Change in operating assets and liabilities:	
(Increase) decrease in assets:	
Receivables, net	(20,795)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(144,910)
Unearned revenues	(260)
Deposits	16,445
Compensated absences payable	(6,082)
Total adjustments	(12,920)
Net cash provided by operating activities	$ (412,410)

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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Atlantis, Florida (the "City") was chartered on June 19, 1959, under the provisions of the State of Florida. The City operates under the Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. As required, the City follows Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* as amended.

The financial statements were prepared in accordance with GASB pronouncements for *The Financial Reporting Entity*, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Based upon the application of these criteria, Atlantis Safe Neighborhood Improvement District meets the criteria for component units described above. The Atlantis Safe Neighborhood Improvement District is a dependent special district and has not been included in these financial statements because it has not had any revenues, expenses, assets or liabilities since it was formed on August 10, 1988.

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements.

Government-Wide Financial Statements: The City's government-wide financial statements include a statement of net position and a statement of activities which report information on all of the non-fiduciary activities of the City. 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 services.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and business-type activities, which are presented as internal balances and eliminated in the total column.

Fund Financial Statements: The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Generally accepted accounting principles establish minimum criteria to determine major funds. These criteria consist of a percentage of the assets, liabilities, deferred outflows/deferred inflows or resources, revenues, or expenditures/expenses of the applicable fund category and the governmental and enterprise funds combined.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund, and it accounts for the financial resources, except those accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes, franchise taxes, licenses and permits, intergovernmental and charges for services. General operating expenditures, fixed charges, and capital outlay costs that are not paid through other funds are paid from the General Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued):
The *Construction Services Fund* is used to account for building department revenue legally restricted by law for the administration and enforcement of the Florida Building Code and all local ordinances to ensure the highest level of building code compliance.

The *Capital Projects Fund* is used to account for various governmental capital projects that are funded through transfers from funds who will utilize the respective project.

The City reports the following major proprietary fund:

The *Water, Sewer and Stormwater Fund* which accounts for the operations of the City's Water, wastewater, and stormwater operations.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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 one year of the end of the current fiscal period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, franchise fees and other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

The proprietary fund is accounted for using the accrual basis of accounting and the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with the activity are included on the statement of net position. The proprietary fund operating statement presents increases (revenues) and decreases (expenses) in net total position. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Unbilled utility service receivables of the water, sewer, and stormwater system fund are recorded at year-end.

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 or services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water, Sewer, and Stormwater System Fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and provision for depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is used first, followed by assigned fund balance. Unassigned fund balance is used last.

Budgets and Budgetary Accounting: The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Formal budgetary integration is employed as a management control device during the year for the General Fund, Construction Services Fund, and the Water, Sewer, and Stormwater Fund. These budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

- The City Council (the "Council") approves, by resolution, total budget appropriations only. The City Manager is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total appropriations of any fund must be approved by the City Council. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).

- Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

For the year ended September 30, 2025, the General Fund expenditures exceeded appropriations by $567,217 and the Construction Services Fund expenditures exceeded appropriations by $88,287. These unfavorable variances were covered by revenues in excess of budget and unassigned fund balance.

As required by GASB Statement No. 34, a budgetary comparison schedule is presented for the General Fund and Construction Services Fund. Budgetary comparison schedules are not required and have not been presented for the Water, Sewer and Stormwater Fund.

Cash and Cash Equivalents: Cash and cash equivalents include amounts in demand deposits as well as in money market accounts and in highly liquid investments with an original maturity of three months or less. For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Investments: Statutes authorize the City to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds. In addition, the City may invest in direct debt securities of the United States unless law expressly prohibits such an investment.

Receivables: Receivables in the proprietary fund consist of water, sewer, and stormwater bills owed by City residents and commercial customers and financed water connection charges. The City has no significant concentration in receivables that, if uncollected, would materially affect the financial statements. The City evaluates the collectability of its receivables based on a combination of factors. Management believes that all amounts will be collected in full and no allowance for doubtful accounts has been established.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Capital Assets and Depreciation: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized as assets in the government-wide statement of net position. General capital assets are carried at historical cost. Where cost cannot be determined from the available records, estimated historical cost has been used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at acquisition value at the date of donation.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated lives for each major class of depreciable capital assets are as follows:

Buildings and improvements	30 years
Improvements other than building	10-30 years
Furniture, fixtures, and equipment	3-10 years
Street improvements	30 years

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will periodically report a separate section for deferred outflows of resources. This separate financial statement element 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's deferred outflows of resources relate to the pensions (Note 3).

In addition to liabilities, the statement of net position will periodically report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's deferred inflows of resources relate to the pensions (Note 3).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Unearned Revenues: Unearned revenues in the General Fund consists of payments to the City received in advance for licenses and permits, as well as American Rescue Plan Act (ARPA) monies. In addition, unearned revenues in the Water, Sewer and Stormwater Fund consist of payments from certain customers for future water and sewer expenses.

Compensated Absences: All full-time and part-time employees who work a regular schedule shall be granted annual leave with pay. The schedule is graded based on full-time or part-time status and on the number of years worked. For example, a full-time employee earns 12 days of vacation after 12 months of employment.

Vacation may be carried over from one year to the next. However, employees must use two-thirds of current year vacation by the end of the fiscal year and are able to accrue one-third for use in the subsequent fiscal year or for payout upon termination. Termination payments are limited to a maximum of 240 hours for employees with more than one but less than 20 years of service and 500 hours for employees with 20 or more years of service.

Sick leave will be earned at the rate of one day per month not to exceed 12 days per fiscal year for all full-time employees. Sick leave will begin to accrue when the employee has been in service of the City for six months. Employees can accrue 100% of unused sick leave per fiscal year with no maximum. Termination payments are limited to a maximum of 50% of accrued sick time for employees with more than five but less than ten years of service, 480 hours, plus half of the remaining time up to 960 hours for employees with more than ten but less than 25 years of service, and 100% of accrued sick time up to 960 hours for employees with more than 25 years of service. Employees with less than five years of service are not eligible for sick leave payout. Due to the COVID-19 pandemic, limits on leave time that can be cashed out have been removed.

Net Position: Net position in the government-wide and proprietary funds are categorized as net investment in capital assets, restricted, or unrestricted. Net investment in capital assets is the difference between the cost of capital assets, less accumulated depreciation and reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

Restricted consists of net position with constraints placed on their use by external parties (creditors, grantors, contributors, or laws and regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted indicates that portion that does not meet the definition of either of the two other components.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Net Position (Continued):
In governmental fund types, the difference between assets and deferred outflows of resources less liabilities, and deferred inflows of resources, is fund balance.

Fund Balance: The City follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either: (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either: (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Council. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Council.

Assigned: This classification includes amounts that are designated for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Council.

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

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property Taxes: Property taxes attach as an enforceable lien on property as of April 1. Tax rolls are completed and become measurable in January. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 became delinquent April 1 of the following year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

Pension Plan: The City's police officers and general employees participate in the Florida Retirement System (FRS). FRS is a consolidated state-wide retirement system for Florida's public employees administered by the Division of Retirement of the State of Florida.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results may ultimately differ from those estimates.

Date of Management Review: Subsequent events were evaluated by management through June 25, 2026 which is the date the financial statements were available to be issued.

Deposits: GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires governments to disclose deposits and investments exposed to custodial credit risk. For deposits, this is the risk that, in the event of the failure of a depository financial institution, a government may not be able to recover deposits nor be able to recover collateral securities that are in the possession of an outside party.

The City's deposits must be placed with banks and savings and loans which are qualified as public depositories under Chapter 280, Florida Statutes. Monies deposited in amounts greater than the insurance coverage are covered by the participation of the bank in the Florida Security for Public Deposits Act. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

At September 30, 2025, the carrying amount of the City's deposits was $2,344,211, with a bank balance of $2,542,515. Included in the carrying amount of deposits was $1,510 cash on hand.

NOTE 2. DEPOSITS AND INVESTMENTS

Investments – City: The investment of funds is authorized by Florida Statutes, which allows the City to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the United States Treasury.

Total cash, cash equivalents, and investments as of September 30, 2025 are summarized as follows:

Statement of Net Position:		
Cash and cash equivalents	$	1,860,399
Restricted cash and cash equivalents		483,812
Investments		5,273,009
Restricted investments		1,608,155
	$	9,225,375

Statement of Net Position:		
Cash deposited with financial institutions	$	2,342,701
U.S. Treasury Securities		6,881,164
Petty cash		1,510
	$	9,225,375

As of September 30, 2025, the City's investment maturities and credit rating were as follows:

	Fair Value	Maturity	Standard and Poor's Rating
U.S. Treasury Securities	$ 6,881,164	1-5 years	AAA

Restricted Cash Equivalents and Investments: The proprietary fund maintains cash equivalents and investments restricted for the following purposes:

Renewal and replacement	$	50,000
Water capacity		566,779
Sewer capacity		31,962
Capital		483,812
Other		959,414
	$	2,091,967

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Hierarchy: GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Various inputs are used in determining the fair value of investments. These inputs are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 – investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – investments reflect prices that are based on similar observable assets, either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – investments reflect prices based upon unobservable sources.

The fair value of financial instruments under GASB No. 72, for the City's investments are as follows:

Investments	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
U.S. Treasury Securities	$ 6,881,164	$ 6,881,164

NOTE 3. RETIREMENT PLAN

Florida Retirement System

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

NOTE 3. RETIREMENT PLAN (CONTINUED)

Florida Retirement System (Continued)

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (877) 377-1737 or by visiting the website:

http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

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

Benefits Provided: Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service times their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% times the years of service times their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service (3.33% for judges and justices) times their final average compensation based on the five highest years of salary for each year of credited service.

NOTE 3. RETIREMENT PLAN (CONTINUED)

Pension Plan (Continued)

Benefits Provided (Continued):
For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before August 1, 2011, the annual cost of living adjustment ("COLA") is 3% per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3%. Each Plan member with an effective retirement date of August 1, 2011 or after, will have an individual COLA factor for retirement. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions: Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025, respectively, were as follows: Regular – 13.63% and 14.03%; Special Risk Administrative Support – 39.82% and 39.48%; Special Risk – 32.79% and 35.19%; Senior Management Service – 34.52% and 33.24%; Elected Officers' – 62.97% and 62.66%; and DROP participants – 21.13% and 22.02%. These employer contribution rates include 2.00% HIS Plan subsidy for the period October 1, 2024 through September 30, 2025.

NOTE 3. RETIREMENT PLAN (CONTINUED)

HIS Plan

Plan Description: The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided: For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2025, the HIS contribution was 2.00%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: In its financial statements for the year ended September 30, 2025, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2025, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2025. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 2,682,815	$ 708,481
Proportion at:		
Current measurement date	0.0086444%	0.0055275%
Prior measurement date	0.0078537%	0.0050865%
Pension expense	$ 197,064	$ 20,455

NOTE 3. RETIREMENT PLAN (CONTINUED)

HIS Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued):

As of September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 286,553	$ -	$ 4,229	$ 1,124
Change of assumptions	311,545	-	6,271	171,363
Net difference between projected and actual earnings on Pension Plan investments	-	447,923	-	590
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	369,844	155,769	116,784	63,811
City Pension Plan contributions subsequent to the measurement date	148,248	-	13,257	-
Total	$ 1,116,190	$ 603,692	$ 140,541	$ 236,888

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2026. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	FRS	HIS
2026	$ 1,054,526	$ (24,179)
2027	(187,361)	(28,948)
2028	(280,393)	(24,372)
2029	(222,522)	(19,532)
2030	-	(12,573)
	$ 364,250	$ (109,604)

NOTE 3. RETIREMENT PLAN (CONTINUED)

HIS Plan (Continued)

Actuarial Assumptions: The total pension liability for each of the defined benefit plans, measured as of June 30, 2025 was determined by an actuarial valuation dated July 1, 2025, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	5.20%

Mortality assumptions for both plans were based on the PUB-2010 tables with Scale MP-2021.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2025 were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The following changes in key actuarial assumptions occurred in 2025:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.93% to 5.20%.

NOTE 3. RETIREMENT PLAN (CONTINUED)

HIS Plan (Continued)

Actuarial Assumptions (Continued):
The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.5%

(1) As outlined in the Pension Plan's investment policy

Discount Rate: The discount rate used to measure the total pension liability for FRS was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because HIS is essentially funded on a pay-as-you-go basis, a municipal bond rate of 5.20% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

NOTE 3. RETIREMENT PLAN (CONTINUED)

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
City's proportionate share of the net pension liability	$ 5,264,984	$ 2,682,815	$ 517,963	$ 798,926	$ 708,481	$ 632,626

Pension Plan Fiduciary Net Position

Detailed information regarding the pension plans' fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan

At September 30, 2025, the City reported a payable in the amount of $0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2025.

Investment Plan

The SBA (State Board of Administration) administered the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Defined Benefit Plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members' accounts, are defined by law, but the ultimate benefit depends, in part, on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

NOTE 3. RETIREMENT PLAN (CONTINUED)

Investment Plan (Continued)

Allocations to the investment members' accounts during the 2024-2025 fiscal year, as established by Section 121.72, Florida Statutes, are based on percentage of gross compensation, by class, as follows:

Class	Allocation Rate
Elected officials	13.34%
Senior management	9.67%
Special risk	16.00%
Regular employees	8.30%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan vesting is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on these funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was as follows:

	Balance October 1, 2024	Additions	Deletions	Transfers	Balance September 30, 2025
Governmental activities					
Capital assets, not being depreciated					
Land	$ 2,842,213	$ -	$ -	$ -	$ 2,842,213
Total capital assets, not being depreciated	2,842,213	-	-	-	2,842,213
Capital assets, being depreciated					
Buildings and improvements	1,505,299	-	-	-	1,505,299
Street improvements	5,718,647	-	-	-	5,718,647
Land improvements	337,263	-	-	-	337,263
City entrances	632,804	24,000	-	-	656,804
Furniture, fixtures and equipment	1,441,684	82,727	-	-	1,524,411
Lighting	141,197	12,283	-	-	153,480
Park development	476,980	-	-	-	476,980
Vehicles	554,468	76,555	-	-	631,023
Total capital assets being depreciated	10,808,342	195,565	-	-	11,003,907
Less accumulated depreciation	8,773,160	163,432	-	-	8,936,592
Total capital assets, being depreciated, net	2,035,182	32,133	-	-	2,067,315
Governmental activities capital assets, net	$ 4,877,395	$ 32,133	$ -	$ -	$ 4,909,528
Business-type activities					
Capital assets, not being depreciated					
Land	$ 132,000	$ -	$ -	$ -	$ 132,000
Total capital assets, not being depreciated	132,000	-	-	-	132,000
Capital assets, being depreciated					
Buildings and improvements	245,104	-	-	-	245,104
Improvements other than buildings	4,902,897	-	-	-	4,902,897
Furniture, fixtures and equipment	241,299	9,264	-	-	250,563
Vehicles	320,718	-	-	-	320,718
Total capital assets being depreciated	5,710,018	9,264	-	-	5,719,282
Less accumulated depreciation	4,482,883	142,682	-	-	4,625,565
Total capital assets, being depreciated, net	1,227,135	(133,418)	-	-	1,093,717
Business-type activities capital assets, net	$ 1,359,135	$ (133,418)	$ -	$ -	$ 1,225,717

NOTE 4. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the fiscal year ended September 30, 2025 was charged to functions/programs as follows:

Governmental activities	
General government	$ 30,583
Law enforcement	51,498
Physical environment	81,351
Total depreciation expense, governmental activities	$ 163,432
Business-type activities	
Water and sewer systems	$ 142,682
Total depreciation expense, business-type activities	$ 142,682

NOTE 5. COMPENSATED ABSENCES PAYABLE

Compensated absences payable activity for the year ended September 30, 2025 was as follows:

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025	Due Within One Year
Benefits payable - vacation and sick					
Governmental activities	$ 521,175	$ 50,383	$ -	$ 571,558	$ 57,156
Business-type activities	17,496	-	(6,082)	11,414	1,141
	$ 538,671	$ 50,383	$ (6,082)	$ 582,972	$ 58,297

NOTE 6. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan (the "457 Plan") created in accordance with Internal Revenue Code Section 457. The 457 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 unforeseeable emergency. The City has no liability or fiduciary responsibility for this Plan, therefore, it is not included in the City's financial statements.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Risk Management: The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the City carries commercial insurance. There were no significant reductions in insurance coverage from coverage in the prior year and there were no settlements that exceeded insurance coverage for each of the past three years. The City provides employee medical benefits through commercial insurance coverage.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Risk Management (Continued):
The City insures against loss from damage, theft, litigation and other hazards and contingencies through the Preferred Government Insurance Trust.

As a member of each of the Insurance Trusts with the Preferred Government Insurance Trust, the responsibility of the City is to pay those premiums charged by the non-assessable pool for property, liability, and workers' compensation coverages. The pool is responsible for paying all claims incurred by the City, less stop loss deductibles for general/professional and automobile liability coverage in the amounts of $10,000 and $2,500 respectively; and a deductible for property and allied insurance of $500. The City may terminate the membership based on a 60 days' notice to the pool. All pool policies are on an occurrence basis.

Major uninsurable risks include damage to infrastructure assets. Since the amount of loss cannot be reasonably estimated and the likelihood of occurrence is not determinable, no provision for losses is reflected in the financial statements.

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund receivables and payables are attributable to reimbursements due to various funds for the disbursement of monies initially made from it that are properly applicable to another fund. Interfund receivables and payables at September 30, 2025 include an amount due to the Capital Projects Fund from the General Fund for $5,782 due to a deficit pooled cash balance in the General Fund. The General Fund advanced $684,691 to the Water, Sewer, and Stormwater Fund to fund capital expenditures. The advance will be repaid over ten years.

Interfund transfers are made up of management fees paid to the General Fund from the Water, Sewer and Stormwater Fund and for payments made for retirement obligations in the Water, Sewer and Stormwater Fund. Payments from the Construction Services Fund to the General Fund for payments made on behalf of the Construction Services Fund, and from the General Fund to the Capital Projects Fund for the acquisition of capital assets to be utilized by the General Fund.

Interfund transfers for the year ended September 30, 2025 are summarized as follows:

	Transfers In	Transfers Out
General Fund	$ 288,500	$ 676,359
Construction Services Fund	-	7,500
Capital Projects Fund	676,359	-
Water, sewer and stormwater	-	281,000
Total	$ 964,859	$ 964,859

REQUIRED SUPPLEMENTARY INFORMATION

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BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes				
Property taxes, including penalties and interest	$ 4,201,502	$ 4,201,502	$ 4,289,635	$ 88,133
Other taxes	763,075	763,075	773,476	10,401
Total taxes	4,964,577	4,964,577	5,063,111	98,534
Licenses and permits				
Building and other permits	-	-	1,755	1,755
Total licenses and permits	-	-	1,755	1,755
Franchise fees				
Electric	290,000	290,000	379,265	89,265
Gas	10,000	10,000	10,974	974
Sanitation	17,000	17,000	48,540	31,540
Total franchise fees	317,000	317,000	438,779	121,779
Intergovernmental				
Grants and aid	6,000	6,000	700,477	694,477
State revenue sharing	224,200	224,200	292,343	68,143
County shared revenue	10,000	10,000	14,505	4,505
Total intergovernmental	240,200	240,200	1,007,325	767,125
Fines and forfeitures	13,000	13,000	36,185	23,185
Assessments	707,742	707,742	722,821	15,079
Charges for services	525,600	525,600	485,640	(39,960)
Interest income	22,000	22,000	123,477	101,477
Fundraising and donations	6,000	6,000	6,144	144
Miscellaneous revenues	37,000	37,000	36,804	(196)
Total revenues	6,307,519	6,307,519	7,922,041	1,113,803
Expenditures				
General government				
Legislative	60,500	60,500	77,078	(16,578)
Executive	604,445	718,544	719,997	(1,453)
Financial	234,480	234,480	268,017	(33,537)
Legal services	73,800	107,089	123,398	(16,309)
Maintenance and supervision	159,568	159,568	155,974	3,594
Public safety				
Law enforcement	3,457,159	3,457,159	3,936,544	(479,385)
Fire control	1,107,116	1,107,116	1,145,354	(38,238)
Public works - operating expenses	85,800	96,841	47,878	48,963
Physical environment	821,182	821,182	888,025	(66,843)
Contingency	32,569	32,569	-	32,569
Total expenditures	6,636,619	6,795,048	7,362,265	(567,217)
Deficiency of revenues under expenditures	(329,100)	(487,529)	559,776	546,586
Other financing sources (uses)				
Use of fund balance	-	158,429	-	(158,429)
Transfers in	288,500	288,500	288,500	-
Transfers out	(485,000)	(485,000)	(676,359)	(191,359)
Total other financing sources (uses)	(196,500)	(38,071)	(387,859)	(349,788)
Change in fund balance	(525,600)	(525,600)	171,917	196,798
Fund balance, beginning of year	1,624,336	1,624,336	1,624,336	-
Fund balance, end of year	$ 1,098,736	$ 1,098,736	$ 1,796,253	$ 196,798

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

BUDGETARY COMPARISON SCHEDULE
CONSTRUCTION SERVICES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Licenses and permits				
Building and other permits	$ 252,000	$ 252,000	$ 548,254	$ 296,254
Total licenses and permits	252,000	252,000	548,254	296,254
Interest income	2,000	2,000	44,306	42,306
Total revenues	254,000	254,000	592,560	338,560
Expenditures				
Physical environment	241,560	241,560	329,847	(88,287)
Excess of revenues over expenditures	12,440	12,440	262,713	426,847
Other financing uses				
Transfers out	(7,500)	(7,500)	(7,500)	-
Change in fund balance	4,940	4,940	255,213	426,847
Fund balance, beginning of year	991,555	991,555	991,555	-
Fund balance, end of year	$ 996,495	$ 996,495	$ 1,246,768	$ 426,847

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

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS– FLORIDA RETIREMENT SYSTEM PENSION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(UNAUDITED)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.0086%	0.0079%	0.0075%	0.0082%	0.0067%	0.0087%	0.0115%	0.0094%	0.0099%	0.0103%
Proportionate share of the net pension liability	$ 2,682,815	$ 3,038,191	$ 3,008,239	$ 3,046,565	$ 507,440	$ 3,781,891	$ 3,965,943	$ 2,854,832	$ 2,946,064	$ 2,597,062
Covered payroll	$ 2,476,641	$ 2,152,654	$ 1,968,223	$ 1,931,396	$ 1,752,213	$ 1,809,941	$ 2,297,543	$ 1,834,588	$ 1,794,096	$ 1,749,143
Proportionate share of the net pension liability as a percentage of its covered payroll	108.32%	141.14%	152.84%	157.74%	28.96%	208.95%	172.62%	155.61%	164.21%	148.48%
Plan fiduciary net position as a percentage of total pension liability	87.26%	82.38%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS– RETIREE HEALTH INSURANCE SUBSIDY PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(UNAUDITED)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.0055%	0.0050%	0.0050%	0.0052%	0.0043%	0.0052%	0.0067%	0.0055%	0.0055%	0.0057%
Proportionate share of the net pension liability	$ 708,481	$ 763,021	$ 788,996	$ 554,748	$ 527,047	$ 629,776	$ 746,129	$ 584,977	$ 592,823	$ 661,368
Covered payroll	$ 2,476,641	$ 2,152,654	$ 1,968,223	$ 1,931,396	$ 1,752,213	$ 1,809,941	$ 2,297,543	$ 1,834,588	$ 1,794,096	$ 1,749,143
Proportionate share of the net pension liability as a percentage of its covered payroll	28.61%	35.45%	40.09%	28.72%	30.08%	34.80%	32.48%	31.89%	33.04%	37.81%
Plan fiduciary net position as a percentage of total pension liability	4.54%	4.54%	6.09%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(UNAUDITED)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 540,938	$ 459,490	$ 380,720	$ 290,250	$ 277,962	$ 280,562	$ 235,027	$ 256,450	$ 267,086	$ 251,458
Contributions in relation to the contractually required contribution	540,938	459,490	380,720	290,250	277,962	280,562	235,027	256,450	267,086	251,458
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,534,493	$ 2,238,320	$ 2,005,374	$ 1,729,080	$ 1,908,850	$ 1,752,213	$ 2,344,515	$ 1,829,562	$ 1,415,330	$ 1,355,326
Contributions as a percentage of covered payroll	21.34%	20.53%	18.98%	16.79%	14.56%	16.01%	10.02%	14.02%	18.87%	18.55%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS – RETIREE HEALTH INSURANCE SUBSIDY PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(UNAUDITED)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 50,559	$ 44,778	$ 30,299	$ 28,703	$ 31,687	$ 29,087	$ 38,919	$ 30,371	$ 58,176	$ 58,357
Contributions in relation to the contractually required contribution	50,559	44,778	30,299	28,703	31,687	29,087	38,919	30,371	58,176	58,357
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,534,493	$ 2,238,320	$ 2,005,374	$ 1,729,080	$ 1,907,850	$ 1,752,213	$ 2,344,515	$ 1,829,562	$ 1,794,096	$ 1,749,143
Contributions as a percentage of covered payroll	1.99%	2.00%	1.51%	1.66%	1.66%	1.66%	1.66%	1.66%	3.24%	3.34%

COMPLIANCE SECTION

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and Members of
the City Council,
City of Atlantis, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of the City of Atlantis, Florida (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2026.

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. 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 results 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 25, 2026

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards and State Projects

Federal and state Single Audits were not required as the City did not expend greater than $1,000,000 of federal awards or $750,000 of state funds during the year ended September 30, 2025.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV
PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None reported.

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Management Letter

Honorable Mayor and Members of
the City Council,
City of Atlantis, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Atlantis, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 25, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 25, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. No audit findings were noted in the City's preceding financial audit report.

Official Title and Legal Authority

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

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MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, to 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.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor and Members of the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 25, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Accountant's Report

Honorable Mayor and Members of
the City Council,
City of Atlantis, Florida

We have examined the City of Atlantis, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the 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 the aforementioned requirements during the year ended September 30, 2025.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 25, 2026

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