Annual Comprehensive Financial Report

Bonita Springs, Florida

Fiscal Year Ended September 30, 2025

City of Bonita Springs, Florida

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2025

Prepared by the Finance Department

Director of Financial and Administrative Services
Lisa Griggs Roth, CPA

Evan Grant, CPA
Carol Eden
Jack Raynal
Brenda Reetz
Melissa Stout

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City of Bonita Springs Florida

Small Town Charm.
Big Bright Future.

Introductory Section

9101 Bonita Beach Road
Bonita Springs, FL 34135
Tel: (239) 949-6262
www.cityofbonitasprings.org

Mike Gibson
Mayor

Jamie A. Bogacz
Council Member
District One

Jesse Purdon
Council Member
District Two

Laura Carr
Council Member
District Three

Chris Corrie
Council Member
District Four

Nigel P. Fullick
Council Member
District Five

Jim Fitzpatrick
Council Member
District Six

Arleen M. Hunter
City Manager
(239) 949-6267

Derek P. Rooney
City Attorney
(239) 949-6254

City Clerk
(239) 949-6248

Public Works
(239) 949-6246

Neighborhood Services
(239) 949-6257

Parks & Recreation
(239) 992-2556

Community Development
(239) 444-6150

June 26, 2026

Citizens of Bonita Springs,
Honorable Mayor and
Members of City Council
City of Bonita Springs
Bonita Springs, Florida

We are pleased to present to you the Annual Comprehensive Financial Report of the City of Bonita Springs, Florida (City) for the fiscal year ended September 30, 2025. Chapter 218.39 Florida Statutes requires that a complete set of financial statements be published within nine months of the fiscal year end. This report is published to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

In addition, the City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by City Council.

In compliance with the laws of the State of Florida, the City's financial statements have been audited by Ashley, Brown & Company, Certified Public Accountants, a firm of licensed certified public accountants. The independent auditor has issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended September 30, 2025. The independent auditor's report is presented as the first component of the financial section of this report.

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

This report also includes the City's Single Audit of Federal Award Programs, which begins on page 98. We are pleased to report there are no findings or questioned costs reported by the auditor.

Profile of the Government

The City incorporated on December 31, 1999, is located in the southwest part of the state and located in Lee County. The City currently occupies a land area of 46 square miles and serves an estimated population of 55,795. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and six Council Members, all elected on a non-partisan basis. Council members serve four-year staggered terms, with three or four council members elected every two years. The Mayor is elected to serve a four-year term and is elected-at-large. The six Council Members are elected by district. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City provides the following services: public works, streets, roads, storm water management, development services, parks and recreation, natural resources, code enforcement, and general and administrative services. The City of Bonita Springs uses the "government lite" concept of outsourcing City services to minimize expenditures while providing quality services to the community.

Economic condition and outlook

The national and state economics are key factors in assessing the City's future picture. Changes in the national, state and local economies can affect both revenues and expenditures due to the impact of tax receipts and the costs of providing City services. While economic changes at the state and national level can often translate into comparable changes locally, it is important to note that the City of Bonita Springs and the Southwest Florida region often behave differently, showing economic trends and reflecting experience that may lag or precede noticed changes elsewhere.

The total taxable property value in the City increased 3.95% during fiscal year 2025.

Long-term financial planning and major initiatives

The City completes a five-year financial forecast. Capital projects are documented in a ten-year capital plan. This helps recognize when major cash infusions will be necessary. These infusions may come from the issuance of debt, grants, new revenue sources, impact fees and/or a build-up of fund balance. Any or all of these methods may be utilized. Not as obvious, but just as important, is the increase in services, with the costs associated with these services, requested by citizens or mandated by external forces.

City Council adopted the following Strategic Priorities in March 2025.

1. Improve Stormwater Management and Resiliency
2. Improve Vehicular and Multimodal Transportation Networks
3. Enhance Community Aesthetics, Parks and Facilities
4. Environmental Protection
5. Strengthen City Finances
6. Government Transparency and Efficiency
7. Economic Development

Relevant Financial Policies

Budgetary control is established by Section 45 of the City Charter, which requires the adoption of an annual budget and Section 46 which provides for amendments to the budget after adoption. Budgetary control throughout the fiscal year is maintained through monthly monitoring of actual activity compared to the budget. Section 47 of the City Charter addresses the lapse of annual appropriations at the close of the fiscal year, except an appropriation for a capital expenditure.

The Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety) and department (e.g., public works). Department heads may transfer resources within a department as they see fit, however, transfers between departments require the approval of the City Council.

Budget-to-actual comparisons are provided in this report for the general fund and for the special revenue funds that are considered major funds. These comparisons are presented on pages 58-60 respectively as part of the required supplementary information. Budget-to-actual comparisons for special revenue funds that are considered non-major funds and the debt service funds fund are presented beginning on page 68.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bonita Springs for its annual comprehensive financial report for the fiscal year ended September 30, 2024. This was the fourteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this annual comprehensive financial report would not have been possible without the efficient and dedicated service of the Finance Department, as well as the support of all City staff. Their continuing effort toward improving the accounting and financial reporting systems improves the quality of information reported to the City Council, State and Federal Agencies and the citizens of the City of Bonita Springs.

Appreciation is also extended to the Mayor and City Council members for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Bonita Springs' finances and to our external auditors, Ashley, Brown & Company, for their assistance.

Respectfully submitted,

Arleen M. Hunter, AICP
City Manager

Lisa Roth

Lisa Griggs Roth, CPA
Director of Financial and Administrative Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bonita Springs
Florida

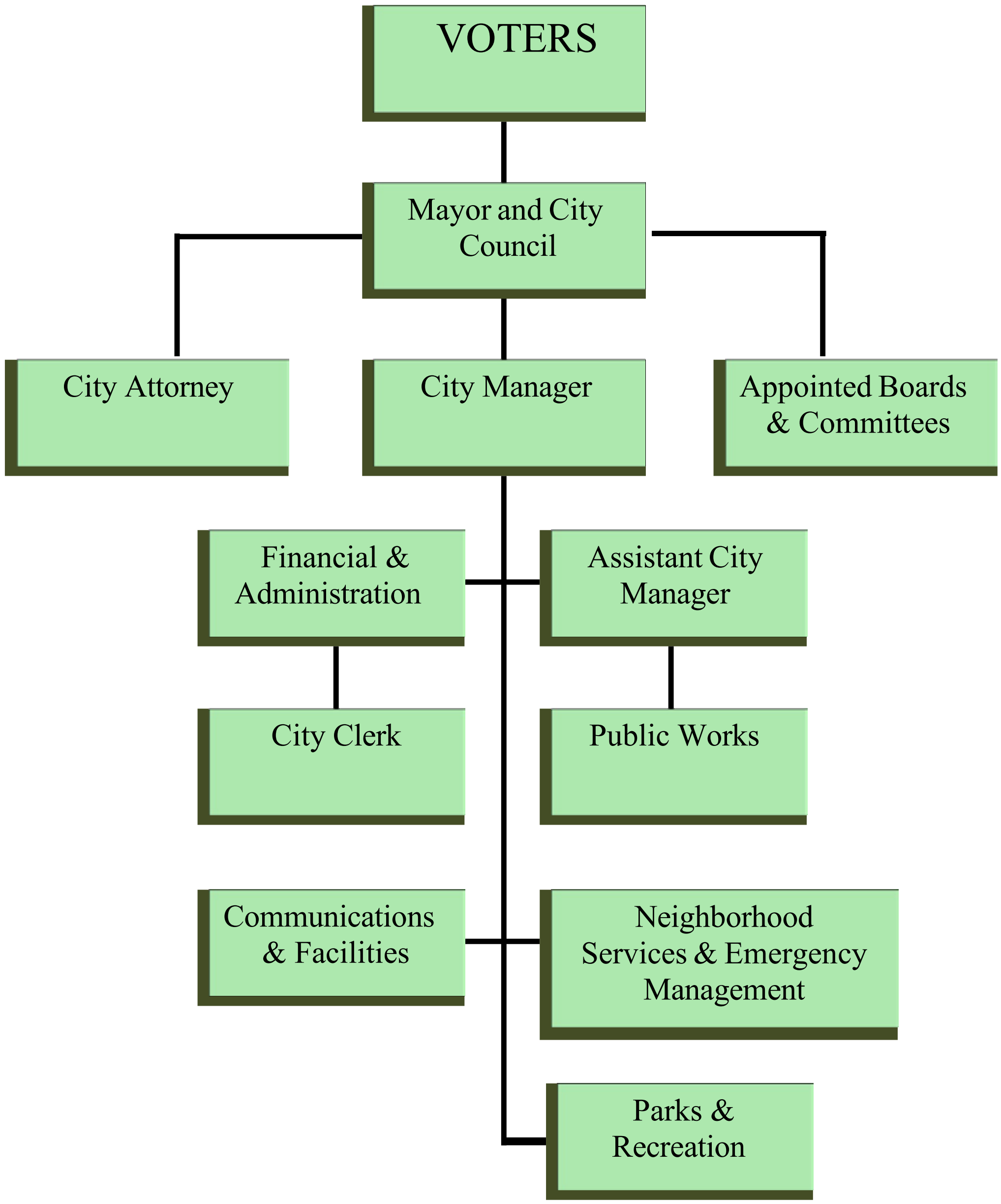
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

City of Bonita Springs
Organizational Chart



City of Bonita Springs, Florida

Principal Officials

As of September 30, 2025

Front Row:

Laura Carr *District Three*	Mike Gibson *Mayor*	Jamie A. Bogacz *District One*

Back Row:

Jesse Purdon *Deputy Mayor*	Chris Corrie *District Four*	Nigel Fullick *District Five*	Jim Fitzpatrick *District Six*

Arleen Hunter, City Manager
Derek Rooney, City Attorney
Matt Feeney, Assistant City Manager

Financial Section

ASHLEY & BROWN & SMITH
CERTIFIED PUBLIC ACCOUNTANTS

PHONE: 941.639.6600 | FAX: 941.639.6115
366 E OLYMPIA AVE, PUNTA GORDA, FL 33950
AshleyBrownCPAS.com

Independent Auditors' Report

To the Honorable Mayor, City Council and City Manager
City of Bonita Springs, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Bonita Springs, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 these 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 Statements of America require that the management's discussion and analysis, budgetary comparison information, and other required supplementary information, 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 inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 26, 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 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 consideration the City's internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPA's, P.A.

Punta Gorda, Florida
June 26, 2026

Management's Discussion and Analysis

As management of the City of Bonita Springs, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Bonita Springs for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on the pages prior to this report.

FINANCIAL HIGHLIGHTS

- At the close of the current fiscal year, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources, resulting in a net position of $271,145,397 all of which are related to governmental activities.
- The City's total net position increased $30,097,299 or 12.5%, in comparison to the prior fiscal year primarily as a result of government revenue exceeding expenses.
- The unrestricted net position, which represents the amounts available to meet the City of Bonita Springs ongoing obligations to citizens and creditors, was $55,240,830 and increased $6,020,472, or 12.2% related mainly to an increase in general revenue.
- Total revenues increased $7,216,600, or 12.24%, due to an increase of $6,127,364 in program revenues and an increase of $1,089,236 in general revenues.
- Total expenses increased $5,156,736, or 17.0%, in comparison to the prior year. This change was primarily driven by increased expenditures related to the joint sewer-septic replacement projects with Bonita Springs Utilities.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of $114,997,123, an increase of $4,740,299 in comparison with the prior year. Of this amount, $6,948,841 or 6.0%, is unassigned and available for spending at the government's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both government-wide financial statements distinguish functions of a government that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, transportation, culture and recreation. The City does not currently have any business-type activities, nor does it have any component units or fiduciary funds.

The government-wide financial statements can be found on pages 20-21 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Bonita Springs can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The City's fund financial statements have only one category, which is the governmental funds. We are not required to establish a proprietary or fiduciary fund.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between *governmental funds* and *governmental activities.*

The City of Bonita Springs maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the grant fund, the road impact fee fund, and the capital projects fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual budget for each of its funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with the adopted and final revised budget. The budgetary comparison statement for the General Fund is presented on page 58. The budgetary statements for the other funds are presented on pages 59-60 and on pages 68-76.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 58-63.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Budgetary comparison schedules are included for all governmental funds for which a budget was legally adopted. These schedules demonstrate compliance with the City's adopted and revised budget. Combining and individual fund statements and schedules can be found on pages 66-67 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $271,145,397 at the close of the most recent fiscal year.

City of Bonita Springs, Florida

Summary of Net Position

September 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Assets:		
Current and other assets	$ 119,598,860	$ 119,495,317
Capital assets	169,879,661	145,927,797
Total assets	289,478,521	265,423,114
Deferred outflows of resources:	1,054,976	1,186,417
Liabilities:		
Other liabilities	4,168,035	8,813,949
Non-current liabilities	14,265,796	16,019,279
Total liabilities	18,433,831	24,833,228
Deferred inflows of resources:	954,269	728,205
Net position:		
Net investment in capital assets	160,012,373	136,491,730
Restricted	55,892,194	55,336,010
Unrestricted	55,240,830	49,220,358
Total net position	$ 271,145,397	$ 241,048,098

The governmental activities increased the City's total assets by $24,055,407, decreased the deferred outflows of resources by $131,441, decreased the City's total liabilities by $6,399,397, increased the deferred inflows of resources by $226,064, and increased the total net position by $30,097,299.

Capital assets increased in governmental activities by $23,951,864 from the prior year primarily due to the purchase of parcels of land related to the City's commitment to improve stormwater retention.

Other liabilities decreased by $4,645,914. The decrease resulted primarily from a decrease in accrued liabilities of $5,113,086 due to the release of construction bond deposits.

Long-term liabilities, which consist of loans, compensated absences, and pension obligations, decreased by $1,753,483 from the previous year for governmental activities. The decrease is primarily due to payments made on the City's debt obligations.

Net investment in capital assets is the largest portion of net position. This represents the City's investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, furniture, and infrastructure), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The net investment in capital assets balance of $160,012,373 (59.0 % of total net position) increased $23,520,643 or 17.2%, in comparison to the prior year. This increase was the result of the expenses for projects included in the capital improvement plan for the City.

The restricted net position balance of $55,892,194 or (20.6% of total net position) increased $556,184, or 1.0%, when compared to the prior year, as a result of increases in restricted revenues which exceeded expenses. This represents assets that are subject to external restrictions on how they are used.

As of the end of the current fiscal year, the City has an unrestricted net position of $55,240,830 (20.4% of total net position), which reflects an increase of $6,020,472 or 12.2%, in comparison to the prior year. The unrestricted net position balance represents assets that are available for spending at the City's discretion. The reasons for these overall changes are discussed in the following sections for governmental activities.

At fiscal year ended September 30, 2025, the City is able to report positive balances in all three categories of net position.

Governmental Activities. During the current fiscal year, net position resulting from governmental activities increased by $30,097,299, or 12.5% and resulted in an increase in total revenues of $7,216,600 or 12.4%. These changes were primarily driven by an increase of $14,106,523 in capital grants and contributions, offset by a decrease in impact fees of $7,131,804.

The following schedule compares the key elements of the changes in net position for the primary government for the current and previous fiscal years.

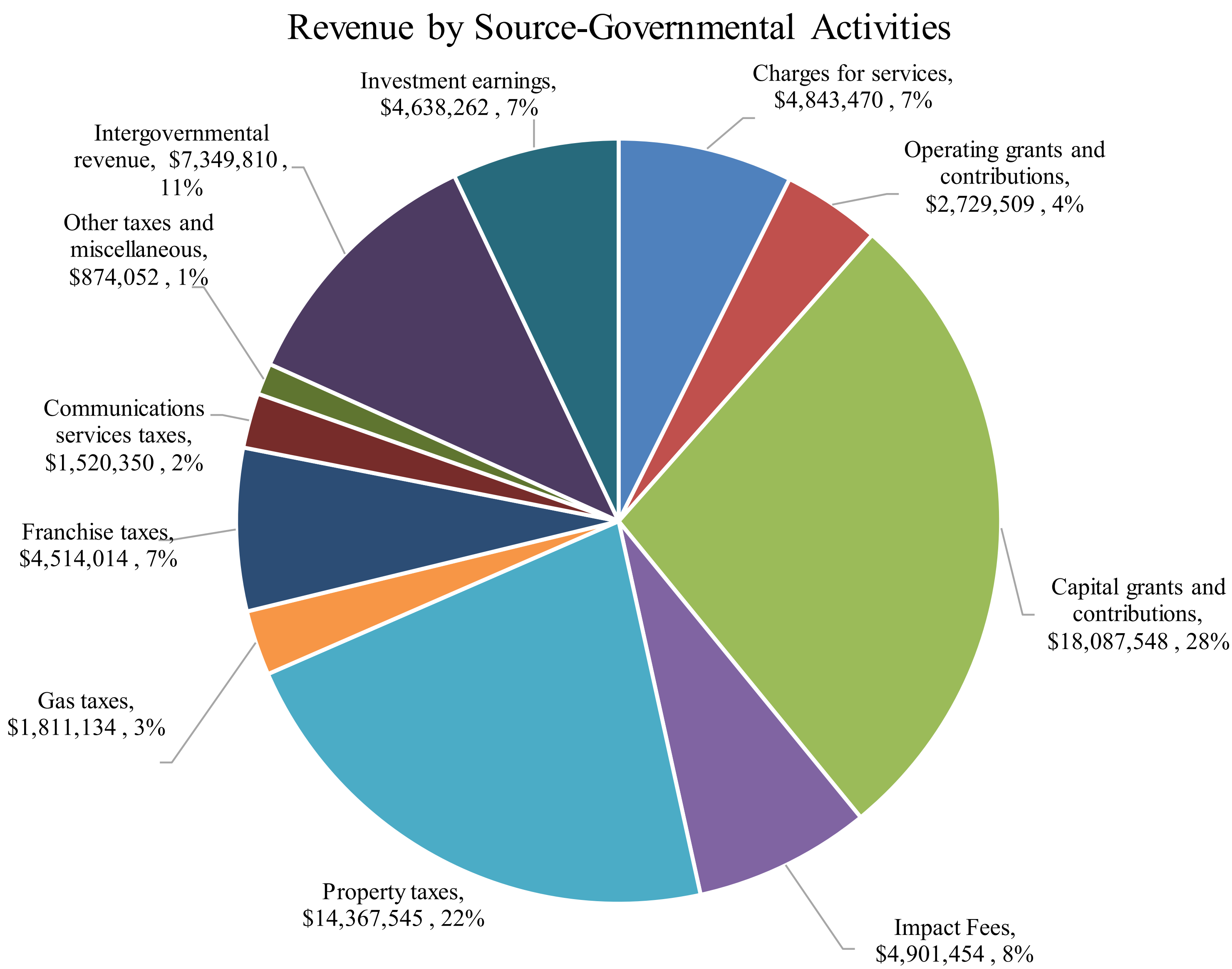
City of Bonita Springs, Florida

Changes in Net Position

September 30, 2025 and 2024

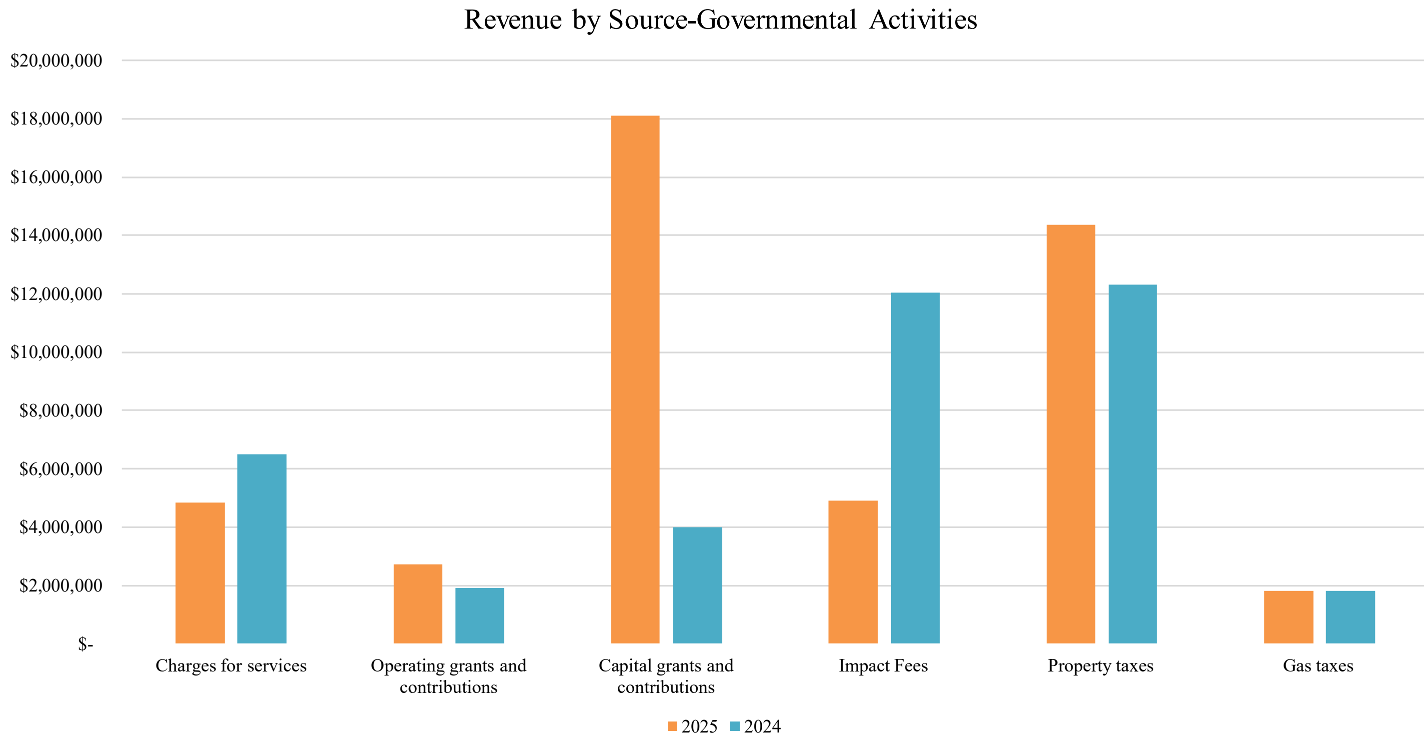
	Governmental Activities	
	2025	2024
Revenues:		
Program Revenues:		
Charges for services	$ 4,843,470	$ 6,490,473
Operating grants and contributions	2,729,509	1,929,861
Capital grants and contributions	18,087,548	3,981,025
Impact Fees	4,901,454	12,033,258
General Revenues:		
Property taxes, levied for general purposes	14,367,545	12,326,739
Gas taxes	1,811,134	1,796,809
Franchise taxes	4,514,014	4,389,887
Communications services taxes	1,520,350	1,487,093
Other taxes	30,390	30,162
Intergovernmental revenue	7,349,810	9,384,924
Investment earnings	4,638,262	4,415,197
Miscellaneous	843,662	155,120
Total revenues	65,637,148	58,420,548
Expenses:		
General government	7,333,019	6,768,545
Public safety	8,297,001	7,320,798
Physical environment	4,080,608	1,308,418
Transportation	9,804,346	9,539,397
Economic environment	893,332	787,693
Human services	166,476	132,938
Culture and recreation	4,727,606	4,214,709
Interest on long-term debt	237,461	310,615
Total expenses	35,539,849	30,383,113
Increase (decrease) in net position	30,097,299	28,037,435
Net position - beginning	241,048,098	213,010,663
Net position - ending	$ 271,145,397	$ 241,048,098

The following is a chart of fiscal year 2025 revenues by source for governmental activities, showing the percentage of total revenues from each source.



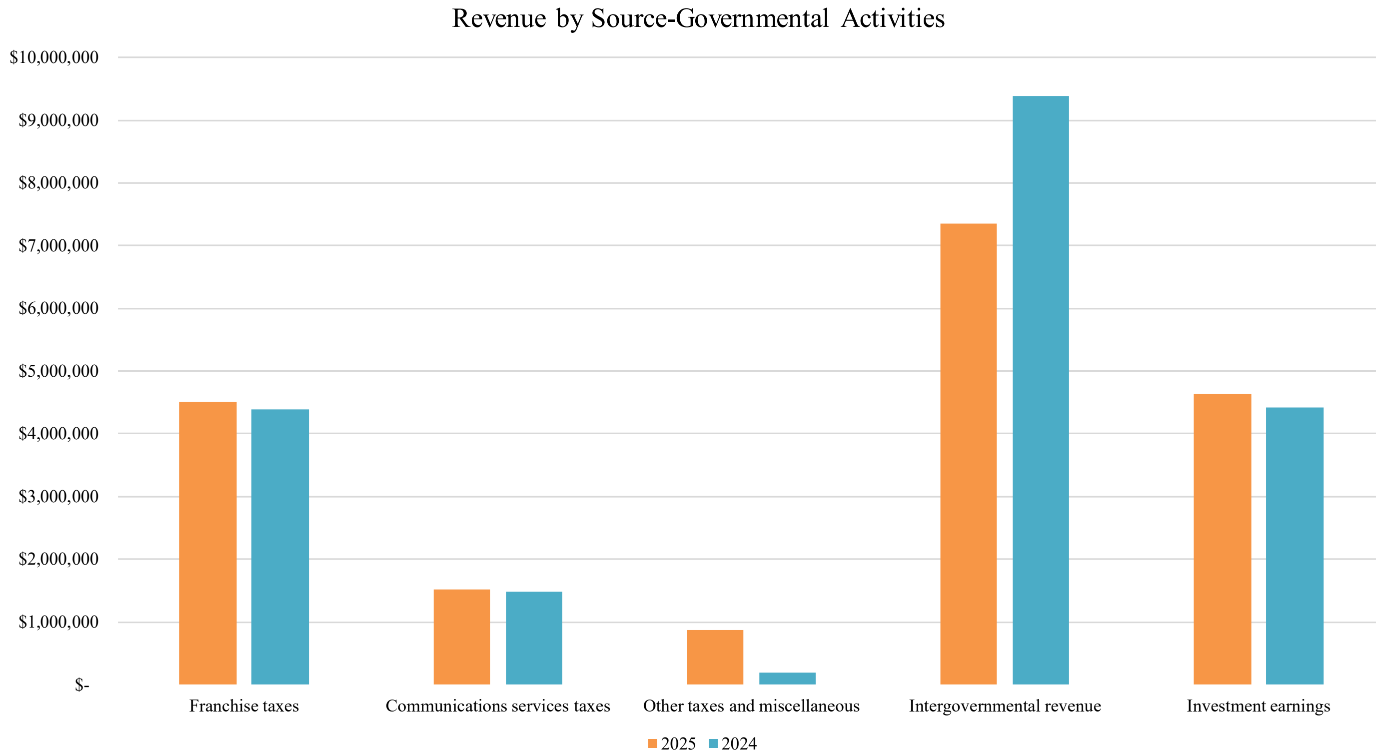
Capital grants and contributions revenues were the largest source of revenue at $18,087,548, or 28% of the City's total revenue, which consists of grant reimbursements received for capital related projects. At 22% of total revenues, property taxes are the second highest revenue source. The assessed valuations increased 13.2% from the prior year, which was combined with a tax rate increase 3.6%. Intergovernmental revenue is the third highest revenue source at 11% and consists of sales tax and state revenue sharing.

The following chart shows revenues by source for governmental activities for fiscal years 2025 and 2024.



The most significant revenue changes from the prior year presented above were as follows:

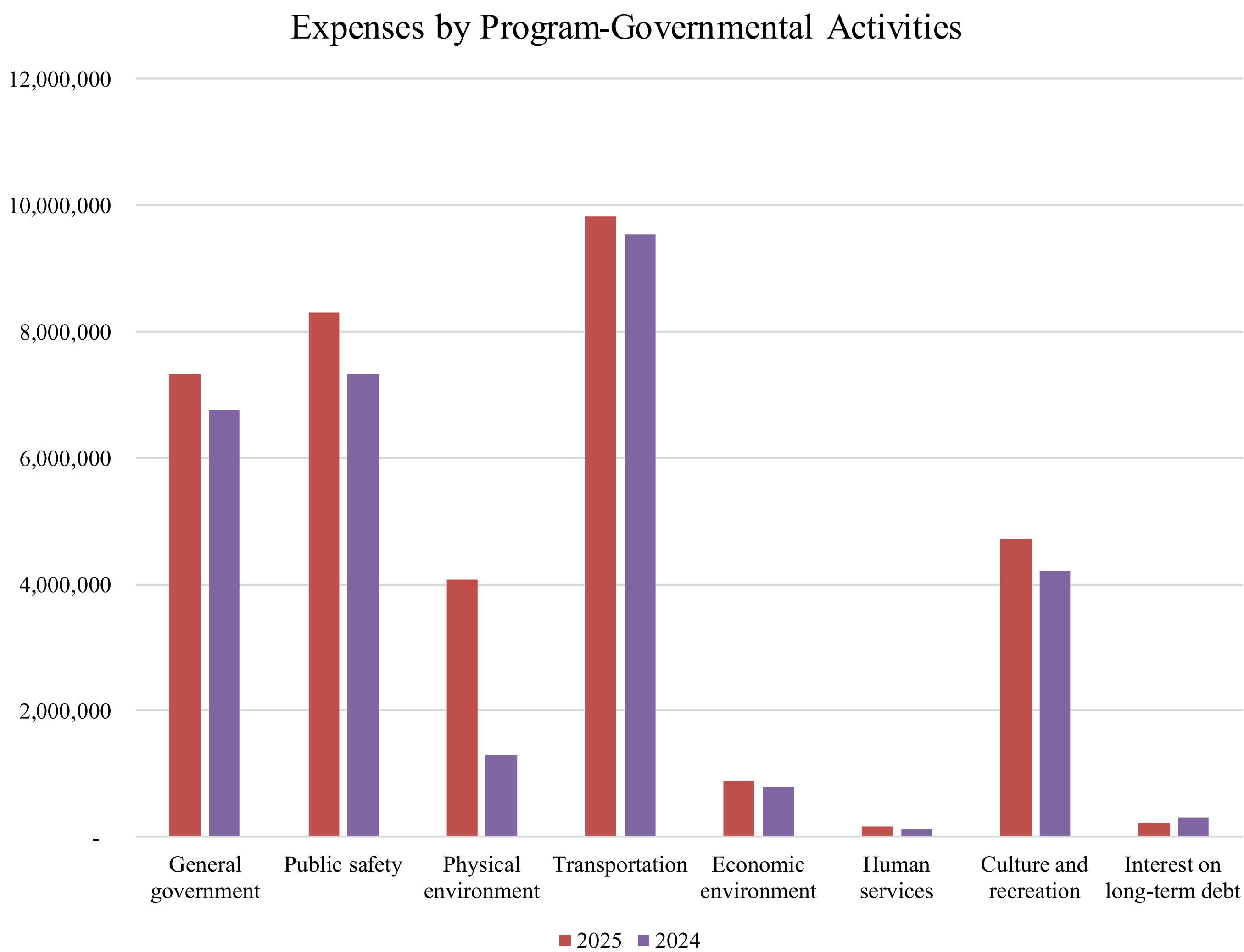
- *Capital grants and contributions* increased by $14,106,523 as the result of an increase in grant reimbursements received related to the City's commitment to improve stormwater retention.
- *Property taxes* increased $2,040,806, or 16.6% due to an increase in assessed valuations and the tax rate.
- *Impact fees* decreased by $7,131,804, or 59.3%, due to a decrease in activities in the new construction markets for residential and commercial.



The most significant revenue changes from the prior year presented above were as follows:

- *Intergovernmental revenue* decreased $2,035,114 primarily due to the completion of the interlocal agreement with Lee County related to downtown redevelopment. This agreement allocated revenue from the growth in taxable property values to the debt service of the downtown capital improvements. Lee County completed its participation in fiscal year 2024.

The following is a chart of expenses by program for governmental activities for fiscal years 2025 and 2024.



The most significant changes from the prior year presented above were as follows:

- *Public safety* increased $976,203 due to an increase in expenditures related to Hurricane Milton and Hurricane Helene recovery efforts.
- *Physical Environment* increased $2,772,190 primarily as a result of a joint sewer expansion project with Bonita Springs Utilities.

Financial Analysis of the City's Governmental Funds

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

As of September 30, 2025, the City's *governmental funds* reported combined fund balance of $114,997,123, an increase of $4,740,299, in comparison with the prior year. Of this amount, $6,948,841, or 6.0%, constitutes *an unassigned fund balance* which is available for spending at the City's discretion. The remainder of the fund balance is either non-spendable, restricted, committed or assigned, indicating that it is (1) not in a spendable form $400,000; (2) restricted for particular purpose, $57,928,507; (3) committed by City Council action, $34,488,935; or (4) assigned for particular purpose, $15,230,840.

Analysis of Individual Funds

General Fund-The general fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the general fund was $57,405,839, and the fund balance of the general fund had a net increase of $2,340,659. The unassigned fund balance of the general fund was $6,948,841. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance decreased $2,294,092 or 24.8% from the prior year.

Revenues increased in the General Fund by $708,596 from the prior year due to higher assessed valuations as properties returned to the tax roll following prior year hurricane impacts, which increased tax collections. As expenditures increased $1,885,640 over the prior year, the General Fund revenues exceeded expenditures by $11,280,018.

Net transfers to other funds were $8,939,359 and the most significant projects funded were for stormwater, and drainage infrastructure projects.

Grant Fund- Due from other governments increased $13,208,031 primarily due to higher grant-related reimbursements that were outstanding at fiscal year-end.

Grant revenues increased $16,575,664 as compared to the prior year due to increased participation in and funding from various grant programs. Grant public safety expenditures increased $460,020 due to recovery efforts related to Hurricane Milton and Hurricane Helene.

Road Impact Fee Fund- Revenues were $6,899,785 lower than in the previous year due to decreased activity in the new construction market. The fund's equity in pooled cash and money market investments increased by $3,537,168 as the City collects money to spend on future capital projects.

Capital Projects Fund- The Capital Projects Fund is typically funded by transfers in from other funds to cover the expenditures. The budget for capital project expenditures and funding transfers-in was amended to add the prior year capital carryover project balances to the current fiscal year. Capital Project Fund expenditures increased $21,780,882, or 179.1%, due to the acquisition of homes and land parcels to enhance retention, as well as the commencement of various construction projects.

General Fund Budgetary Highlights

Final Budget Compared to Actual Results. The most significant differences between final budget and actual revenues are as follows:

Revenue source	Final Budget	Actual Revenues	Difference
Franchise	$ 3,948,200	$ 4,514,014	$ 565,814
Intergovernmental revenues	7,483,034	7,080,264	(402,770)
Investment earnings	1,500,000	3,126,038	1,626,038

- *Franchise* fees were higher than anticipated as the result of an increase in the number of residential and commercial buildings using City services.
- *Intergovernmental revenues* exceeded were less than expected primarily due to lower-than-anticipated half-cent sales tax collections resulting from market conditions.
- *Investment earnings* were higher than anticipated due to an increase in cash available for investment.

The most significant differences between the final budget and actual expenditures are shown below.

Expenditures	Final Budget	Actual Expenditures	Difference
Gen Gov - City Attorney	$ 633,000	$ 305,159	$ 327,841
Gen Gov - Administrative Services/City Clerk	937,110	673,592	263,518
Transportation - Public Works	4,500,106	3,790,410	709,696
Culture & Rec - Parks and Recreation	3,754,896	3,152,236	602,660

- General Government-City attorney expenditures were less than expected as the need for legal professional services was less than anticipated.
- General Government-Administrative services/City Clerk expenditures were less than expected as a result transitions in several positions.
- Transportation-public works expenditures were lower than the budgeted amounts as roadway maintenance cost did not escalate at the projected rate.
- Culture & Recreation-Parks and recreation budget projections exceeded actual operating costs as the result of a delay in completion of capital outlay projects, transitions in several positions, as well as lower-than-expected park operational costs.

Original Budget Compared to Final Budget. There were no significant differences between the original and final budget amounts for revenues or expenditures.

Capital Assets and Debt Administration

Capital Assets. Non-depreciable capital assets include land, artwork, and construction in progress. Depreciable assets include buildings, improvements other than buildings, machinery and equipment, and infrastructure. The following is a schedule of the City's capital assets as of September 30, 2025 and 2024:

City of Bonita Springs, Florida
Capital Assets
September 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Land	$ 81,270,605	$ 62,830,337
Artwork	395,728	390,478
Buildings	12,721,550	12,137,380
Improvements other than buildings	21,361,305	21,158,380
Machinery and equipment	4,551,940	4,187,304
Infrastructure	225,507,596	223,320,774
Construction in progress	30,398,694	21,292,559
Intangible-software	-	531,645
Total capital assets	376,207,418	345,848,857
Accumulated depreciation	(206,327,757)	(199,921,060)
Total capital assets, net	$ 169,879,661	$ 145,927,797

Noteworthy changes in capital assets in fiscal year 2025 were as follows:

- Land increased by $18,440,268 as a result of the purchase of homes under the voluntary home buyout program and the purchase of land parcels.
- Infrastructure increases of $2.186,822 were driven by the completion of the W. Terry multi-use pathway project and other various paving projects.
- Construction in Progress increased by $9,106,135 in large part because of the continued construction of pathways, drainage improvements and road intersection improvements, as beach restoration.

Additional information on the City's capital assets can be found in Note 6 on page 39.

Debt Administration. At the end of the current fiscal year, the City had $14,265,796 of outstanding debt, reflecting a decrease of $1,753,483 or 10.9%, in comparison to the prior year. The following is a schedule of the outstanding debt as of September 30, 2025 and 2024.

City of Bonita Springs, Florida

Outstanding Debt

September 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Loan payable, net	$ 10,075,000	$ 11,365,000
Net pension liability	3,773,291	4,416,285
Compensated absences	417,505	237,994
	$ 14,265,796	$ 16,019,279

Additional information on the City's long-term debt can be found in Note 7 on pages 40-41.

Economic Factors and Next Year's Budget

The following economic indicators were factors considered when the FY 2026 budget was prepared:

- The population estimate for the City of Bonita Springs as of April 1, 2025, is 55,795 which is down from the prior year estimate of 56,060.
- The unemployment rate for the City of Bonita Springs was 3.5% as of September 30, 2025, as compared to a statewide rate of 3.9%.
- Total taxable property value for the City of Bonita Springs increased by 3.95% in Tax Year 2025, down from a 13.17% increase in Tax Year 2024, bringing the total taxable value above $18.4 billion dollars. For the next year's budget, the property tax rate remained unchanged from .8470 mills.
- Florida's revenue estimating conference predicts future taxable property values will continue to grow at single digit rates. These forecasts are based upon ad valorem data and updated national and state economic forecasts.
- The City anticipates inflation to continue to increase the cost of goods and services as well as negatively impact the cost of capital construction projects. Also, a future risk continues for sales tax collections as purchasing habits may be impacted by the prolonged period of higher inflation.

Request for information

This financial report is designed to provide the reader with an overview of the City. Questions regarding any information provided in this report should be directed to: City of Bonita Springs, Finance Department, 9101 Bonita Beach Road, Bonita Springs, Florida, 34135, phone (239) 949-6262.

City of Bonita Springs Florida

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Basic Financial Statements

City of Bonita Springs, Florida

Statement of Net Position

September 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 103,252,646
Accounts Receivables (net)	186,897
Due from other governments	15,289,302
Prepaids	470,015
Loans Receivables (net)	400,000
Capital assets:	
Non-depreciable	112,065,027
Depreciable (net)	57,814,634
Total assets	289,478,521
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized pension costs and subsequent contributions	1,054,976
Total deferred outflows of resources	1,054,976
LIABILITIES	
Accounts and contracts payable	2,764,156
Accrued liabilities	1,217,927
Accrued interest payable	36,313
Due to other governments	144,518
Unearned revenue	5,121
Non-current liabilities:	
Due within one year	1,430,000
Due in more than one year (net)	12,835,796
Total liabilities	18,433,831
DEFERRED INFLOWS OF RESOURCES	
Unamortized pension costs	954,269
Total deferred inflows of resources	954,269
NET POSITION	
Net Investment in capital assets	160,012,373
Restricted for:	
Highways and streets	46,053,342
Culture and recreation	3,897,621
Stormwater	2,902,710
Indigenous Areas	385,676
Building code compliance	2,652,845
Unrestricted	55,240,830
Total net position	$ 271,145,397

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

City of Bonita Springs, Florida

Statement of Activities

For the Fiscal Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Primary government:					
Governmental activities:					
General government	$ 7,333,019	$ 563,449	$ -	$ -	$ (6,769,570)
Public safety	8,297,001	2,544,695	2,482,867	-	(3,269,439)
Physical environment	4,080,608	1,630,844	-	14,933,468	12,483,704
Transportation	9,804,346	-	19,886	7,754,162	(2,030,298)
Economic environment	893,332	-	-	-	(893,332)
Human services	166,476	-	-	-	(166,476)
Culture and recreation	4,727,606	104,482	226,756	301,372	(4,094,996)
Interest on long-term debt	237,461	-	-	-	(237,461)
Total governmental activities	$ 35,539,849	$ 4,843,470	$ 2,729,509	$ 22,989,002	$ (4,977,868)

General revenues:	
Taxes:	
Property, levied for general purposes	$ 14,367,545
Gas	1,811,134
Franchise	4,514,014
Communications services	1,520,350
Other taxes	30,390
Intergovernmental revenues, not restricted to specific programs	7,349,810
Investment earnings	4,638,262
Miscellaneous	843,662
Total general revenues	35,075,167
Change in net position	30,097,299
Net position - beginning	241,048,098
Net position - ending	$ 271,145,397

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

City of Bonita Springs, Florida

Balance Sheet
Governmental Funds

September 30, 2025

		Special Revenue				
	General	Grant	Road Impact Fee	Capital Projects	Total Non-major Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 44,718,833	$ -	$40,309,711	$ 48,453	$ 18,175,649	$ 103,252,646
Accounts Receivables (net)	186,897	-	-	-	-	186,897
Due from other funds	13,228,697	-	-	-	-	13,228,697
Due from other governments	1,054,706	14,077,481	-	-	157,115	15,289,302
Loans Receivables (net)	400,000	-	-	-	-	400,000
Total assets	$ 59,589,133	$14,077,481	$40,309,711	$ 48,453	$ 18,332,764	$ 132,357,542
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts and contracts payable	$ 881,381	$ 848,784	$ 87,814	$ -	$ 946,177	$ 2,764,156
Accrued liabilities	1,217,927	-	-	-	-	1,217,927
Due to other funds	-	13,228,697	-	-	-	13,228,697
Due to other governments	78,865	-	65,653	-	-	144,518
Unearned revenue	5,121	-	-	-	-	5,121
Total liabilities	2,183,294	14,077,481	153,467	-	946,177	17,360,419
Fund balances:						
Nonspendable:						
Long term loan receivable	400,000	-	-	-	-	400,000
Restricted for:						
Parks	-	-	-	-	3,897,621	3,897,621
Roads	-	-	40,156,244	-	2,687,496	42,843,740
Stormwater	-	-	-	-	2,902,710	2,902,710
Building code compliance	-	-	-	-	2,652,845	2,652,845
Disaster-related costs	-	-	-	-	2,000,000	2,000,000
Downtown redevelopment	-	-	-	-	3,245,915	3,245,915
Indigenous areas	385,676	-	-	-	-	385,676
Committed to:						
Capital outlay and projects	33,053,650	-	-	48,453	-	33,102,103
Affordable housing funds	1,386,832	-	-	-	-	1,386,832
Assigned to:						
Disaster & operating reserves	7,076,000	-	-	-	-	7,076,000
Subsequent year's budget	8,112,516	-	-	-	-	8,112,516
Other purposes	42,324	-	-	-	-	42,324
Unassigned	6,948,841	-	-	-	-	6,948,841
Total fund balances	57,405,839	-	40,156,244	48,453	17,386,587	114,997,123
Total liabilities, deferred inflows, & fund balances	$ 59,589,133	$14,077,481	$40,309,711	$ 48,453	$ 18,332,764	$ 132,357,542

The notes to the 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

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

Total fund balances - total governmental funds		$114,997,123
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Non-depreciable capital assets	$ 112,065,027	
Depreciable capital assets	264,142,391	
Less accumulated depreciation	(206,327,757)	169,879,661
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	1,054,976	
Deferred inflows - pension related	(954,269)	100,707
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Loan payable	(10,075,000)	
Net pension liability	(3,773,291)	
Compensated absences	(417,505)	
Accrued interest payable on long-term debt	(36,313)	(14,302,109)
Prepaid expenses that are not recorded in governmental funds under the modified accrual basis of accounting are recorded in the statement of activities under full accrual accounting.		470,015
Net position of governmental activities		$271,145,397

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

City of Bonita Springs, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

September 30, 2025

		Special Revenue				
	General	Grant	Road Impact Fee	Capital Projects	Total Non-major Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	$ 13,521,745	$ -	$ -	$ -	$ 845,800	$ 14,367,545
Gas	-	-	-	-	1,811,134	1,811,134
Franchise	4,514,014	-	-	-	-	4,514,014
Communications services	1,520,350	-	-	-	-	1,520,350
Other taxes	30,390	-	-	-	-	30,390
Licenses and permits	105,855	-	-	-	3,958,824	4,064,679
Impact fees	-	-	4,600,082	-	301,372	4,901,454
Intergovernmental revenues	7,080,264	20,438,905	-	-	269,546	27,788,715
Charges for services	667,931	-	-	-	-	667,931
Fines and forfeitures	110,860	-	-	-	-	110,860
Miscellaneous						
Investment earnings	3,126,038	-	1,095,390	-	416,834	4,638,262
Other	93,067	-	-	750,595	-	843,662
Total revenues	30,770,514	20,438,905	5,695,472	750,595	7,603,510	65,258,996
EXPENDITURES						
Current						
General government	6,938,426	-	-	176,364	-	7,114,790
Public safety	4,460,582	834,581	-	-	2,973,471	8,268,634
Physical environment	289,432	-	-	3,064,645	402,180	3,756,257
Transportation	3,790,410	-	-	255,133	1,301,601	5,347,144
Economic environment	-	-	-	-	-	-
Human services	166,476	-	-	-	-	166,476
Culture and recreation	3,811,090	-	-	83,294	-	3,894,384
Capital outlay	34,080	-	-	30,365,691	-	30,399,771
Debt service						
Principal retirement	-	-	-	-	1,290,000	1,290,000
Interest and fiscal charges	-	-	-	-	242,706	242,706
Other debt service costs	-	-	-	-	38,535	38,535
Total expenditures	19,490,496	834,581	-	33,945,127	6,248,493	60,518,697
Excess (deficiency) of revenues over (under) expenditures	11,280,018	19,604,324	5,695,472	(33,194,532)	1,355,017	4,740,299
OTHER FINANCING SOURCES (USES)						
Transfers in	2,408,209	780,479	-	33,238,818	1,571,241	37,998,747
Transfers out	(11,347,568)	(18,541,853)	(1,317,061)	-	(6,792,265)	(37,998,747)
Total other financing sources (uses)	(8,939,359)	(17,761,374)	(1,317,061)	33,238,818	(5,221,024)	-
Net change in fund balances	2,340,659	1,842,950	4,378,411	44,286	(3,866,007)	4,740,299
Fund balances - beginning	55,065,180	(1,842,950)	35,777,833	4,167	21,252,594	110,256,824
Fund balances - ending	$ 57,405,839	$ -	$ 40,156,244	$ 48,453	$ 17,386,587	$ 114,997,123

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

City of Bonita Springs, Florida

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended September 30, 2025

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

Net change in fund balances - total governmental funds		$ 4,740,299
Governmental funds report expenditures for capital assets as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which expenditures for capital assets exceeded depreciation in the current period.		
Expenditures for capital assets	$30,399,771	
Depreciation	(6,947,080)	23,452,691
The net effect on net position for various miscellaneous transactions involving capital assets (disposals, transfers, donations)		
Asset Donations	500,235	
Asset Disposals	(1,062)	499,173
Certain revenues not considered available are not recognized in the governmental funds but are included in the statement of activities		(122,083)
Loan agreement proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of loan agreement debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Principal retirement	1,290,000	
Issuance of debt	-	1,290,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest on long-term debt	43,780	
Changes in pension liabilities and related deferred outflows and inflows of resources	285,489	
Change in compensated absences	(179,511)	149,758
Prepaid assets that are not recorded in governmental funds under the modified accrual basis of accounting are recorded in the statement of net position under full accrual accounting.		87,461
Change in net position of governmental activities		$ 30,097,299

City of Bonita Springs Florida

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Note 1 - Summary of Significant Accounting Policies

Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the City of Bonita Springs, Florida ("City") are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended September 30, 2025.

Reporting Entity

The City was incorporated on December 31, 1999, pursuant to Senate Bill 2626. The City operates under a City Council-Manager form of government and consists of six districts, each represented by an elected council member and a seventh voting seat that is the Mayor elected-at-large. The City Manager is appointed by a majority vote of the Council. The City provides the following services: parks and recreation, public works, streets and roads, stormwater, planning and zoning, code enforcement, community policing, and general and administrative services.

The City of Bonita Springs uses the "government lite" concept of outsourcing City services to minimize expenditures and provide exemplary services to the community.

Governmental Accounting Standards Board (GASB) Statement No. 14, *Financial Reporting Entity* requires the financial statements of the City (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so the data from these units are combined with data of the primary government. Based on the criteria established in GASB Statement No. 14, as amended, there are no component units required to be included in the City's financial statements.

(a) Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes and city general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. The City does not currently have any business type activities or component units.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. The City does not currently have any proprietary or fiduciary funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. This generally includes the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property tax revenues are recognized in the year for which they are levied, while grants are recognized when grantor eligibility requirements are met.

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 sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales and franchise taxes, intergovernmental revenues, charges for services, rents, 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.

Restricted assets and liabilities related to restricted assets which are current in nature are reported with current assets and current liabilities in the financial statements.

The City reports the following major funds in the governmental fund financial statements:

The *General Fund* is the operating fund of the City. It accounts for all financial resources, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes and other governmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

The *Grant Fund* accounts for resources received through grant awards. This revenue is restricted for use based on the restricted purposes for which the grant funds can be used.

The *Road Impact Fee Fund* accounts for the resources collected for road impact fees levied within the City's limits. This revenue is restricted for use on road projects.

The *Capital Projects Fund* accounts for resources accumulated to fund capital projects, including transportation, landscaping, economic environment, parks, recreation, and community facilities.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The City reports the following non-major funds in the governmental fund financial statements:

The *Gas Tax Fund* accounts for the 6 cents fuel tax, the additional 5 cents fuel tax, as well as the State fuel tax revenue. These revenues are restricted for use to various transportation related costs.

The *Park Impact Fee Fund* accounts for the resources collected for park impact fees levied within the City's limits. This revenue is restricted for use on park related projects.

The *Stormwater Fund* accounts for the resources collected for a stormwater assessment fee within the City's limits. This revenue is restricted for use on stormwater related costs.

The *Building Fee Fund* accounts for the resources collected for building permit fees levied within the City's limits. This revenue is restricted for use enforcing the Florida Building Code.

The *Downtown Area Revenue Sharing Fund* accounts for the revenues under a revenue sharing agreement with Lee County for which these revenues are restricted to fund certain road related improvements in the City's downtown area.

The *Capital Debt Fund* accounts for the accumulation of resources that are committed or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The *Disaster Debt Service Fund* accounts for the accumulation of resources related to the Local Government Emergency Bridge Loan Agreement with the State of Florida Department of Commerce.

The *Downtown Redevelopment Debt Fund* accounts for the accumulation of resources that are committed or assigned for the payment of principal and interest on long-term obligations of governmental funds.

c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts in cash on hand and cash on deposit with financial institutions including public money market funds. The City's investment policy allows management to invest any surplus funds in its control in the following as outlined in Florida Statute, Chapter 218.415 (17):

1. The Local Government Surplus Trust Fund (LGSTF), or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Florida Statute, Chapter 163.01,

2. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency,

3. Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Florida Statutes, Chapter 280.02, and

4. Direct obligations of the United States Treasury.

Investments for the City are reported at fair value.

Note 1 - Summary of Significant Accounting Policies (Continued)

(c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (continued)

Receivables

Receivables as of year-end for the government's general fund are reported net of allowance for uncollectibles. All receivables are reviewed periodically and, when determined to be uncollectible, the direct write off method is used. As of September 30, 2025, the allowance for uncollectible loan receivable was $200,000.

Inventories

Inventories consist of expendable supplies held for consumption stated on a first-in, first-out basis and are recorded as an expenditure when payment is made (purchases method). Items are tracked at their cost; however, the level of inventory held at the City is minimal. As of September 30, 2025, the value of inventory reflected in the financial statements was $0.

Prepaid

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid expenses in the government-wide financial statements. In the fund financial statements, the purchases method is used. Under this method, expenditures are reported when payments are completed.

Capital Assets

Capital assets include property, buildings, furniture, equipment, vehicles, software, and infrastructure assets. Capital assets used in governmental fund types of the City are recorded at cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service arrangement are recorded at acquisition value at the date of donation. Capital assets are reported in the government-wide financial statements in the applicable governmental column. Interest incurred during construction is not capitalized on general capital assets.

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

The threshold for capitalizing property and equipment is $5,000 or more and useful lives in excess of one year. The threshold for capitalizing infrastructure is $50,000 or more and useful lives in excess of one year.

Infrastructure assets are defined as public domain capital assets such as roads, bridges, sidewalks, traffic signals, easements and similar items that are immovable and of value only to the governmental unit.

For fiscal year ended September 30, 2025, no easement held by the City met or exceeded the capitalization threshold for infrastructure.

Note 1 - Summary of Significant Accounting Policies (Continued)

(c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (continued)

Capital Assets (continued)

Depreciation and amortization is calculated using the straight-line method over the estimated useful lives of the related assets. The ranges of the useful lives are as follows:

Assets	Years
Buildings	30-50
Improvements other than buildings	7-50
Machinery and equipment	3-10
Infrastructure	10-100
Leasehold Improvements	10
Intangible software	3-5

Deferred Outflows of resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense or expenditure) until then. The deferred outflows of resources reported in the City's Statement of Net Position represents other postemployment benefit related balances for the difference between expected and actual experience, changes in actuarial assumptions, and subsequent contributions; pension related balances for changes in actuarial assumptions, the difference between expected and actual economic experience, changes in the proportion and differences between the City's contributions and proportionate share of contributions, the net difference between projected and actual earnings, and the City's contributions subsequent to the measurement date. These amounts will be recognized as increases in expense in future years.

Deferred Inflows of resources

Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until then. The deferred inflows of resources reported in the City's Balance Sheet represents grants reimbursements that have not yet been received. These amounts are recognized as inflows of resources in the period that they become available. The deferred inflows of resources reported in the City's Statement of Net Position represents other postemployment benefits related balances for the difference between expected and actual experience and changes in actuarial assumptions; pension related balances for changes in actuarial assumptions, the difference between expected and actual economic experience, and changes in the proportion and differences between the City's contributions and proportionate share of contributions relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as reductions in expense in future years.

Note 1 - Summary of Significant Accounting Policies (Continued)

(c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (continued)

Pensions

In the government-wide and proprietary funds statements of net position, liabilities are recognized for the City's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

The City follows the provisions of GASB Statement No. 101, Compensated Absences. This statement provides for the measurement of unused leave that is attributable to services already rendered, accumulated, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has not been used for time off but have not yet been paid in cash or settled through noncash means and certain other types of leave. Typically, the general fund has been used to liquidate compensated absences. For the governmental funds, compensated absences are reported only at time of maturity, which is at resignation or retirement.

Full-time and part-time employees may accumulate paid time off (PTO) which combines vacation, medical and personal leave. The City's policy allows employees to accumulate PTO based on the number of years of service with the City, up to a maximum of six hundred hours. Upon separation from employment, an employee will be paid out at 50% of the balance of the unused PTO up to two hundred forty hours at the current base rate for the employee.

Note 1 - Summary of Significant Accounting Policies (Continued)

(c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (continued)

Net position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

- Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Net position in government-wide fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net positions represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or b) imposed by law through state statute.

Note 1 - Summary of Significant Accounting Policies (Continued)

(c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (continued)

Fund Balances

The governmental fund financial statements fund balance is reported in five classifications.

- Nonspendable fund balances represents fund balance amounts that are not in spendable form including advances for long-term loans and prepaid balances.

- Restricted fund balances have constraints placed on the uses of resources by state statute, City land development code, debt covenants and contributors.

- Committed fund balances are classified as such as a result of City Council taking formal action and adopting an ordinance which can only be modified or rescinded by subsequent formal action. An ordinance is the City's highest level of decision-making authority.

- Assigned fund balances are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Council approves the disaster and operating reserves during the adoption of the City's budget.

- Unassigned fund balance that has not been reported in any other classification within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. When components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

(d) Revenues and expenditures/expenses

Program Revenue

Amounts reported as program revenues include: (1) charges for services which report fees, fines and forfeitures and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported under general revenue.

Note 1 - Summary of Significant Accounting Policies (Continued)

(d) Revenues and expenditures/expenses (continued)

Estimates

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

Adoption of New Accounting Standards

In June 2022, GASB introduced a new standard, Statement No. 101 *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City adopted the requirements of this guidance in 2025 and did not require a restatement of beginning balance.

Note 2 - Cash and Cash Equivalents

As of September 30, 2025, the carrying amount of the City's deposits was $103,252,646 and the bank balance was $105,402,908 The City's deposits consist of demand deposit accounts and public money market accounts. These deposits are held by banks that qualify as a public depository under the Public Depository Security Act of the State of Florida as required by Chapter 280. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City should not recover the value of its investment or collateral securities that are in the possession of an outside party. The City minimizes this risk by establishing minimum standards for institutions used by the City. The City maintains $750 of cash on hand.

Note 3 - Receivables, Prepaids, and Accrued Liabilities

(a) Receivables

Receivables as of September 30, 2025, including the applicable allowances for uncollectible accounts, are as follows:

	General	Total Governmental Funds
Receivables:		
Accounts (gross)	$ 186,897	$ 186,897
Loans receivable	600,000	600,000
Total receivables		
Allowance for uncollectable loan	(200,000)	(200,000)
Net receivables	$ 586,897	$ 586,897

Note 3 - Receivables, Prepaids, and Accrued Liabilities (Continued)

(a) Receivables (continued)

All of the accounts receivables are expected to be collected within one year. Loans receivable include loans made in prior fiscal years for affordable housing totaling $600,000. The loans receivable in the amount of $600,000 consist of loans made to two entities providing affordable housing within the City and are non-interest bearing. The net loan amount of those two loans is $400,000 and matures on July 20, 2038. As a result of the significant reduction in residential property value within Bonita Springs, the affordable housing non-profit entity to which the City loaned $200,000 ceased to operate in July 2010. The real property relating to the City's loan was taken over by the Florida Community Loan Fund whose loan had higher priority, therefore an allowance has been established for this loan receivable.

(b) Prepaids

Prepaid assets for the City totaled $470,015 as of September 30, 2025.

(c) Accrued Liabilities

Accrued liabilities reported in the General Fund as of September 30, 2025, are as follows:

	General	Total
Accrued liabilities:		
Wages, benefits and taxes	$ 242,029	$ 242,029
Construction bond deposit	825,592	825,592
Other deposits	150,306	150,306
Total accrued liabilities	$1,217,927	$1,217,927

Note 4 - Interfund Receivable and Payable Balances

Interfund receivable and payable balances as of September 30, 2025, consisted of a $13,228,697 Interfund Receivable in the General Fund payable from the Grant Fund. The primary purpose of this interfund receivable and payable is to provide cash flow needs associated with reimbursable grants.

Note 5 - Interfund Transfers

Interfund transfers for the year ended September 30, 2025, consisted of the following:

	Transfer In Funds:		
	General	Grant	Road Impact Fees
Transfer Out Funds:			
General	$ -	$ 780,479	$ -
Grant	2,408,209	-	-
Total	$ 2,408,209	$ 780,479	$ -

	Transfer In Funds:		
	Capital Projects	Total Non-major Funds	Total Governmental Funds
Transfer Out Funds:			
General	$ 10,069,492	$ 497,597	$ 11,347,568
Grant	16,133,644	-	18,541,853
Road Impact Fees	1,317,061	-	1,317,061
Capital Projects	-	-	-
Other Non-major Funds	5,718,621	1,073,644	6,792,265
Total	$ 33,238,818	$ 1,571,241	$ 37,998,747

Transfers are used to move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, and to move unrestricted general fund and special revenue fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorization.

Note 6 - Capital Assets

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

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Capital assets not being depreciated:					
Land	$ 62,830,337	$ 18,440,268	$ -	$ -	$ 81,270,605
Artwork	390,478	5,250	-	-	395,728
Construction in progress	21,292,559	11,146,592	-	(2,040,457)	30,398,694
Total capital assets not being depreciated	84,513,374	29,592,110	-	(2,040,457)	112,065,027
Capital assets being depreciated:					
Buildings	12,137,380	218,101	-	366,069	12,721,550
Improvements other than buildings	21,158,380	77,837	(9,800)	134,888	21,361,305
Machinery and equipment	4,187,304	260,542	-	104,094	4,551,940
Infrastructure	223,320,774	751,416	-	1,435,406	225,507,596
Intangibles-software	531,645	-	(531,645)	-	-
Total capital assets being depreciated	261,335,483	1,307,896	(541,445)	2,040,457	264,142,391
Less accumulated depreciation for:					
Buildings	5,775,074	391,008	-	-	6,166,082
Improvements other than buildings	15,176,418	1,090,872	(8,738)	-	16,258,552
Machinery and equipment	2,746,519	442,629	-	-	3,189,148
Infrastructure	175,691,404	5,022,571	-	-	180,713,975
Intangibles-software	531,645	-	(531,645)	-	-
Total accumulated depreciation	199,921,060	6,947,080	(540,383)	-	206,327,757
Total capital assets being depreciated, net	61,414,423	(5,639,184)	(1,062)	2,040,457	57,814,634
Total governmental activities capital assets, net	$145,927,797	$ 23,952,926	$ (1,062)	$ -	$ 169,879,661

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

General government	$ 304,500
Public safety	33,687
Physical Environment	327,684
Transportation	4,496,891
Economic Environment	893,332
Culture and recreation	890,986
Total depreciation expense-governmental activities	$ 6,947,080

Note 7 - Long-Term Debt

The schedule below details the changes in long-term capital borrowings during the year ended September 30, 2025, for governmental activities:

Issue	Maturity	Interest Rate	Original Borrowing	Outstanding Balance
2014 Banc of America Preferred Funding Corporation Tax-exempt Loan Payable	2029	2.96%	$ 13,000,000	$ 4,045,000
2020 Truist Bank Taxable Loan Payable	2035	2.49%	5,060,000	4,030,000
2024 Local Government Emergency Bridge Loan Agreement	2026	0.00%	2,000,000	2,000,000
				$ 10,075,000

On February 14, 2014, the City obtained a Banc of America Public Preferred Funding Corporation loan for the purpose of certain capital improvements to the Bonita Springs downtown area. The loan is collateralized by the Half Cent Sales Tax Revenues. Debt service is funded from the Downtown Area Revenue Sharing Fund. Upon the occurrence of a default, immediately and without notice the lender may declare all obligations of the City under this loan agreement to be immediately due and payable without further action of any kind, and upon such declaration, this note and the accrued interest thereon shall become immediately due and payable. Interest payments are due on February 1 and August 1. Principal payments are due annually on February 1. The principal may be prepaid by the City but is subject to a breakage fee and accrued interest.

The City has entered into a Revenue Sharing Agreement with Lee County who has agreed to contribute Ad Valorem taxes totaling 85% of the growth amount from the 2012 base year of a designated area within the Downtown, for 25 years or until 50% of the Downtown Redevelopment project construction and financing costs are paid. Lee County's participation in the Downtown Redevelopment constructions costs are not to exceed 50% of $16,000,000 ($8,000,000) plus 50% of the financing costs associated with the County's portion of the construction costs.

On August 27, 2020, the City obtained a taxable loan from Truist Bank for the purpose of financing the acquisition of approximately 248 acres of land. The loan is collateralized by any legally available non-ad valorem or other revenue and debt service has typically been funded from the General Fund. Interest payments are due on February 1 and August 1. Principal payments are due annually starting on August 1, 2023. Upon the occurrence of a default, and the continuance of such default for five days, the noteholder may adjust the interest rate to the default rate which shall be effective until such event of default has been cured. The default rate is the lesser of the then applicable interest rate plus 200 basis points, or the maximum rate allowable under applicable law. The principal may be prepaid by the City in whole but not in part on any business day at a price of 100% of the principal amount plus accrued interest and is subject to a 1.00% prepayment premium of the principal amount to be prepaid.

Note 7 - Long-Term Debt (Continued)

On December 1, 2023, the City obtained a Local Government Emergency Bridge Loan Agreement of $2,000,000 from the State of Florida Department of Commerce for governmental operations. The loan pledges the Non-Ad Valorem Revenues of the Borrower derived from the Borrower's covenant to budget and appropriate from legally available Non-Ad Valorem Revenues each year such monies sufficient to pay principal and interest on the Promissory Note. No interest will accrue for the term of the loan. From the Maturity Date until the principal is paid the interest rate shall be based on a fixed rate of interest at 10% per annum. Effective December 1, 2024 the City signed Amendment One, which extends the maturity date from December 1, 2025 to October 3, 2033. This also extends the City's interest-free period to that date, in which no interest will accrue until October 3, 2033.

The City's loan agreements establish certain covenants and representations including the security for the loan repayment, financial recordkeeping, payment of taxes and assessments, compliance with laws, tax exempt status of the debt, and financial reporting. Management believes the City is in compliance with all significant covenants at September 30, 2025.

The annual debt service requirements to maturity for the loans payable as of September 30, 2025, are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	$ 1,330,000	$ 205,724	$ 1,535,724
2027	1,365,000	167,678	1,532,678
2028	1,405,000	128,568	1,533,568
2029	1,445,000	88,322	1,533,322
2030	395,000	62,998	457,998
2031-2035	4,135,000	162,352	4,297,352
	$ 10,075,000	$ 815,642	$ 10,890,642

As of September 30, 2025, the City has not been authorized to issue debt that has not yet been issued.

The changes in long-term debt during fiscal year ended September 30, 2025, are as follows:

	Beginning Balance	Additions[1]	Deletions	Ending Balance	Due Within One Year
Loan payable	$ 11,365,000	$ -	$ (1,290,000)	$ 10,075,000	$ 1,330,000
Net pension liability	4,416,285	1,361,796	(2,004,790)	3,773,291	-
Compensated absences	237,994	179,511	-	417,505	100,000
	$ 16,019,279	$ 1,541,307	$ (3,294,790)	$ 14,265,796	$ 1,430,000

[1] The change in the compensated absences is presented as a net change.

Interest expenditures for the year ended September 30, 2025, were $242,706.

Compensated absences and the net pension liability are liquidated through the General Fund.

Note 8 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City participates in the public entity risk pool administered by the Florida League of Cities, Inc. for general/professional liability, property, and workers compensation. The City pays an annual premium for these insurance programs. Participation in this risk pool is non-assessable. There were no significant reductions in insurance coverage in the past three fiscal years.

The Florida League of Cities, Inc. published financial report for the year ended September 30, 2025, can be obtained from the Florida League of Cities, Inc., Public Risk Service, 135 East Colonial Drive, Orlando, Florida 32801. The City retains the risk of loss up to a deductible amount (ranging from $0 to $2,500) with the risk of loss in excess of this amount transferred to the pool, which has limits of liability of up to $5,000,000 per occurrence for general liability, auto, and real and personal property.

Note 9 - Retirement Plans

Defined Benefit Pension Plans

Background. The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple–employer defined benefit pension plan, to assist retired members of any State administered retirement plan in paying the costs of health insurance.

All regular City employees are eligible to enroll as members of the State–administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services website: www.dms.myflorida.com .

The City's aggregate total for pension expenses for the FRS Pension Plan, the FRS Investment Plan and the HIS Plan for the year ended September 30, 2025, totaled $469,521. The General Fund has been used in prior years to liquidate pension liabilities.

Note 9 - Retirement Plans (continued)

Florida Retirement System Pension Plan (FRS Plan)

Plan Description. The Florida Retirement System Pension Plan (FRS) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statues, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Note 9 - Retirement Plans (continued)

Florida Retirement System Pension Plan (FRS Plan) (continued)

Benefits Provided. Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and retirement Age/Years of Service:	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement up to age 63 or up to 31 years of service	1.63%
Retirement up to age 64 or up to 32 years of service	1.65%
Retirement up to age 65 or up to 33 years of service	1.68%
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement up to age 66 or up to 34 years of service	1.63%
Retirement up to age 67 or up to 35 years of service	1.65%
Retirement up to age 68 or up to 36 years of service	1.68%
Elected Official	3.00%
Senior Management Service Class	2.00%
Special Risk Regular	
Service from December 1970, through September 30, 1974	2.00%
Service on and after October 1, 1974	3.00%

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Note 9 - Retirement Plans (continued)

Florida Retirement System Pension Plan (FRS Plan) (continued)

Contributions. The Florida legislature establishes contribution rates for participating employers and employees. Contribution rates for FRS during the City's current fiscal year were as follows:

	Effective July 1, 2024		Effective July 1, 2025	
	Percent of Gross Salary		Percent of Gross Salary	
Class	Employee	Employer [1]	Employee	Employer [1]
Regular	3.00	13.63	3.00	14.03
Elected Officers'	3.00	58.68	3.00	54.57
Senior Management Service	3.00	34.52	3.00	33.24
DROP	n/a	21.13	n/a	22.02

(1) These rates include the 2.00 percent contribution for the Retiree Health Insurance Subsidy, the assessment of 0.06 percent for administration of the FRS Investment Plan and the administration of the MyFRS Financial Guidance Program for both plans, and an unfunded actuarial liability contribution determined by membership class.

The City's contributions to the FRS Plan were $374,213 for the year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2025, the City reported a liability of $2,472,535 for its proportionate share of the FRS Plan's Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportionate share of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of FRS's participating employers.

At June 30, 2025, the City's proportion was 0.007996892%, which was an increase of .000305112% from its proportion measured as of June 30, 2024.

Note 9 - Retirement Plans (continued)

Florida Retirement System Pension Plan (FRS Plan) (continued)

For the fiscal year ended September 30, 2025, the City recognized pension expense of $225,717 for its proportionate share of FRS's pension expense. In addition, the City reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 264,093	$ -
Changes in actuarial assumptions	287,126	-
Net difference between projected and actual earnings on Pension Plan investments	-	412,815
Changes in proportion and differences between City contributions and proportionate share of contributions	207,780	180,324
City contributions subsequent to the measurement date	114,823	-
	$ 873,822	$ 593,139

The deferred outflows of resources related to the Pension Plan, totaling $114,823 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ending September 30,	Amount
2026	$ 444,781
2027	(60,616)
2028	(131,923)
2029	(86,382)
2030	-
Thereafter	-

Note 9 - Retirement Plans (continued)

Florida Retirement System Pension Plan (FRS Plan) (continued)

Actuarial Assumptions. The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.50%, average
Investment rate of return	6.70%

Mortality rates were based on the PUB-2010 base table which vary by member category and sex, projected generationally with Scale MP-2021. The actuarial assumptions used in the June 30, 2025, valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The long-term expected rate of return assumption of 6.70 percent consists of two building block components: 1) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2025 by the FRS Actuarial Assumption Conference and 2) an inferred (in excess of inflation) return of 4.20 percent. Geometrically combining those building blocks using the formula (1 + .024) x (1 + .042) - 1 generates an expected nominal return of 6.70 percent. In the opinion of the FRS consulting actuary, both building block components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as investment return assumption chosen by the 2024 FRS Actuarial Assumption Conference for funding policy purposes. The table below contains a summary of assumptions for each of the asset classes in which the plan was invested at the time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead based on a forward-looking capital market economic model.

Asset Class	Target Allocation	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%
Assume Inflation-Mean			2.4%	1.5%

Note 9 - Retirement Plans (continued)

Florida Retirement System Pension Plan (FRS Plan) (continued)

Discount Rate. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 6.70 percent rate of return assumption used in the June 30, 2025 calculations was determined by the consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27).

Pension Liability Sensitivity. The following represents the City's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate of 6.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
City's proportionate share of the net pension liability	$ 4,852,313	$ 2,472,535	$ 477,365

Pension Plan Fiduciary Net Position. Detailed information regarding the FRS Plan's fiduciary net position is available in the separately issued Florida Retirement System Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report. The report may be obtained through the Florida Department of Management Services website: : www.dms.myflorida.com.

Retiree Health Insurance Subsidy Program (HIS Plan)

Plan Description. The Retiree Health Insurance Subsidy Program (HIS Plan) is a non-qualified, cost-sharing multiple employer defined benefit pension plan established under Section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program 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 $7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $45 and a maximum HIS payment of $225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Note 9 - Retirement Plans (continued)

Retiree Health Insurance Subsidy Program (HIS Plan) (continued)

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 June 30, 2025, the contribution rate was 2.00 percent of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding 3 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 that the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City's contributions to the HIS Plan were $92,733 for the year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2025, the City reported a liability of $1,300,756 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportionate share of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all participating employers.

At June 30, 2025, the City's proportion was .010148329%, which was an increase of .00046664% from its proportion measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the City recognized pension expense of $59,772 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 7,765	$ 2,063
Changes in actuarial assumptions	11,513	314,621
Net difference between projected and actual earnings on Pension Plan investments	-	1,083
Changes in proportion and differences between City contributions and proportionate share of contributions	140,240	43,363
City contributions subsequent to the measurement date	21,636	-
	$ 181,154	$ 361,130

Note 9 - Retirement Plans (continued)

Retiree Health Insurance Subsidy Program (HIS Plan) (continued)

The deferred outflows of resources related to the pensions included $21,636 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

Year Ending September 30,	Amount
2026	$ (47,235)
2027	(50,237)
2028	(38,019)
2029	(40,540)
2030	(25,581)
Thereafter	-

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary increases	3.50%, average with inflation
Municipal Bond Rate	3.93%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021. The actuarial assumptions used in the June 30, 2025, valuation was based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate. The discount rate used to measure the total pension liability changed from 3.65% to 3.93% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable bond index.

Note 9 - Retirement Plans (continued)

Retiree Health Insurance Subsidy Program (HIS Plan) (continued)

Pension Liability Sensitivity. The following presents the City's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
City's proportionate share of the net pension liability	$ 1,466,812	$ 1,300,756	$ 1,161,488

Pension Plan Fiduciary Net Position. Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued Florida Retirement System Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report. The report may be obtained through the Florida Department of Management Services website: www.dms.myflorida.com.

Defined Contribution Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (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 member's 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 FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate balances among various approved investment choices. Costs of administering the plan are funded through an employer contribution of .06 percent of payroll and by forfeited benefits of plan members.

Note 9 - Retirement Plans (continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings of these funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 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, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income. The City's Investment Plan pension expense totaled $288,064 for the year ended September 30, 2025.

Note 10 - Other Postemployment Benefits (OPEB)

Plan Description. The City operates a single-employer retiree benefit plan ("the Plan") that offers health insurance to eligible employees and their spouses through the City's health insurance plan. Pursuant to the provisions of section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the City may continue to participate in the City's fully insured health and hospitalization plan for medical and prescription drug coverage. These retirees are completely responsible for payment of their insurance premiums and the City does not contribute toward this payment. As required by 112.0801, Florida Statutes, the City offers the insurance coverage to the retirees at a premium cost of no more than the premium cost applicable to active employees. If a retiree chooses to participate, this would result in a City subsidy of the premium rates paid by retirees as it allows them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. The Plan does not issue a publicly available financial report. The City has fewer than 100 members and had elected to use the alternative measurement method.

The City engaged an actuary to determine the City's liability in accordance with GASB Statement No. 75, using the alternative measurement method for postemployment healthcare benefits other than pensions as of September 30, 2025, and for the fiscal year ended September 30, 2025.

Funding Policy. As required by 112.0801, Florida Statutes, the plan provides health insurance to eligible former employees and their spouses through the City's health insurance plan. Under the plan, participating retirees are completely responsible for payment of their insurance premiums and the City does not contribute toward this payment. As of September 30, 2025, the actuary report calculated a liability of $195,546. This amount is deemed immaterial to the statements taken as a whole, and therefore no liability is reported on the financial statements.

Note 11 - Stewardship, Compliance and Accountability

(a) Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are legally enacted through passage of a resolution required by City Charter and as required by the State of Florida.

Annual budgets are adopted for the General, Gas Tax, Road Impact Fee, Park Impact Fee, Building Fee, Grant, Stormwater, Downtown Revenue Sharing, Capital Debt Service, Downtown Redevelopment Debt Service, and Capital Projects funds.

The level of control whereby expenditures cannot legally exceed the total amount budgeted is at the department level and the annual budgets serve as the legal authorization for expenditures.

Budget amounts, as shown in the fund financial statements, are as originally adopted and as finally amended by the City Council. The Council must approve all budget amendments that change the legally adopted total appropriation for a department. Authority to transfer budgets within a department is delegated to the City's Finance Director, as the designated budget officer, provided that the total appropriations of the department are not changed.

If, during the fiscal year, additional revenues become available for appropriation in excess of those estimated in the budget, the City Council may make supplemental appropriations by resolution for the year up to the amount of such excess.

Every appropriation, except an appropriation for a capital project, shall lapse at the close of the fiscal year to the extent that it has not been expended. An appropriation for a capital project shall continue in force until expended, revised, or repealed. The purpose of any such appropriation shall be deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.

Capital projects costs are budgeted in the year they are anticipated to be obligated. In subsequent years, the unused budget is re-appropriated until the project is completed. Estimated beginning fund balances are considered in the budgetary process. Differences between estimated beginning fund balances and actual fund balances, if material, are submitted to the City Council as budget amendments.

Note 11 - Stewardship, Compliance and Accountability (Continued)

(b) Property Taxes

The billing and collection of all property taxes are performed for the City by the Lee County Tax Collector. Property taxes are levied after formal adoption of the City's budget and become due and payable on November 1 of each year. Discounts are allowed for payment of property taxes before March 1 of the following year. Taxes are recognized as revenue when levied to the extent that they result in current receivables. On April 1, any unpaid taxes become delinquent. If the taxes are still unpaid in May, tax certificates are then offered for sale to the general public. The proceeds collected are remitted to the City. There were no delinquent taxes or uncollected taxes at year end.

Key dates in the property tax cycle (latest date, where appropriate) are as follows:

July 1	◆ Assessment roll validated
September 30	◆ Millage resolution approved and taxes levied following certificate of assessment roll
October 1	◆ Beginning of fiscal year for which tax is to be levied
November 1	◆ Property taxes due and payable (levy date) with various discount provisions through March 31
April 1	◆ Taxes become delinquent
June 1	◆ Tax certificates sold by Lee County, Florida Tax Collector

For tax year 2024, the total tax rate was .8470 mils per $1,000 of assessed taxable property value. For the fiscal year ended September 30, 2025, the levy is based on taxable assessed property values totaling $17,328,190,965. Property tax revenue is recognized in the fiscal year for which the taxes are levied. On May 1 of each year, unpaid taxes may become a lien on the property. The past due tax certificates are sold at public auction on June 1, and the proceeds collected are remitted to the City.

No accruals for the property tax levy becoming due in November 2025 are included in the accompanying financial statements since taxes are levied for the subsequent fiscal year and are not considered available at September 30, 2025. At September 30, 2025, delinquent property taxes are not material to the basic financial statements of the City and, therefore, have not been accrued as taxes receivable.

Note 12 - Commitments and Contingencies

Other Litigation

The City is party to various legal proceedings that normally occur in governmental operations. City officials believe it is too speculative to determine whether some of the legal proceedings will have a material adverse effect in the City's financial position and others will not likely have a material adverse effect in the City's financial position.

Grants

The City is currently receiving and has received in the past, grants which are subject to special compliance requirements by the Grantor agency, which could result in disallowed expense amounts. These amounts constitute a contingent liability of the City. The City does not believe that any potential contingent liabilities are material.

Contracts and Commitments

As of September 30, 2025, the City had outstanding commitments under uncompleted capital project contracts totaling $9,090,254 and for professional services contracts totaling $431,844. The capital projects are primarily for projects relating to multi-use path projects, septic replacement and repair, and park improvements.

City of Bonita Springs Florida

Small Town Charm.
Big Bright Future.

Required Supplementary Information

City of Bonita Springs, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes				
Property	$ 13,439,500	$ 13,439,500	$ 13,521,745	$ 82,245
Franchise	3,948,200	3,948,200	4,514,014	565,814
Communication services	1,340,000	1,340,000	1,520,350	180,350
Other taxes	30,000	30,000	30,390	390
Licenses and permits	46,100	46,100	105,855	59,755
Intergovernmental revenues	7,483,034	7,483,034	7,080,264	(402,770)
Charges for services	568,200	568,200	667,931	99,731
Fines and forfeitures	142,400	142,400	110,860	(31,540)
Miscellaneous				
Investment earnings	1,500,000	1,500,000	3,126,038	1,626,038
Other	73,000	73,000	93,067	20,067
Total revenues	28,570,434	28,570,434	30,770,514	2,200,080
EXPENDITURES				
Current:				
General government				
City Council	360,000	418,750	416,270	2,480
City Manager	510,950	544,539	553,040	(8,501)
Planning & Zoning	2,121,000	2,121,000	2,005,258	115,742
Information Technologies	445,450	445,450	310,503	134,947
City Attorney	633,000	633,000	305,159	327,841
Administrative Services/City Clerk	937,110	937,110	673,592	263,518
City Hall	330,930	330,930	290,877	40,053
Human Resources	75,700	75,700	62,145	13,555
Communications	919,851	919,851	740,482	179,369
Finance	1,071,450	1,187,079	1,185,435	1,644
Non-departmental	684,400	584,400	395,665	188,735
Public safety				
Law Enforcement	3,306,920	3,306,920	3,108,837	198,083
Neighborhood Services	1,424,048	1,424,048	1,300,187	123,861
Emergency Preparedness	94,000	94,000	51,558	42,442
Physical environment				
City Council / Boards and Committees	48,000	48,000	3,250	44,750
Public Works	405,634	405,634	282,856	122,778
Non-departmental	5,400	5,400	3,326	2,074
Transportation				
Public Works	4,422,527	4,500,106	3,790,410	709,696
Economic environment				
City Council	28,100	28,100	-	28,100
Human services				
Animal Services	136,410	136,410	166,476	(30,066)
Culture and recreation				
Special Events	717,500	717,500	658,070	59,430
Parks and Recreation	3,574,526	3,754,896	3,152,236	602,660
Boards & Committees	88,000	88,000	2,535	85,465
Non-departmental	55,490	55,490	32,329	23,161
Total expenditures	22,396,396	22,762,313	19,490,496	3,271,817
Excess of revenues over expenditures	6,174,038	5,808,121	11,280,018	5,471,897
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,408,209	2,408,209
Transfers out	(13,840,678)	(45,074,932)	(11,347,568)	33,727,364
Total other financing sources (uses)	(13,840,678)	(45,074,932)	(8,939,359)	36,135,573
Net change in fund balances	$ (7,666,640)	$ (39,266,811)	2,340,659	$ 41,607,470
Fund balance - beginning of the year			55,065,180	
Fund balance - ending			$ 57,405,839	

The notes to the required supplementary information are an integral part of this schedule.

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Grant Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental revenues	$ 1,351,750	$ 70,102,516	$ 20,438,905	$ (49,663,611)
Miscellaneous				
Other	-	-	-	-
Total revenues	1,351,750	70,102,516	20,438,905	(49,663,611)
EXPENDITURES				
Current:				
Public safety	80,000	890,000	834,581	55,419
Culture & recreation	-	9,639	-	9,639
Total expenditures	80,000	899,639	834,581	65,058
Excess of revenues over expenditures	1,271,750	69,202,877	19,604,324	(49,598,553)
OTHER FINANCING SOURCES (USES)				
Transfers in	40,000	40,000	780,479	740,479
Transfers out	(1,311,750)	(70,052,877)	(18,541,853)	51,511,024
Total other financing sources (uses)	(1,271,750)	(70,012,877)	(17,761,374)	52,251,503
Net change in fund balances	$ -	$ (810,000)	1,842,950	$ 2,652,950
Fund balances - beginning			(1,842,950)	
Fund balances - ending			$ -	

The notes to the required supplementary information are an integral part of this schedule.

City of Bonita Springs, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Road Impact Fee Fund

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Impact fees	$ 2,650,000	$ 2,650,000	$ 4,600,082	$ 1,950,082
Miscellaneous				
Investment earnings	1,000,000	1,000,000	1,095,390	95,390
Total revenues	3,650,000	3,650,000	5,695,472	2,045,472
Excess of revenues over expenditures	3,650,000	3,650,000	5,695,472	2,045,472
OTHER FINANCING USES				
Transfers in	-	-	-	-
Transfers out	(3,299,667)	(28,202,108)	(1,317,061)	26,885,047
Total other financing uses	(3,299,667)	(28,202,108)	(1,317,061)	26,885,047
Net change in fund balances	$ 350,333	$ (24,552,108)	4,378,411	$ 28,930,519
Fund balances - beginning			35,777,833	
Fund balances - ending			$ 40,156,244	

The notes to the required supplementary information are an integral part of this schedule.

Notes to the Required Supplemental Information Relating to Budgets

For the Year Ended September 30, 2025

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are legally enacted through passage of a resolution required by City Charter and as required by the State of Florida.

The level of control whereby expenditures cannot legally exceed the total amount budgeted is at the department level and the annual budgets serve as the legal authorization for expenditures.

Budget amounts, as shown in the fund financial statements, are as originally adopted and as finally amended by the City Council. The Council must approve all budget amendments that change the legally adopted total appropriation for a department. Authority to transfer budgets within a department is delegated to the City's Finance Director, as the designated budget officer, provided that the total appropriations of the department are not changed.

Required Supplementary Information
Florida Retirement System Pension Plan (unaudited)

September 30, 2025

Schedule of the City's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.007967%	0.007662%	0.008571%	0.008045%	0.007395%	0.006944%	0.007674%	0.009234%	0.009156%	0.009375%
City's Proportionate Share of the Net Pension Liability	$ 2,472,535	$ 2,963,937	$ 3,415,373	$ 2,993,430	$ 558,605	$ 3,009,761	$ 2,642,851	$ 2,757,861	$ 2,731,261	$ 2,367,294
City's Covered Payroll *	$ 2,647,999	$ 2,510,187	$ 2,492,906	$ 2,039,467	$ 1,672,628	$ 1,745,107	$ 1,881,105	$ 2,216,467	$ 2,318,615	$ 2,282,292
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	93.37%	118.08%	137.00%	146.78%	33.40%	172.47%	140.49%	124.43%	117.80%	103.72%
Plan Fiduciary Net position as a Percentage of the Total Pension Liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

* The amounts presented for each fiscal year were determined as of June 30.

Schedule of City Contributions

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 374,213	$ 332,208	$ 329,960	$ 242,106	$ 187,298	$ 161,406	$ 158,388	$ 196,704	$ 194,730	$ 194,742
Contribution in Relation to the Contractually Required Contribution	(374,213)	(332,208)	(329,960)	(242,106)	(187,298)	(161,406)	(158,388)	(196,704)	(194,730)	(194,742)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 2,700,778	$ 2,493,438	$ 2,521,145	$ 2,103,594	$ 1,708,807	$ 1,715,781	$ 1,804,081	$ 2,162,874	$ 2,307,003	$ 2,381,944
Contributions as a Percentage of Covered Payroll	13.86%	13.32%	13.09%	11.51%	10.96%	9.41%	8.78%	9.09%	8.44%	8.18%

Required Supplementary Information
Florida Retiree Health Insurance Subsidy Program (unaudited)
September 30, 2025

Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.010148%	0.009682%	0.009921%	0.008851%	0.008537%	0.008829%	0.009194%	0.010101%	0.010362%	0.010509%
City's Proportionate Share of the Net Pension Liability	$ 1,300,756	$ 1,452,348	$ 1,575,571	$ 937,484	$ 1,047,241	$ 1,077,985	$ 1,028,760	$ 1,069,128	$ 1,107,961	$ 1,224,784
City's Covered Payroll	$ 4,536,274	$ 4,097,300	$ 3,930,404	$ 3,227,215	$ 3,022,436	$ 3,064,251	$ 3,075,007	$ 3,299,243	$ 3,328,596	$ 3,244,225
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	28.67%	35.45%	40.09%	29.05%	34.65%	35.18%	33.46%	32.41%	33.29%	37.75%
Plan Fiduciary Net position as a Percentage of the Total Pension Liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

* The amounts presented for each fiscal year were determined as of June 30.

Schedule of City Contributions
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 92,733	$ 82,960	$ 70,160	$ 53,753	$ 50,227	$ 50,540	$ 50,682	$ 53,799	$ 55,324	$ 56,180
Contribution in Relation to the Contractually Required Contribution	(92,733)	(82,960)	(70,160)	(53,753)	(50,227)	(50,540)	(50,682)	(53,799)	(55,324)	(56,180)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 4,637,816	$ 4,147,034	$ 4,034,777	$ 3,238,978	$ 3,025,092	$ 3,044,006	$ 3,052,496	$ 3,240,881	$ 3,332,768	$ 3,384,333
Contributions as a Percentage of Covered Payroll	2.00%	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

City of Bonita Springs Florida

Small Town Charm.
Big Bright Future.

Combining and Individual Fund Financial Statements and Schedules

City of Bonita Springs, Florida

Combining Balance Sheet
Non-major Governmental Funds
September 30, 2025

	Special Revenue					Debt Service			Total
	Gas	Park Impact Fee	Stormwater	Building Fees	Downtown Area Revenue Sharing	Capital	Disaster Debt	Downtown Redevelopment	Non-major Governmental Funds
ASSETS									
Cash and cash equivalents	$ 3,428,373	$3,932,618	$2,914,493	$2,654,250	$ 3,245,915	$ -	$ 2,000,000	$ -	$ 18,175,649
Due from other governments	144,975	-	12,140	-	-	-	-	-	157,115
Total assets	$ 3,573,348	$3,932,618	$2,926,633	$2,654,250	$ 3,245,915	$ -	$ 2,000,000	$ -	$ 18,332,764
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts and contracts payable	$ 885,852	$ 34,997	$ 23,923	$ 1,405	$ -	$ -	$ -	$ -	$ 946,177
Total liabilities	885,852	34,997	23,923	1,405	-	-	-	-	946,177
Fund balances:									
Restricted for:									
Parks	-	3,897,621	-	-	-	-	-	-	3,897,621
Roads	2,687,496	-	-	-	-	-	-	-	2,687,496
Stormwater	-	-	2,902,710	-	-	-	-	-	2,902,710
Building code compliance	-	-	-	2,652,845	-	-	-	-	2,652,845
Disaster-related costs	-	-	-	-	-	-	2,000,000	-	2,000,000
Downtown redevelopment	-	-	-	-	3,245,915	-	-	-	3,245,915
Total fund balances	2,687,496	3,897,621	2,902,710	2,652,845	3,245,915	-	2,000,000	-	17,386,587
Total liabilities and fund balances	$ 3,573,348	$3,932,618	$2,926,633	$2,654,250	$ 3,245,915	$ -	$ 2,000,000	$ -	$ 18,332,764

City of Bonita Springs, Florida

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds

For the Fiscal Year Ended September 30, 2025

	Special Revenue					Debt Service			Total
	Gas Tax	Park Impact Fee	Stormwater	Building Fees	Downtown Area Revenue Sharing	Capital	Disaster Debt	Downtown Redevelopment	Non-major Governmental Funds
REVENUES									
Taxes									
Property	$ -	$ -	$ -	$ -	$ 845,800	$ -	$ -	$ -	$ 845,800
Gas	1,811,134	-	-	-	-	-	-	-	1,811,134
Licenses and Permits	-	-	1,630,844	2,327,980	-	-	-	-	3,958,824
Impact fees	-	301,372	-	-	-	-	-	-	301,372
Intergovernmental revenues	269,546	-	-	-	-	-	-	-	269,546
Miscellaneous									
Investment earnings	82,864	93,528	146,018	94,424	-	-	-	-	416,834
Total revenues	2,163,544	394,900	1,776,862	2,422,404	845,800	-	-	-	7,603,510
EXPENDITURES									
Current									
Public safety	-	-	-	2,973,471	-	-	-	-	2,973,471
Physical environment	-	-	402,180	-	-	-	-	-	402,180
Transportation	1,301,601	-	-	-	-	-	-	-	1,301,601
Debt service									
Principal retirement	-	-	-	-	-	350,000	-	940,000	1,290,000
Interest and fiscal charges	-	-	-	-	-	109,062	-	133,644	242,706
Other debt service costs	-	-	-	-	-	38,535	-	-	38,535
Total expenditures	1,301,601	-	402,180	2,973,471	-	497,597	-	1,073,644	6,248,493
Excess (deficiency) of revenues over (under) expenditures	861,943	394,900	1,374,682	(551,067)	845,800	(497,597)	-	(1,073,644)	1,355,017
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	497,597	-	1,073,644	1,571,241
Transfers out	(1,283,239)	(186,580)	(4,200,000)	(48,802)	(1,073,644)	-	-	-	(6,792,265)
Total other financing sources (uses)	(1,283,239)	(186,580)	(4,200,000)	(48,802)	(1,073,644)	497,597	-	1,073,644	(5,221,024)
Net change in fund balances	(421,296)	208,320	(2,825,318)	(599,869)	(227,844)	-	-	-	(3,866,007)
Fund balance - beginning	3,108,792	3,689,301	5,728,028	3,252,714	3,473,759	-	2,000,000	-	21,252,594
Fund balance - ending	$ 2,687,496	$ 3,897,621	$ 2,902,710	$ 2,652,845	$ 3,245,915	$ -	$ 2,000,000	$ -	$ 17,386,587

City of Bonita Springs, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Gas Tax Fund

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Gas taxes	$ 1,772,200	$ 1,772,200	$ 1,811,134	$ 38,934
Intergovernmental revenues	291,200	291,200	269,546	(21,654)
Miscellaneous				
Investment earnings	82,000	82,000	82,864	864
Total revenues	2,145,400	2,145,400	2,163,544	18,144
EXPENDITURES				
Current:				
Transportation				
Non-departmental	1,304,138	1,304,138	1,301,601	2,537
Total expenditures	1,304,138	1,304,138	1,301,601	2,537
Excess (deficiency) of revenues over (under) expenditures	841,262	841,262	861,943	20,681
OTHER FINANCING USES				
Transfers out	(428,990)	(2,875,305)	(1,283,239)	1,592,066
Total other financing uses	(428,990)	(2,875,305)	(1,283,239)	1,592,066
Net change in fund balances	$ 412,272	$ (2,034,043)	(421,296)	$ 1,612,747
Fund balances - beginning			3,108,792	
Fund balances - ending			$ 2,687,496	

City of Bonita Springs, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Park Impact Fee Fund

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Impact fees	$ 210,000	$ 210,000	$ 301,372	$ 91,372
Miscellaneous				
Investment earnings	100,000	100,000	93,528	(6,472)
Total revenues	310,000	310,000	394,900	84,900
Excess (deficiency) of revenues over (under) expenditures	310,000	310,000	394,900	84,900
OTHER FINANCING USES				
Transfers out	-	(5,014,166)	(186,580)	4,827,586
Total other financing uses	-	(5,014,166)	(186,580)	4,827,586
Net change in fund balances	$ 310,000	$ (4,704,166)	208,320	$ 4,912,486
Fund balances - beginning			3,689,301	
Fund balances - ending			$ 3,897,621	

City of Bonita Springs, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Stormwater Fund

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Licenses and Permits	$ 1,590,000	$ 1,590,000	$ 1,630,844	$ 40,844
Miscellaneous				
Investment earnings	50,000	50,000	146,018	96,018
Total revenues	1,640,000	1,640,000	1,776,862	136,862
EXPENDITURES				
Current:				
Physical Environment	746,048	746,048	402,180	343,868
Total expenditures	746,048	746,048	402,180	343,868
Excess (deficiency) of revenues over (under) expenditures	893,952	893,952	1,374,682	480,730
OTHER FINANCING USES				
Transfers out	(700,000)	(4,200,000)	(4,200,000)	-
Total other financing uses	(700,000)	(4,200,000)	(4,200,000)	-
Net change in fund balances	$ 193,952	$ (3,306,048)	(2,825,318)	$ 480,730
Fund balances - beginning			5,728,028	
Fund balances - ending			$ 2,902,710	

City of Bonita Springs, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Building Fee Fund

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Licenses and Permits	$ 2,000,000	$ 2,000,000	$ 2,327,980	$ 327,980
Miscellaneous				
Investment earnings	10,000	10,000	94,424	84,424
Total revenues	2,010,000	2,010,000	2,422,404	412,404
EXPENDITURES				
Current:				
Public safety				
Non-departmental	2,979,500	2,979,500	2,973,471	6,029
Total expenditures	2,979,500	2,979,500	2,973,471	6,029
Excess (deficiency) of revenues over (under) expenditures	(969,500)	(969,500)	(551,067)	418,433
OTHER FINANCING USES				
Transfers out	-	(642,795)	(48,802)	593,993
Total other financing uses	-	(642,795)	(48,802)	593,993
Net change in fund balances	$ (969,500)	$ (1,612,295)	(599,869)	$ 1,012,426
Fund balances - beginning of the year			3,252,714	
Fund balances - ending			$ 2,652,845	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Downtown Area Revenue Sharing Fund

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES				
Property Taxes	$ 845,800	$ 845,800	$ 845,800	$ -
Total revenues	845,800	845,800	845,800	-
Excess (deficiency) of revenues over (under) expenditures	845,800	845,800	845,800	-
OTHER FINANCING USES				
Transfers out	(1,073,644)	(1,073,644)	(1,073,644)	-
Total other financing uses	(1,073,644)	(1,073,644)	(1,073,644)	-
Net change in fund balances	$ (227,844)	$ (227,844)	(227,844)	$ -
Fund balances - beginning			3,473,759	
Fund balances - ending			$ 3,245,915	

City of Bonita Springs, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Capital Debt Service Fund

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES				
Debt service				
Principal retirement	$ 350,000	$ 350,000	$ 350,000	$ -
Interest and fiscal charges	109,062	109,062	109,062	-
Other debt service costs	-	38,000	38,535	(535)
Nondepartmental	-	-	-	-
Contingency	.	-	-	-
Total expenditures	459,062	497,062	497,597	(535)
Excess (deficiency) of revenues over (under) expenditures	(459,062)	(497,062)	(497,597)	(535)
OTHER FINANCING SOURCES				
Transfers in	459,062	459,062	497,597	38,535
Total other financing sources	459,062	459,062	497,597	38,535
Net change in fund balances	$ -	$ (38,000)	-	$ 38,000
Fund balances - beginning			-	
Fund balances - ending			$ -	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Disaster Debt Fund

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
OTHER FINANCING SOURCES				
Issuance of debt	$ -	$ -	$ -	$ -
Total other financing sources	-	-	-	-
Net change in fund balances	$ -	$ -	-	$ -
Fund balances - beginning			2,000,000	
Fund balances - ending			$ 2,000,000	

City of Bonita Springs, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Downtown Redevelopment Debt Service Fund

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES				
Debt service				
Principal retirement	$ 940,000	$ 940,000	$ 940,000	$ -
Interest and fiscal charges	133,644	133,644	133,644	-
Total expenditures	1,073,644	1,073,644	1,073,644	-
Excess (deficiency) of revenues over (under) expenditures	(1,073,644)	(1,073,644)	(1,073,644)	-
OTHER FINANCING SOURCES				
Transfers in	1,073,644	1,073,644	1,073,644	-
Total other financing sources	1,073,644	1,073,644	1,073,644	-
Net change in fund balances	$ -	$ -	-	$ -
Fund balances - beginning			-	
Fund balances - ending			$ -	

City of Bonita Springs, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Capital Projects Fund

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Miscellaneous				
Other	$ 1,367,625	$ 2,867,625	$ 750,595	$ (2,117,030)
Total revenues	1,367,625	2,867,625	750,595	(2,117,030)
EXPENDITURES				
Current:				
General governnment				
Information Technologies	75,000	935,684	77,410	858,274
City Hall	-	1,663	-	1,663
Non-departmental	3,715,000	9,097,085	499,310	8,597,775
Public Safety				
Non-departmental	400,000	400,000	-	400,000
Physical environment				
Public works	4,897,000	45,544,306	21,288,312	24,255,994
Parks and recreation	110,000	980,107	1,306,082	(325,975)
Information Technologies	-	250,000	-	250,000
Non-departmental	-	5,050,091	4,498,550	551,541
Transportation				
Public works	5,678,657	78,173,706	4,461,660	73,712,046
Non-departmental	100,000	264,000	-	264,000
Economic environment				
Non-departmental	-	78,381	-	78,381
Culture and recreation				
Parks and Recreation	4,898,991	13,050,843	1,589,562	11,461,281
Non-departmental	575,000	4,604,880	224,241	4,380,639
Total expenditures	20,449,648	158,430,746	33,945,127	124,485,619
Excess (deficiency) of revenues over (under) expenditures	(19,082,023)	(155,563,121)	(33,194,532)	122,368,589
OTHER FINANCING SOURCES				
Transfers in	19,082,023	155,563,121	33,238,818	(122,324,303)
Total other financing sources	19,082,023	155,563,121	33,238,818	(122,324,303)
Net change in fund balances	$ -	$ -	44,286	$ 44,286
Fund balances - beginning			4,167	
Fund balances - ending			$ 48,453	

Statistical Section

Statistical Section

(unaudited)

This part of the City of Bonita Springs' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents Page

Sources: Unless otherwise noted, the information in these schedules are derived from the annual comprehensive financial reports for the relevant year.

City of Bonita Springs, Florida

Net Position by Component

Last Ten Fiscal Years
(*accrual basis of accounting*)

Schedule 1

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	$ 110,053,588	$ 112,137,889	$ 105,588,038	$ 102,958,248	$ 106,197,063	$ 111,893,943	$ 117,920,477	$ 128,365,432	$ 136,491,730	$ 160,012,373
Restricted	17,821,962	19,239,132	29,628,702	34,487,912	35,754,853	38,524,859	40,323,708	42,279,082	55,336,010	55,892,194
Unrestricted	14,541,641	12,155,286	10,212,760	14,276,676	19,721,223	27,755,686	36,472,571	42,366,149	49,220,358	55,240,830
Total governmental activities net position	$ 142,417,191	$ 143,532,307	$ 145,429,500	$ 151,722,836	$ 161,673,139	$ 178,174,488	$ 194,716,756	$ 213,010,663	$ 241,048,098	$ 271,145,397

Note: The City of Bonita Springs does not have business-type activities; therefore, net positions of governmental activities equal total primary government net positions.

City of Bonita Springs, Florida

Changes in Net Position

Last Ten Fiscal Years
(*accrual basis of accounting*)

Schedule 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	$ 5,225,632	$ 6,652,458	$ 12,612,512	$ 6,356,710	$ 5,422,730	$ 5,260,870	$ 5,933,807	$ 6,645,217	$ 6,768,545	$ 7,333,019
Public safety	4,377,830	4,563,703	4,569,886	5,066,285	5,347,529	5,403,410	5,900,551	16,078,617	7,320,798	8,297,001
Physical environment	246,824	299,097	418,462	386,425	1,057,743	2,746,150	1,170,586	1,081,332	1,308,418	4,080,608
Transportation	12,069,647	11,579,685	12,011,416	12,459,782	8,195,361	6,442,921	7,588,324	8,854,884	9,539,397	9,804,346
Economic environment	1,294,051	550,289	966,938	805,678	804,216	803,049	789,414	793,693	787,693	893,332
Human services	112,439	174,068	118,250	150,626	143,449	147,981	177,856	486,143	132,938	166,476
Culture and recreation	3,617,122	4,401,269	3,273,199	3,395,641	3,267,769	3,083,049	3,184,408	3,643,750	4,214,709	4,727,606
Interest on long-term debt	721,528	651,721	578,168	502,819	437,003	472,140	340,268	308,673	310,615	237,461
Total governmental activities expenses	$ 26,740,581	$ 28,872,290	$ 34,548,831	$ 29,123,966	$ 24,675,800	$ 24,359,570	$ 25,085,214	$ 37,892,309	$ 30,383,113	$ 35,539,849
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 331,386	$ 376,024	$ 434,210	$ 418,097	$ 376,286	$ 678,999	$ 821,889	$ 769,354	$ 776,913	$ 563,449
Public safety	3,739,531	3,171,290	4,595,811	4,136,655	4,924,549	2,843,315	1,278,568	1,449,621	2,690,761	2,544,695
Physical environment	-	-	-	-	-	1,614,870	1,563,867	1,611,284	1,614,459	1,630,844
Economic environment	-	-	-	-	-	-	-	-	1,316,000	-
Culture and recreation	180,372	157,442	147,140	155,282	97,621	72,160	96,574	94,317	92,340	104,482
Operating grants and contributions	46,353	41,440	102,884	7,550,401	468,193	1,636,992	10,816	12,652,020	1,929,861	2,729,509
Capital grants and contributions	6,491,510	6,983,050	10,584,751	8,690,584	7,568,516	8,001,323	9,829,780	7,463,117	16,014,283	22,989,002
Total governmental activities program revenues	$ 11,002,292	$ 10,729,246	$ 15,864,796	$ 20,951,019	$ 13,435,165	$ 14,847,659	$ 13,601,494	$ 24,039,713	$ 24,434,617	$ 30,561,981
General Revenues										
Governmental activities:										
Taxes										
Property, levied for general purposes	$ 6,567,818	$ 7,232,706	$ 7,864,379	$ 8,288,958	$ 8,899,713	$ 9,276,948	$ 9,826,996	$ 11,036,084	$ 12,326,739	$ 14,367,545
Gas	1,592,922	1,628,495	1,657,364	1,672,387	1,538,578	1,675,558	1,766,148	1,904,606	1,796,809	1,811,134
Franchise	2,272,235	2,879,046	3,101,871	3,251,564	3,186,237	3,359,826	3,966,547	4,428,383	4,389,887	4,514,014
Communication services	710,767	1,245,338	1,301,544	1,303,192	1,325,271	1,273,242	1,367,360	1,387,713	1,487,093	1,520,350
Other taxes	43,039	43,579	43,790	42,815	41,439	37,175	33,177	33,763	30,162	30,390
Intergovernmental revenues	5,542,286	5,900,966	5,687,867	5,864,985	5,754,806	8,063,552	9,480,058	9,731,736	9,384,924	7,349,810
Gain on capital assets	-	-	-	-	-	-	421,038	-	-	-
Investment earnings	257,672	250,828	485,464	887,141	533,007	186,536	430,988	3,091,226	4,415,197	4,638,262
Miscellaneous	47,446	77,202	438,949	257,292	65,197	2,140,423	733,676	532,992	155,120	843,662
Total governmental activities revenues	16,189,416	19,258,160	20,581,228	21,568,334	21,344,248	26,013,260	28,025,988	32,146,503	33,985,931	35,075,167
Special Item [1]	-	-	-	7,102,051	153,310	-	-	-	-	-
Change in Net Position										
Total governmental activities	$ 451,127	$ 1,115,116	$ 1,897,193	$ 6,293,336	$ 9,950,303	$ 16,501,349	$ 16,542,268	$ 18,293,907	$ 28,037,435	$ 30,097,299

[1] *Special Items are litigation expense for economic damages and opposing counsel's legal fees.*

City of Bonita Springs, Florida

Changes in Net Position

Last Ten Fiscal Years

(*modified accrual basis of accounting*)

Schedule 3

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Non-spendable	$ 3,400,000	$ 400,000	$ 400,000	$ 425,117	$ 432,186	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 400,000
Restricted	-	-	-	-	-	-	-	-	385,676	385,676
Committed	4,215,672	3,907,082	4,897,484	5,281,452	11,893,608	13,053,493	17,132,255	24,568,066	35,595,867	34,440,482
Assigned	5,142,291	9,989,407	5,204,470	5,816,352	5,420,861	9,101,261	13,834,307	11,091,775	9,442,220	15,230,840
Unassigned	4,673,072	135,349	571,570	4,520,794	6,277,427	8,431,402	7,112,615	10,094,797	9,241,417	6,948,841
Total General Fund	$17,431,035	$14,431,838	$11,073,524	$16,043,715	$24,024,082	$30,986,156	$38,479,177	$46,154,638	$55,065,180	$57,405,839
All Other Governmental Funds										
Restricted, reported in:										
Special revenue funds	$22,275,407	$22,397,772	$31,150,620	$29,123,064	$37,210,686	$38,948,706	$39,368,709	$42,327,311	$55,030,427	$55,542,831
Debt service funds	1,387,362	50,812	-	7,940,166	-	487,792	1,125,886	-	2,000,000	2,000,000
Capital Projects Fund	-	-	-	-	6,678	67,776	-	-	-	-
Committed, reported in:										
Capital projects fund	-	-	-	-	-	-	-	-	4,167	48,453
Assigned, reported in:										
Debt service funds	-	1,049,430	2,005,600	3,000,660	450,734	-	-	-	-	-
Unassigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	(1,842,950)	-
Total all other governmental funds	$23,662,769	$23,498,014	$33,156,220	$40,063,890	$37,668,098	$39,504,274	$40,494,595	$42,327,311	$55,191,644	$57,591,284

City of Bonita Springs, Florida

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(*modified accrual basis of accounting*)

Schedule 4

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 10,606,062	$ 11,186,781	$ 13,029,164	$ 13,968,948	$ 14,558,914	$ 14,991,238	$ 15,622,749	$ 16,960,228	$ 20,030,690	$ 22,243,433
Licenses and permits	3,703,481	3,269,665	2,752,384	3,958,600	3,529,141	4,504,998	3,895,924	2,674,197	4,116,883	4,064,679
Impact fees	5,679,795	6,102,631	5,567,624	8,906,066	7,554,981	4,571,675	6,463,803	8,186,318	12,033,258	4,901,454
Intergovernmental	5,792,748	5,977,518	6,869,168	6,702,779	14,535,988	8,317,751	11,238,064	11,134,336	13,183,108	27,788,715
Charges for services	823,136	876,627	869,492	1,126,447	1,101,985	740,665	751,159	918,463	2,185,252	667,931
Fines and forfeitures	296,657	104,997	82,880	92,114	78,907	152,792	562,261	168,238	188,338	110,860
Miscellaneous										
Investment earnings	158,899	270,469	270,826	485,463	887,141	533,007	186,536	430,988	4,415,197	4,638,262
Other	98,137	47,446	77,202	438,951	272,292	65,197	2,140,423	733,676	155,120	843,662
Total revenues	27,158,915	27,836,134	29,518,740	35,679,368	42,519,349	33,877,323	40,860,919	41,206,444	56,307,846	65,258,996
Expenditures										
General government	5,007,602	6,312,561	12,372,535	5,948,787	5,060,625	5,257,927	5,678,162	5,977,797	6,469,483	7,114,790
Public safety	4,325,583	4,482,752	4,530,938	5,015,994	5,285,237	5,404,660	5,835,996	15,930,629	7,318,580	8,268,634
Physical environment	202,951	206,986	320,470	218,902	938,574	1,447,043	848,520	867,248	966,870	3,756,257
Transportation	2,936,331	2,768,316	3,199,905	3,570,092	3,157,770	2,922,598	3,704,116	4,720,926	5,053,907	5,347,144
Economic environment	1,294,050	79,912	163,010	27,550	27,500	25,000	4,000	6,000	-	-
Human services	112,439	174,068	118,250	150,626	143,449	147,981	177,856	486,143	132,938	166,476
Culture/recreation	2,630,603	2,257,510	2,195,750	2,286,158	2,208,621	2,098,701	2,388,595	2,727,552	3,381,992	3,894,384
Capital outlay	10,610,171	12,764,907	2,844,929	3,489,462	11,942,523	11,014,294	10,750,392	14,428,012	11,715,536	30,399,771
Debt service										
Principal	2,941,000	3,011,000	3,082,000	3,157,000	3,233,000	3,306,000	3,389,000	1,220,000	1,260,000	1,290,000
Interest	693,936	624,680	551,689	476,917	400,088	438,465	367,503	313,732	278,751	242,706
Other debt service costs	-	-	-	-	-	-	-	-	-	38,535
Total expenditures	30,754,666	32,682,692	29,379,476	24,341,488	32,397,387	32,062,669	33,144,140	46,678,039	36,578,057	60,518,697
Excess of revenues over (under) expenditures	(3,595,751)	(4,846,558)	139,264	11,337,880	10,121,962	1,814,654	7,716,779	(5,471,595)	19,729,789	4,740,299
Other Financing Sources (Uses)										
Transfers in	15,562,130	12,812,496	5,335,344	13,668,605	13,214,314	15,024,026	14,074,748	28,105,573	15,610,298	37,998,747
Transfers out	(15,562,130)	(12,812,496)	(5,335,344)	(13,668,605)	(13,214,314)	(15,024,026)	(14,074,748)	(28,105,573)	(15,610,298)	(37,998,747)
Issuance of debt	-	-	-	-	-	-	-	-	2,000,000	-
Sale of capital assets	-	-	-	-	-	-	421,038	-	45,086	-
Total other financing sources (uses)	-	-	-	-	-	-	421,038	-	2,045,086	-
Extraordinary Item[1]	-	(3,000,000)	-	-	-	-	-	-	-	-
Special Item[2]	-	-	-	(6,300,000)	(955,361)	-	-	-	-	-
Net change in fund balances	$ (3,595,751)	$ (7,846,558)	$ 139,264	$ 5,037,880	$ 9,166,601	$ 1,814,654	$ 8,137,817	$ (5,471,595)	$ 21,774,875	$ 4,740,299
Debt service as a percentage of noncapital expenditures	14.6%	15.1%	11.6%	15.1%	15.8%	15.7%	15.1%	3.8%	5.1%	4.4%

[1] *Acquisition of Everglades Wonder Garden Property through a deed in lieu of foreclosure*

[2] *Litigation expense for economic damages and opposing counsel's legal fees*

City of Bonita Springs, Florida

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Schedule 5

Fiscal Year Ended September 30	Real Property			Personal Property	Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value [2]	Assessed Value as a Percentage of Actual Value [1]
	Residential Property	Commercial Property	Other Property						
2016	9,174,960,694	657,752,456	415,728,010	259,175,917	2,173,784,843	8,333,832,234	0.8173	10,507,617,077	79.31%
2017	10,175,618,306	762,800,548	487,427,096	273,005,908	2,520,251,862	9,178,599,996	0.8173	11,698,851,858	78.46%
2018	11,011,133,268	741,441,552	527,784,332	294,144,734	2,589,534,123	9,984,969,763	0.8173	12,574,503,886	79.41%
2019	11,246,498,396	808,741,170	505,631,785	311,198,316	2,352,270,914	10,519,798,753	0.8173	12,872,069,667	81.73%
2020	11,900,377,393	848,361,891	622,576,869	349,972,937	2,428,815,897	11,292,473,193	0.8173	13,721,289,090	82.30%
2021	12,169,080,732	920,192,191	663,947,336	367,922,019	2,341,158,789	11,779,983,489	0.8173	14,121,142,278	83.42%
2022	12,928,506,436	1,055,720,742	699,294,596	389,362,222	2,586,529,295	12,486,354,701	0.8173	15,072,883,996	82.84%
2023	17,841,390,239	1,236,715,909	816,415,397	424,220,623	6,003,875,849	14,314,866,319	0.8000	20,318,742,168	70.45%
2024	21,498,944,040	1,634,010,721	1,001,198,146	476,319,598	9,009,300,832	15,601,171,673	0.8173	24,610,472,505	63.39%
2025	23,485,064,907	1,555,480,208	1,004,397,880	518,218,471	8,907,120,857	17,656,040,609	0.8470	26,563,161,466	66.47%

Source: *Lee County Property Appraiser.*

Note: *Real property is reassessed every year.*

[1] *Includes tax-exempt property.*

[2] *This is "Just Value" which is synonymous to "full cash value" and "fair market value".*

City of Bonita Springs, Florida

Property Tax Rates - Direct and Overlapping Governments

(Per $1,000 of Assessed Value)
Last Ten Fiscal Years

Schedule 6

	City of Bonita Springs, Florida			Overlapping Rates[2]										Total
		Debt	Total	Lee County					School					Direct &
Fiscal Year	Operating Millage	Service Millage	City Millage	General Revenue	Capital Improv	Preserve MSTU	Library Fund	Total Lee Cty	Local Board	State Law	Total School	Fire District	Other[1]	Overlapping Rates
2016	0.8173	-	0.8173	4.1506	-	-	0.5956	4.7462	2.2480	5.0370	7.2850	2.3500	0.6605	15.8590
2017	0.8173	-	0.8173	4.0506	-	-	0.5956	4.6462	2.2480	4.7410	6.9890	2.3500	0.6361	15.4386
2018	0.8173	-	0.8173	4.0506	-	-	0.5956	4.6462	2.2480	4.4310	6.6790	2.3300	0.6542	15.1267
2019	0.8173	-	0.8173	4.0506	-	-	0.4956	4.5462	2.2480	4.1530	6.4010	2.3100	0.6205	14.6950
2020	0.8173	-	0.8173	4.0506	-	-	0.4956	4.5462	2.2480	3.8990	6.1470	2.2600	0.5958	14.3663
2021	0.8173	-	0.8173	4.0506	-	-	0.4956	4.5462	2.2480	3.8100	6.0580	2.2300	0.5729	14.2244
2022	0.8173	-	0.8173	3.8623	-	-	0.4714	4.3337	2.2480	3.6430	5.8910	2.1800	0.5640	13.7860
2023	0.8000	-	0.8000	3.7623	-	-	0.4714	4.2337	2.2480	3.3090	5.5570	1.9466	0.5220	13.0593
2024	0.8173	-	0.8173	3.7623	-	-	0.4714	4.2337	2.2480	3.1820	5.4300	1.9466	0.5212	12.9488
2025	0.8470	-	0.8470	3.7623	-	-	0.4361	4.1984	2.2480	3.0380	5.2860	1.9466	0.5095	12.7875

Source: *Lee County Property Appraiser.*

Note: *The City's operating millage tax rate may be increased only by a majority vote of the City Council.*

[1] *Other consists of South Florida Water Management District, West Coast Inland Navigation District, Lee County Hyacinth Control and Lee County Mosquito Control.*

[2] *Overlapping rates are those of the local and county governments that apply to property owners within the City of Bonita Springs. Not all overlapping rates apply to all City of Bonita Springs property owners.*

City of Bonita Springs, Florida

Principal Property Taxpayers

Current Fiscal Year and Nine Fiscal Years Ago

Schedule 7

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power & Light Company	$113,045,598	1	0.64%	$ 44,724,822	2	0.54%
HHR HRCP LLC	$ 72,857,969	2	0.41%			
Preserve Circle Owner LLC	$ 66,689,010	3	0.38%			
Versol Drive Owner LLC	$ 63,243,153	4	0.36%			
Lee Founders Way LLC	$ 59,193,619	5	0.34%			
Bonita Springs Retirement Village	$ 48,617,562	6	0.28%	48,740,969	1	0.59%
Herc Rentals Inc	$ 42,502,146	7	0.24%			
CL Bonita Springs LLC +	$ 40,531,998	8	0.23%			
CPI Citrus Park Owner LLC	$ 35,722,154	9	0.20%	23,965,397	5	0.29%
Wynn Properties Inc	$ 32,480,401	10	0.18%	16,681,866	8	0.20%
Lennar Homes LLC				41,190,240	3	0.49%
Hyatt Equities LLC				26,279,934	4	0.32%
WSR Bonia Bay LLC				19,020,000	6	0.23%
G&I VIII Springs Plaza LLC				18,240,910	7	0.22%
Comcast				16,680,869	9	0.20%
Imperial Bonita Estates Co-op				15,044,781	10	0.18%
Total	$574,883,610		3.26%	$ 270,569,788		3.26%

Source: Lee County Property Appraiser.

City of Bonita Springs, Florida

Property Tax Levies and Collections

Last Ten Fiscal Years

Schedule 8

Fiscal Year Ended Sep 30	Total Tax Levy For Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount [1]	Percentage of Levy		Amount	Percentage of Levy
2016	6,811,241	6,557,177	96.27%	3,405	6,560,582	96.32%
2017	7,501,670	7,232,706	96.41%	(2,006)	7,230,700	96.39%
2018	8,160,716	7,861,127	96.33%	(3,566)	7,857,561	96.29%
2019	8,597,832	8,276,881	96.27%	(4,121)	8,272,760	96.22%
2020	9,229,338	8,887,626	96.30%	441	8,888,067	96.30%
2021	9,627,909	9,256,406	96.14%	(853)	9,255,553	96.13%
2022	10,205,098	9,826,465	96.29%	27	9,826,492	96.29%
2023	11,451,893	10,992,993	95.99%	440	10,993,433	96.00%
2024	12,751,001	12,264,809	96.19%	(1,330)	12,263,479	96.18%
2025	14,954,870	14,320,241	95.76%		14,320,241	95.76%

Source: *Lee County Tax Collector.*

[1] *Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of the levy. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Accordingly, taxes collected will not be 100% of tax levy. Taxes become delinquent on April 1 of each year, and tax certificates for the full amount of any unpaid taxes and assessments are sold at public auction prior to June 1 of each year. The proceeds collected are remitted to the City.*

City of Bonita Springs, Florida

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Schedule 9

	Governmental Activities					
Fiscal Year	General Obligation Bonds	Revenue Bonds	Notes, Loans and Agreements Payable	Total Primary Government	Percentage of Personal Income [1]	Per Capita [1]
2016	-	-	25,963,000	28,904,000	0.10%	621
2017	-	-	22,952,000	22,952,000	0.08%	474
2018	-	-	19,870,000	19,870,000	0.06%	396
2019	-	-	16,713,000	16,713,000	0.05%	327
2020	-	-	18,540,000	18,540,000	0.05%	341
2021	-	-	15,234,000	15,234,000	0.04%	274
2022	-	-	11,845,000	11,845,000	0.03%	216
2023	-	-	10,625,000	10,625,000	0.02%	191
2024	-	-	11,365,000	11,365,000	0.02%	207
2025	-	-	10,075,000	10,075,000	0.02%	181

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] *See schedule 13 for personal income and population data. These ratios are calculated using personal income and population for prior calendar year.*

City of Bonita Springs, Florida

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Schedule 10

	General Bonded Debt Outstanding				
Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-
2024	-	-	-	0.00%	-
2025	-	-	-	0.00%	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Bonita Springs, Florida

Direct And Overlapping Governmental Activities Debt

As of September 30, 2025

Schedule 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Lee County	$ 236,401,000 [1]	11.8% [2]	$ 27,895,318
City direct debt			10,075,000
Total direct and overlapping debt			$ 37,970,318

[1] *Lee County Clerk of Court, Finance Division*

[2] *Determined by dividing:*

"Total Taxable Assessed Valuation" from Schedule 5	$	17,656,040,609
by the "Total Taxable Assessed Value" of Lee County	$	149,554,341,739

[3] *See Schedule 9 herein.*

[4] *State of Florida Department of Revenue*

City of Bonita Springs, Florida

Legal Debt Margin Information

Last Ten Fiscal Years

Schedule 12

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Legal debt limit	$833,383,223	$917,860,000	$998,496,976	$ 1,051,979,875	$1,129,247,319	$1,177,998,349	$1,248,635,470	$1,431,486,632	$1,560,117,167	$1,765,604,061
Total net debt applicable to limit	25,963,000	22,952,000	19,870,000	16,713,000	18,540,000	15,234,000	11,845,000	10,625,000	11,365,000	10,075,000
Legal debt margin	$807,420,223	$894,908,000	$978,626,976	$ 1,035,266,875	$1,110,707,319	$1,162,764,349	$1,236,790,470	$1,420,861,632	$1,548,752,167	$1,755,529,061
Total net debt applicable to the limit as a percentage of debt limit	3.12%	2.50%	1.99%	1.59%	1.64%	1.29%	0.95%	0.74%	0.73%	0.57%

Note: As outlined in the City Charter, Section 46 (f), a legal debt limit exists that caps the amount of outstanding long-term liabilities to 10% of the assessed property value within the City.

Demographic And Economic Statistics

Last Ten Fiscal Years

Schedule 13

	Population		Lee County[1]			
Fiscal Year	City of Bonita Springs[2]	Lee County[2]	Total Personal Income (in thousands)[3]	Per Capita Personal Income[4]	Median Age[4]	Unemployment Rate[5]
2016	48,388	680,539	30,340,470	44,583	46.3	4.7%
2017	50,137	698,468	31,967,483	45,768	46.3	3.6%
2018	51,181	713,903	35,526,669	49,764	46.4	2.9%
2019	54,437	735,148	37,688,097	51,266	47.8	2.8%
2020	55,645	750,493	39,073,668	52,064	46.5	3.4%
2021	54,746	782,579	42,812,549	54,707	46.7	3.1%
2022	55,502	802,178	50,420,898	62,855	48.8	2.4%
2023	54,862	800,989	50,917,269	63,568	49.7	3.4%
2024	56,060	827,016	54,482,160	65,878	49.7	3.2%
2025	55,795	839,029	59,008,071	70,329	49.7	3.5%

Data Sources:

1 *City of Bonita Springs statistics unattainable.*

2 *The Florida Legislature Office of Economic and Demographic Research for 2012 and subsequent years.*

3 *Determined by multiplying population by per capita income.*

4 *The Florida Legislature Office of Economic and Demographic Research.*

5 *Data for all years is for Lee County as City of Bonita Springs statistics were unobtainable. Lee County,*

City of Bonita Springs, Florida

Principal Employers[1]

Current Fiscal Year and Nine Fiscal Years Ago

Schedule 14

	2025			2016		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lee Health	16,506	1	4.62%	11,800	1	3.76%
Lee County Public Schools	12,264	2	3.43%	11,000	2	3.51%
Lee County Local Government	9,959	3	2.79%	4,955	4	1.58%
Publix Asset Management Company	5,730	4	1.60%	5,100	3	1.63%
Walmart Inc	3,357	5	0.94%	3,146	5	1.00%
Amazon.com Inc	2,365	6	0.66%			
Herc Rentals	2,213	7	0.62%			
Gartner Inc	2,000	8	0.56%			
Florida Gulf Coast University	1,943	9	0.54%	1,253	10	0.40%
Shell Point Retirement Community	1,563	10	0.44%			
City of Cape Coral				1,800	6	0.57%
Winn Dixie				1,561	7	0.50%
Lee County Sheriff's Office				1,543	8	0.49%
Chico's Fas Inc.				1,426	9	0.45%
Total	57,900		16.20%	43,584		13.89%

Source: Lee County Clerk of Court & Lee County Economic Development Office.

[1] *Information listed is for Lee County as principal employer statistics for City of Bonita Springs are unobtainable.*

City of Bonita Springs, Florida

Full-Time Equivalent City Government Employees By Function

Last Ten Fiscal Years

Schedule 15

	Full-time Equivalent Employees as of September 30									
Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	25.5	25.5	25.5	24.5	22.3	22.3	21.3	21.3	22.3	22.3
Public Safety:										
Police[1]	-	-	-	-	-	-	-	-	-	-
Neighborhood Services	9.0	9.0	9.0	8.0	8.0	8.0	10.0	10.0	12.0	12.0
Building Inspection[1]	-	-	-	-	-	-	-	-	-	-
Physical Environment[1]	-	-	-	-	-	-	-	-	-	-
Transportation	8.0	8.0	9.0	9.0	8.8	8.8	8.8	8.8	8.8	8.8
Economic Environment[1]	-	-	-	-	-	-	-	-	-	-
Human Services[1]	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	20.0	20.0	19.0	19.0	18.5	17.5	18.0	18.0	19.0	19.0
Total	62.5	62.5	62.5	60.5	57.6	56.6	58.1	58.1	62.1	62.1

Source: City of Bonita Springs Annual Budget as amended.

[1] *The City outsources Police, Building Inspection, Physical Environment, Economic Environment and Human Services; therefore, no Full-time Equivalents exist in these City functions*

City of Bonita Springs, Florida

Operating Indicators By Function[1]

Last Ten Fiscal Years

Schedule 16

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety:										
Police[2]	-	-	-	-	-	-	-	-	-	-
Code Enforcement	-	-	-	-	-	-	-	-	-	-
Building Inspection[2]	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Paved streets (miles)	-	-	-	-	-	-	-	-	-	-
Streetlights	-	-	-	-	-	-	-	-	-	-
Traffic signals	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Park/Preserve acreage	-	-	-	-	-	-	-	-	-	-
Vacant acreage	-	-	-	-	-	-	-	-	-	-
Community Centers	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

[1] *The City does not maintain Capital Asset Statistics by Function; therefore, data is not available.*

[2] *The City outsources Police, Building Inspection, Physical Environment, Economic Environment and Human Services; therefore, no operating indicators exist in these City functions.*

City of Bonita Springs, Florida

Capital Asset Statistics by Function[1]

Last Ten Fiscal Years

Schedule 17

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety:										
Police[2]	-	-	-	-	-	-	-	-	-	-
Code Enforcement	-	-	-	-	-	-	-	-	-	-
Building Inspection[2]	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Paved streets (miles)	-	-	-	-	-	-	-	-	-	-
Streetlights	-	-	-	-	-	-	-	-	-	-
Traffic signals	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Park/Preserve acreage	-	-	-	-	-	-	-	-	-	-
Vacant acreage	-	-	-	-	-	-	-	-	-	-
Community Centers	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

[1] *The City does not maintain Capital Asset Statistics by Function; therefore, data is not available.*

[2] *The City outsources Police, Building Inspection, Physical Environment, Economic Environment and Human Services; therefore, no operating indicators exist in these City functions.*

City of
Bonita Springs
Florida
Small Town Charm.
Big Bright Future.

Single Audit

ASHLEY & BROWN SMITH
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report on Compliance For Each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General

To the Honorable Mayor, City Council and City Manager
City of Bonita Springs, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

Opinion on Each Major Federal Program and State Financial Assistance Project

We have audited the City of Bonita Springs, Florida (the "City") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of the City's major federal programs and state financial assistance projects for the fiscal year ended September 30, 2025. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state financial assistance projects for the fiscal year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Financial Assistance Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United states of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.550, Rules of the Auditor General ("Chapter 10.550"). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs and state financial assistance projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made my a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state financial assistance project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* the Uniform Guidance, and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, that planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

Report on Internal Control over Compliance - Continued

A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for an other purpose.

Ashley, Brown & Smith, CPA's, P.A.

Punta Gorda, Florida
June 26, 2026

CITY OF BONITA SPRINGS, FLORIDA
Schedule of Findings and Questioned Costs
Federal Awards Programs and State Financial Assistance Projects
For the fiscal year ended September 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financing reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards Programs and State Projects Section

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs and state projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (section 200.516(a))?	No
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550 for state projects?	No
Identification of major federal awards programs and state projects:	
Major Federal Awards Programs:	**ALN Number**
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036
Hazard Mitigation Grant Program (HMGP)	97.039
Major State Projects:	**CSFA Number**
Statewide Water Quality Restoration Projects	37.039
Hurricane Restoration Reimbursement Grant Program	37.113
Dollar threshold used to determine Type A programs:	
Federal awards programs	$1,000,000
State projects	$750,000
Auditee qualified as low-risk auditee for federal purposes?	Yes

Section II – Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs - Major Federal Awards Programs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported by 2 CFR 200.516(a).

Section IV - Findings and Questioned Costs - State Financial Assistance Projects

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.550, *Rules of the Florida Auditor General - Local Governmental Entity Audits*.

There were no findings required to be reported by Chapter 10.550, *Rules of the Florida Auditor General - Local Governmental Entity Audits*.

Section V - Status of Prior Year Audit Findings

The City had no audit findings reported in the schedule of Findings and Questioned Costs for the year ended September 30, 2024.

Section VI - Corrective Action Plan:

The City had no audit findings reported in the schedule of Findings and Questioned Costs for the year ended September 30, 2025, therefore, the City is not required to prepare a corrective action plan.

CITY OF BONITA SPRINGS, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

For the Fiscal Year Ended September 30, 2025

FEDERAL AGENCY *Pass-through entity* Federal Program - Project Name	Federal ALN Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
Passed through Lee County, Florida			
Community Development Block Grant/Entitlement Grant Cluster	14.218	DR10143	$ 19,886
Community Development Block Grant/Entitlement Grant Cluster	14.218	DR10144	226,756
Community Development Block Grant/Entitlement Grant Cluster	14.218	DR10250	781
Community Development Block Grant/Entitlement Grant Cluster	14.218	9738	328,655
			576,078
Passed through Florida Department of Economic Opportunity			
Community Development Block Grant - 2023-2024	14.228	IR015	443,309
Community Development Block Grant - 2024-2025	14.228	IR015	2,306,273
Community Development Block Grant - 2023-2024	14.228	MT119	1,277,035
Community Development Block Grant - 2024-2025	14.228	MT119	1,048,154
			5,074,771
Total U.S. Department of Housing & Urban Development			5,650,849
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Florida Department of Emergency Management			
Disaster Grants - Public Assistance (Presidentially Declared Disasters): H. Ian	97.036	4673	2,341,981
Disaster Grants - Public Assistance (Presidentially Declared Disasters): H. Helene	97.036	4828	8,728
			2,350,709
Hazard Mitigation Grant Program (HMGP)	97.039	H1065	895,543
Total U.S. Department of Homeland Security			3,246,252
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 8,897,101**

CITY OF BONITA SPRINGS, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED

For the Fiscal Year Ended September 30, 2025

STATE AGENCY State Project - Project Name	State CSFA Number	Contract/Grant Number	State Expenditures
STATE OF FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR			
State Hurricane Recovery Grant Program - Hurricane Ian	31.081	Z3136	$ 111,014
State of Florida Executive Office of the Governor			111,014
STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Statewide Water Quality Restoration Projects -			
Spring Creek Stormwater Management	37.039	LPA0465	5,400,000
Lakes of San Souci Septic to Sewer Conversion Project	37.039	WG062	1,056,853
Sun Village Septic to Sewer Conversion Project	37.039	WG060	355,765
			6,812,618
Beach Management Funding Assistance -			
2022 Hurricane Ian and Nicole Recovery Project	37.113	23LE6	4,495,500
Total State of Florida Department of Environmental Protection			11,308,118
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			**$ 11,419,132**
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			**$ 20,316,233**

CITY OF BONITA SPRINGS, FLORIDA
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the fiscal year ended September 30, 2025

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the activity of all federal awards and states projects of the City of Bonita Springs, Florida (the "City") for the year ended September 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.550, Rules of the Auditor General ("Chapter 10.550"). Because the Schedule presents only a selected portion of the operations of the City, the schedule is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The City's reporting entity is defined in Note 1 to the City's basic financial statements for the fiscal year ended September 30, 2025. All federal award programs and state projects received directly from federal and state agencies, as well as federal award programs and state projects passed through other government agencies, are included in the schedule.

NOTE 2 – BASIS OF ACCOUNTING

The Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements for the fiscal year ended September 30, 2025.

The City did not utilize the 15-percent de minimis indirect cost rate as covered in 2 CFR 200.414 (f) Indirect Costs.

NOTE 3 – CONTINGENCIES

Grant monies received by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any, would have a material effect on the financial position of the City. As of September 30, 2025, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant funding are recorded in the year the adjustment occurs.

NOTE 4 – SUBRECIPIENTS

The City did not pass through Federal awards or State financial assistance to subrecipients during the fiscal year ended September 30, 2025.

Management Letter and Response

ASHLEY & BROWN SMITH
CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT LETTER

To the Honorable Mayor, City Council, and City Manager
City of Bonita Springs, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Bonita Springs, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 26, 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; 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 26, 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 annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us 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 identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendation 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, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statues. In connection with our audit, we determined that there are no special district component units required to report to the City.

Additional Matters

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

Purpose of this Letter

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

Ashley, Brown & Smith, CPA's, P.A.

Punta Gorda, Florida
June 26, 2026

9101 Bonita Beach Road
Bonita Springs, FL 34135
Tel: (239) 949-6262
www.cityofbonitasprings.org

June 26, 2026

Mr. Jeff Brown, CPA
Ashley, Brown & Smith
Certified Public Accountants
366 E. Olympia Ave.
Punta Gorda, FL 33950

Re: **Management Letter for Fiscal Year Ended September 30, 2025**

Dear Mr. Brown,

This letter will confirm receipt of your management letter reviewed by us. In accordance with the Management Letter, the City of Bonita Springs did not note any current year comments for which a response was required.

Arleen M. Hunter, AICP
City Manager

ASHLEY & BROWN & SMITH
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Mayor, City Council and City Manager
City of Bonita Springs, 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 of the City of Bonita Springs, Florida (the "City") as of and for the fiscal 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 26, 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 opinion 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ashley, Brown & Smith, CPA's, P.A.

Punta Gorda, Florida
June 26, 2026

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AshleyBrownCPAS.com

REPORT OF INDEPENDENT ACCOUNTANTS' ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS

To the Honorable Mayor, City Council, and City Manager
City of Bonita Springs, Florida

We have examined the City of Bonita Springs, Florida's (the "City's) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. City management 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 requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement**.**

Our examination does not provide a legal determination of the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2025.

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

Ashley, Brown & Smith, CPA's, P.A.

Punta Gorda, Florida
June 26, 2026

City of Bonita Springs
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