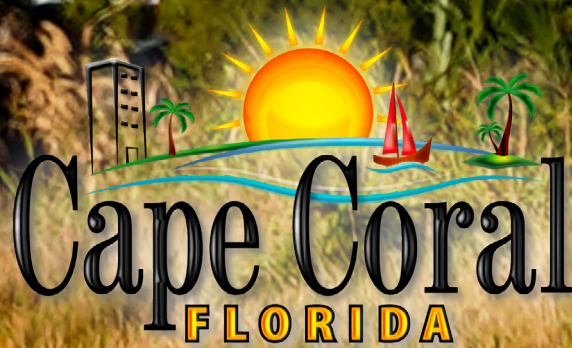


Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2025



Annual Comprehensive Financial Report

City of Cape Coral, Florida

For the Fiscal Year Ended
September 30, 2025



Prepared by:
Financial Services Department



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Our Vision

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



Our Mission

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



An aerial photograph of a coastal city at sunset. The sky is a mix of deep blues and oranges. In the foreground, a large body of water reflects the sky. The middle ground shows a residential area with various houses and buildings, some with red roofs. In the background, a city skyline is visible across the water. A white double-line border frames the text area.

I. INTRODUCTORY SECTION



CITY OF CAPE CORAL

March 19, 2026
 Citizens of Cape Coral
 Honorable Mayor
 Members of the City Council
 City of Cape Coral, Florida

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

We are pleased to present to you the Annual Comprehensive Financial Report of the City of Cape Coral, Florida (the City), for the fiscal year ended September 30, 2025. Chapter 218.39, Florida Statutes, and the City Charter require that a complete set of financial statements be published within nine months of fiscal year-end and presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and those standards applicable to audits performed in accordance with Government Auditing Standards, by licensed independent certified public accountants.

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

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that sufficient, reliable, and adequate accounting data is compiled for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal accounting controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of properly recorded financial transactions.

In addition, the City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. The City also maintains an encumbrance system that is employed as an extension of formal budgetary integration in all fund types. In compliance with the laws of the State of Florida, the City's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The independent auditor has issued an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2025 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Financial Services • City of Cape Coral • P.O. Box 150027 • Cape Coral, Florida 33915-0027
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Profile of the City

The City of Cape Coral, incorporated in 1970, is located on the southwest coast of Florida in Lee County, approximately 125 miles south of Tampa, at the mouth of the Caloosahatchee River. Covering 120 square miles, it is the third-largest city in Florida by land area and has an estimated population of 228,881 (City of Cape Coral Economic Development Office), making it the most populous city in Southwest Florida and the eighth most populous in the state.



The City is principally a residential, recreational, and vacation community and is one of the nation's first master-planned, pre-platted communities. In addition to broad boulevards and paved streets, the City is interlaced with more than 400 miles of waterways. These canals provide home sites with access to the Intracoastal Waterway and the Gulf of America. City-owned recreational facilities include numerous parks, a youth center, a municipal golf course, a yacht club, a water park, and an ecological preserve. Because the tax burden rests mostly on residential properties, the City is actively seeking more aggressive economic development to encourage new construction and expansions to balance the tax burden more equitably between residential and commercial properties.

The City operates under a Council/City Manager form of government. Legislative authority is vested in an elected City Council consisting of eight members elected at large on a nonpartisan basis from districts. The City Council is responsible for all policymaking functions of the government and retains the services of a City Attorney, City Auditor, and City Manager. The City Manager is responsible for the administration of the City.

The City provides a comprehensive range of municipal services, including general government; public safety (police, fire, and building); public works; community development; parks and recreation; planning; utilities; transportation; education; and economic development. In evaluating the City as a reporting entity, all component units for which the City Council is financially responsible have been included. The Community Redevelopment Agency (CRA) is blended with the financial statements presented for the Primary Government because the component unit exclusively serves the City. The Cape Coral Charter School Authority is a discretely presented component unit. The City of Cape Coral Health Facilities Authority does not meet the criteria established by GAAP for inclusion in this report. Additional information on all three entities can be found in the notes to the financial statements (see Note I). For additional information concerning the City, please visit the City's website at www.capecoral.gov.

The City Council is required to adopt a final budget no later than the close of the preceding fiscal year to which the budget applies. Formal legal appropriation by the City Council is at the department level for the General Fund and at the fund level for all other funds to allow the degree of flexibility provided by City policy. Amendments to the City's operating budget in which appropriations are increased or decreased, or transfers between funds occur, must be approved by the City Council via ordinance and include public input. The City Charter authorizes the City Manager to transfer appropriations within an operating department of the General Fund and within the fund for all other funds. Transfers are reviewed and processed by the budget staff and approved by the City Manager when required by administrative policy.



Local Economy

With over 9,000 businesses, the City’s year-round population of 228,881 swells during the winter months with seasonal residents, tourists, and international visitors. Cape Coral has experienced the largest amount of growth throughout the last decade contributing to its strong economy. Some of the major indicators are as follows:

- Unemployment Rates in Cape Coral: July 4.1%, August 4.2%, September 4.3% (fred.stlouisfed.org)
- YTD Vacancy Rate – Retail: 2.7%, Office: 2.2%, Industrial: 3.0 % (CoStar)
- Building and property value changes:

	2024	2025	Change	% Change
New Permit Applications	43,505	32,746	(10,759)	(24.73%)
Building Permits Issued	41,796	30,755	(11,041)	(26.42%)
Valuation of Building Permits Issued ¹	\$ 2,259	\$ 1,755	\$ (504)	(22.31%)
Taxable Assessed Property Value ¹	\$ 26,262	\$ 29,773	\$ 3,511	13.37%

¹Amounts shown in Million increments

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

Year	Actual	\$ Change	% Change
2021	\$ 24,359,362	\$ 4,318,978	21.55%
2022	\$ 29,260,198	\$ 4,900,836	20.12%
2023	\$ 31,999,585	\$ 2,739,387	9.36%
2024	\$ 30,667,548	\$ (1,332,037)	(4.16%)
2025	\$ 30,753,460	\$ 85,912	0.28%

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

Several development projects in various phases are expected to have a significant impact on the City’s economy and fiscal health in the near future. Key projects include:

- **Cape Coral Grove** – A mixed-use development featuring 385,000 square feet of retail and professional space, 138 luxury hotel rooms, and 1,312 multi-family units. The project will include two public parks and 5,412 free parking spaces. Infrastructure construction is scheduled to begin in early 2026, with vertical construction starting in the fall.
- **Bimini Basin East** – A major redevelopment opportunity in Cape Coral’s South Cape Redevelopment Area (CRA) encompassing 22 acres. This site presents a rare opportunity to create a new mixed-use district that complements the City’s signature waterfront character while revitalizing underutilized land at the center of downtown South Cape.
- **Yacht Club Redevelopment** – Features an expanded marina, new fuel dock and pump-out station, community center, fishing pier, resort-style pool, and Cape Coral’s only beach. These improvements will enhance the City’s coastal identity, tourism economy, and community vitality.
- **Victory Park** – A mixed-use, 140-acre master-planned development that will include medical facilities, retail, multi-family residential units, veteran services, and a hotel. Construction is expected to begin in fall 2025.
- **Pine Island Corridor Commercial Developments** – Includes a Walmart Supercenter, Marriott TownePlace Suites, and a Toyota dealership.
- **Seven Islands – Gulf Gateway Resort** – A mixed-use development featuring multi-family condos, townhomes, fish houses, a resort hotel, commercial space, a community center, a park, boat slips, and a marina.

Long-Term Financial Planning

A significant measure of the City’s financial strength is the level of its fund balances. In accordance with financial policies and to support the long-term health of the City’s General Fund, certain reserves are committed within the fund balance to provide resources for specific purposes such as budget stabilization and disaster recovery, among

others. Changes in net position for governmental and business-type activities are discussed starting on page 4 of this report.

The components of fund balance for the General Fund and other governmental funds are discussed on page 10.

The City of Cape Coral’s Asset Management Program (AMP) is a comprehensive program that summarizes the assets owned by the City, their condition, and future plans for maintenance or replacement. The AMP’s budgetary process integrates revenues, expenditures, and program and policy issues within the City’s long-range planning process. This long-term plan is included in the annually adopted budget document, which can be accessed at: <http://www.capecoral.gov/budgetbook>.

The City’s 2022–2030 Strategic Plan is a management tool that helps the organization assess the current operating environment, anticipate changes, and plan for the future. This plan provides a framework for decision-making and helps the City meet the community’s evolving needs. The Cape Compass Strategic Plan document is available online at: www.capecoral.gov/strategicplan.

Relevant Financial Policies

The City has adopted a comprehensive set of financial management policies covering operating management, debt management, accounts management, financial planning, and economic resources. These policies were reviewed and approved by the City Council on September 17, 2025, through Resolution 285-25.

Major Initiatives

The 2026 General Operating Budget was adopted with a reduced millage rate of 5.1471 and supports the City’s long-term goals while addressing population growth, inflationary pressures, and infrastructure needs. Overall taxable property values increased 7.4%, resulting in estimated additional tax revenue of \$11.0 million. The total budget reflects an increase of \$376,444,384 from the 2025 Adopted Budget, or a 35.6% increase, with nearly 95% of this increase attributable to the enterprise funds related to utility rate studies and associated expenditures for expansion projects.

The Proposed Budget includes a Budget Sustainability Reserve equivalent to 2.8 months of General Fund expenditures. The 2026 Budget introduces two new revenue sources: Parking Enforcement Revenue and School Zone Camera Revenue. The City regularly conducts fee studies that may include service-level cost recovery adjustments in future years.

The City’s Fiscal Year 2026 Asset Management Plan (AMP) was budgeted at \$564 million, consisting of capital projects that serve as major initiatives for the community, highlighted by continued utility-related expansions to meet the needs of the growing population.

Asset Management Program	
Capital Projects	\$ 503,727,720
Equipment	12,633,195
Maintenance	35,499,142
Fleet	11,943,194
Land	600,000
	\$ 564,403,251

Awards & Acknowledgments

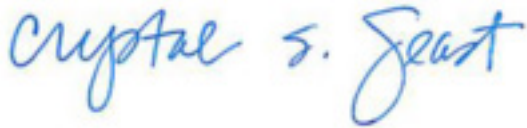
The Government Finance Officers Association (GFOA) of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cape Coral for its annual comprehensive financial report for the fiscal year ended September 30, 2024. This is the 39th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement for Excellence is valid for a period of one year only. We believe that our current annual comprehensive



financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the efficient and dedicated service of the Financial Services Department staff. Their continuing effort toward improving the accounting and financial reporting systems improves the quality of information reported to the City Council, state and federal agencies, and the citizens of the City of Cape Coral. We sincerely appreciate and commend them for their contributions.

Respectfully submitted,



Crystal S. Feast, MBA
Financial Services Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cape Coral
Florida**

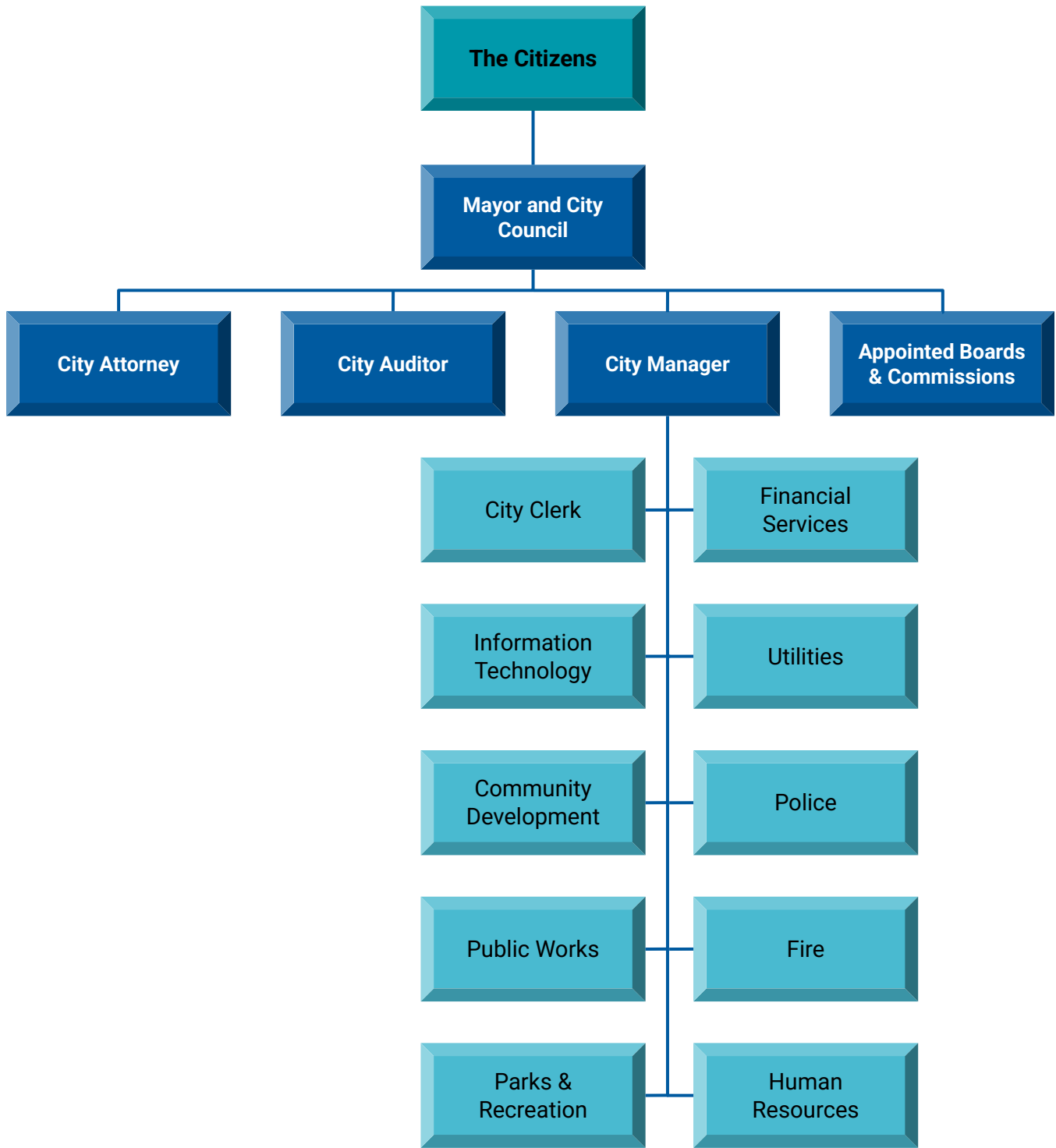
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



City Council

John Gunter

Mayor

William (Bill) Steinke

District I

Laurie Lehmann

District II

Dr. Derrick Donnell

District III

Jennifer Nelson-Lastra

District IV

Joe Kilraine

District V

Keith Long

District VI

Rachel Kaduk

District VII

Michael Ilczyszyn

City Manager

Aleksandr Boksner

City Attorney

Andrea Russell, CPA, CFE, CIA, CGMA

City Auditor

Crystal S. Feast, MBA

Financial Services Director

II. FINANCIAL SECTION





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund, fire and solid waste funds, and the pension and other post-employment benefit schedules on pages 5 through 19 and 114 through 129, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budget and actual schedules, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and budget and actual 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 budget to actual schedules of the capital projects funds on pages 166 through 169 and 171, which are the responsibility of management, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

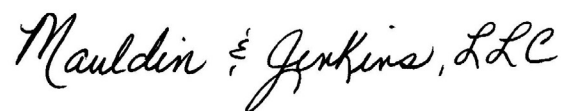
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Bradenton, Florida
March 19, 2026



Management's Discussion & Analysis



Management’s Discussion and Analysis

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

The MD&A provides an overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. It is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City’s financial activity, (c) identify changes in the City’s financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Highlights

Financial Highlights

- For Fiscal Year 2025, the City’s total net position increased by \$111.9 million or 9.8%. The governmental activities net position increased by \$64.2 million or 16.2% and the business-type activities net position increased by \$47.7 million or 6.4%. The analysis of these changes in net position related to governmental and business-type activities is further discussed on pages 7-8 of this MD&A.
- The governmental activities revenue decreased by \$23.0 million, or 4.9%. In Fiscal Year 2025, the results of governmental activities produced an increase in net position of \$64.2 million, while in Fiscal Year 2024 governmental activities net position increased by \$130.5 million. The analysis of these changes and current year impacts related to governmental activities is further discussed on pages 10-12 of this MD&A.
- The business-type activities revenue decreased by \$9.6 million, or 3.9%. In Fiscal Year 2025, the results of the business-type activities produced an increase in net position of \$47.7 million, while in Fiscal Year 2024 net position increased by \$65.6 million. The analysis of these changes and current year impacts related to business-type activities is further discussed on pages 12-13 of this MD&A.
- The City’s total expenses increased by \$51.6 million, or 10.1%. The analysis of this change related to government-wide activities and changes in net position is further discussed on page 11 of this MD&A.
- The General Fund, the primary operating fund, reflected on a current financial resource basis, reported an increase in fund balance of \$4.3 million, compared to an increase of \$41.3 million in Fiscal Year 2024. The analysis of these changes related to the General Fund is further discussed in the fund financial statement analysis section on pages 13 of this MD&A.

Overview of the Financial Statements

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

Government-wide Financial Statements

The *government-wide financial statements* (Statement of Net Position and Statement of Activities) are designed to provide a broad overview of the City, in a manner similar to a private-sector business.

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

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

Governmental activities are supported by taxes and intergovernmental revenues whereas the business-type activities are primarily supported by user fees and charges for services. The governmental activities of the City include General Government, Public Safety, Public Works, Parks and Recreation, and Community Development. The business-type



activities of the City reflect private sector type operations where the fee for service typically covers all or most of the cost of operation, including depreciation. The business-type activities include Water and Sewer operations, Stormwater Utility, and the Yacht Basin.

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

The government-wide financial statements can be found on pages 22-23 of this report.

Fund Financial Statements

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

Governmental Funds - *Governmental Fund* financial statements (see pages 24-27) are prepared on a modified accrual basis using a current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets.

The total columns on the Governmental Funds and Proprietary Funds financial statements are not the same as the governmental activities column and the business-type column on the government-wide financial statement. The Governmental Funds total column requires reconciliation to the governmental activities total to account for the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 25 and 27). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column in the government-wide Statements. The Proprietary Funds total column requires reconciliation because the internal service fund is consolidated as part of the governmental activities, but a portion of the internal service funds is for business-type activities. This reconciliation is a result of the surplus elimination (see pages 29-30).

Five of the City's governmental funds, the General Fund, the Fire Fund, the Building Fund, the Solid Waste Fund, and the General Obligation Fund, are considered major funds and are shown separately on the financial statements. All other governmental funds are combined into a single column on the governmental fund's financial statements. Individual fund data for the non-major funds is found in the combining statements as supplemental financial data (see pages 132-139).

The City adopts an annual appropriated budget for the General Fund, Special Revenue Funds, and the Debt Service Fund. Budgetary comparison statements for the General Fund are presented on page 112 of the basic financial statements and other governmental funds are presented on pages 140-170 of the combining statements.

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

Proprietary Fund financial statements (see pages 28-32), like government-wide financial statements, are prepared on the full accrual basis. These funds account for both operating and non-operating revenues and expenses. Operating revenues are generated directly from the fund's operations.

The Proprietary Fund financial statements provide separate information for the Water and Sewer Fund and for the Stormwater Fund, which are considered major funds. Other Non-Major Enterprise Funds are combined into a single column on the Proprietary Fund financial statements when there is more than one non-major fund. Right now the

only non-major proprietary fund is the Yacht Basin Fund. Additionally, the Internal Service Funds are reported in a single column on the proprietary statements. Individual fund data for the Non-Major Enterprise Funds and for the Internal Service Funds are found in the combining statements as supplemental financial data (see pages 172-174).

Fiduciary Funds - The *Fiduciary Fund* financial statements (see pages 33-34) are not presented as part of the government-wide financial statements because the resources of these funds are not available to support the City’s programs. Fiduciary (Pension Trust, Private-Purpose Trust and Custodial) Funds represent trust responsibilities of the government; however, these assets are restricted as to purpose and do not represent discretionary assets of the government.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-110 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information including budgetary comparison information and the funding progress for pension and schedule of changes in total Other Post Employment Benefits (OPEB) liability. Required supplementary information can be found on pages 112-127 of this report.

Government-Wide Financial Analysis

The government-wide financial statements are designed so that the user can determine if the City is in a better or worse financial condition from the prior year. The City’s overall financial condition has improved, as summarized in the following table.

**SUMMARY OF NET POSITION
(in millions)**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 468.0	\$ 509.8	\$ 431.1	\$ 486.6	\$ 899.1	\$ 996.4
Capital assets	687.7	587.7	1,347.3	1,226.4	2,035.0	1,814.1
Total assets	1,155.7	1,097.5	1,778.4	1,713.0	2,934.1	2,810.5
Deferred outflows of resources	127.5	122.9	41.5	41.2	169.0	164.1
Other liabilities	45.0	44.6	33.7	43.2	78.7	87.8
Long-term liabilities	665.4	680.3	978.7	952.7	1,644.1	1,633.0
Total liabilities	710.4	724.9	1,012.4	995.9	1,722.8	1,720.8
Deferred inflows of resources	112.0	98.9	18.7	17.2	130.7	116.1
Net position:						
Net investment in capital assets	452.6	388.4	536.2	517.9	988.8	906.3
Restricted	210.6	291.9	258.1	223.1	468.7	515.0
Unrestricted	(202.4)	(283.7)	(5.5)	0.1	(207.9)	(283.6)
Total net position	\$ 460.8	\$ 396.6	\$ 788.8	\$ 741.1	\$ 1,249.6	\$ 1,137.7

The net position of the City increased by \$111.9 million or 9.8%. Governmental activities net position increased by \$64.2 million or 16.2% and business-type activities increased by \$47.7 million or 6.4%.

Net investment in capital assets is the largest portion of net position. This represents capital assets (land, buildings, improvements, equipment, capital leases, computer software, subscription based IT arrangements, infrastructure, and construction in progress), net of accumulated depreciation and amortization and the outstanding related debt used to acquire the assets. Unamortized bond insurance costs “follow the debt” in calculating net asset components for the statement of net position. That is, if debt is capital-related, the unamortized amounts are included in the

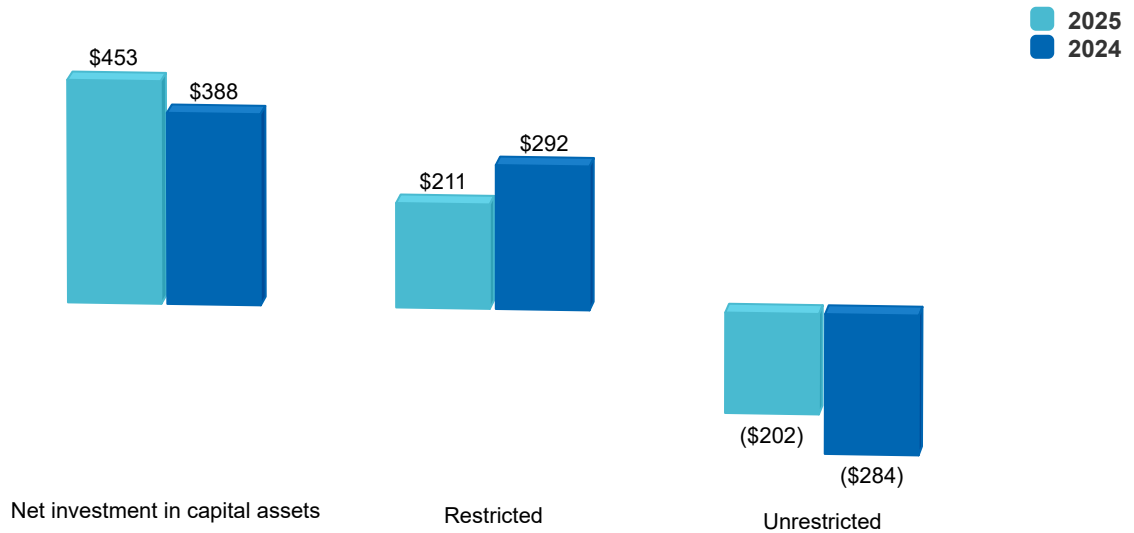
calculation of net investment in capital assets. If the debt is restricted for a specific purpose and the proceeds are unspent, the net proceeds impact restricted net position. If the debt proceeds are not restricted for capital or other purposes, the unamortized costs are included in the calculation of unrestricted net position.

The City's total net investment in capital assets balance of \$1.0 billion is an increase of \$82.5 million or 9.1%, over Fiscal Year 2024. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

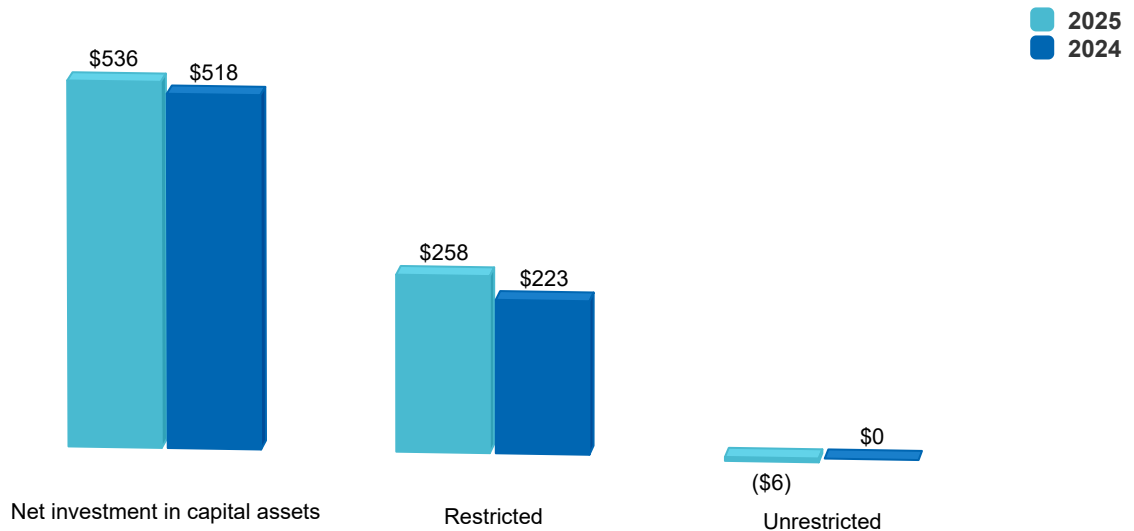
The total restricted net position of \$468.7 million (37.5% of total net position) represents resources subject to external restrictions on their use. There was an overall decrease of \$46.3 million or 9.0% during Fiscal Year 2025. Governmental activities experienced no change in restricted net position and business-type activities experienced an increase of \$35.0 million or 15.7%.

The City's total unrestricted net position balance decreased during the fiscal year, from negative \$283.6 million to negative \$207.9 million, a change of \$75.7 million from the prior year.

Net Position - Governmental Activities Millions:



Net Position - Business Type Activities Millions:



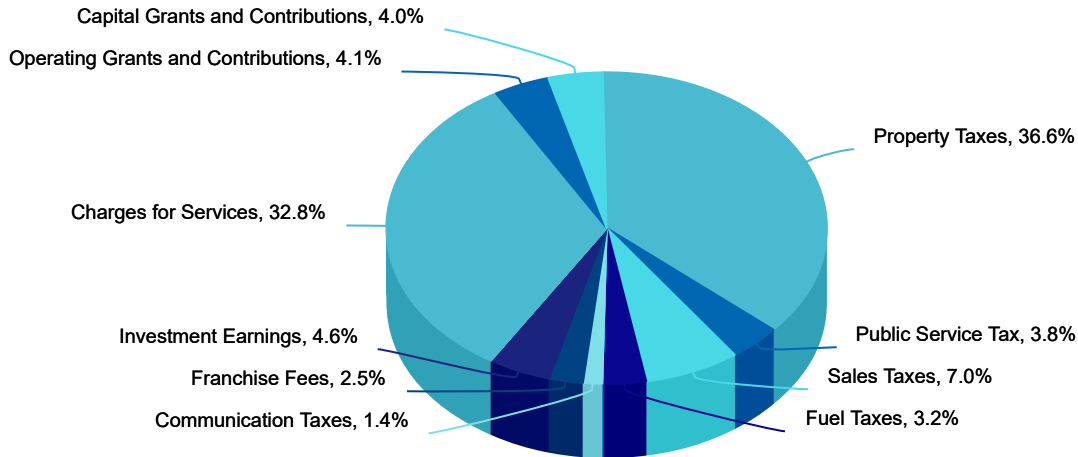
SUMMARY OF CHANGES IN NET POSITION
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUES:						
Program Revenues:						
Charges for Services	\$ 144.1	\$ 128.6	\$ 155.8	\$ 142.8	\$ 299.9	\$ 271.4
Operating Grants and Contributions	18.0	62.0	0.5	0.3	18.5	62.3
Capital Grants and Contributions	16.3	25.3	49.8	69.4	66.1	94.7
Property Taxes	161.0	144.8	-	-	161.0	144.8
Public Service Tax	16.7	15.0	-	-	16.7	15.0
Sales Taxes	30.8	30.7	-	-	30.8	30.7
Fuel Taxes	14.2	14.0	-	-	14.2	14.0
Alcohol and Beverage Tax	0.1	0.1	-	-	0.1	0.1
Communication Taxes	6.2	5.8	-	-	6.2	5.8
Franchise Fees	11.0	10.5	-	-	11.0	10.5
Investment earnings (loss)	20.4	26.0	28.1	31.5	48.5	57.5
Gain on sale of capital assets	1.1	0.1	0.4	0.2	1.5	0.3
Total Revenues	439.9	462.9	234.6	244.2	674.5	707.1
EXPENSES:						
Program Activities						
Governmental Activities:						
General Government	83.4	75.6	-	-	83.4	75.6
Public Safety						
Police	76.8	70.7	-	-	76.8	70.7
Fire	70.7	68.0	-	-	70.7	68.0
Building	23.7	22.6	-	-	23.7	22.6
Public Works	75.0	54.0	-	-	75.0	54.0
Parks and Recreation	30.7	27.6	-	-	30.7	27.6
Community Development	6.9	7.0	-	-	6.9	7.0
Interest and fiscal charges	8.5	6.3	-	-	8.5	6.3
Business-type Activities:						
Water and Sewer	-	-	159.1	153.0	159.1	153.0
Stormwater	-	-	27.3	25.9	27.3	25.9
Yacht Basin	-	-	0.5	0.3	0.5	0.3
Total Expenses	375.7	331.8	186.9	179.2	562.6	511.0
Increase (Decrease) in Net Position before transfers	64.2	131.1	47.7	65.0	111.9	196.1
Transfers, net	-	(0.6)	-	0.6	-	-
Change in Net Position	64.2	130.5	47.7	65.6	111.9	196.1
Net Position - beginning	396.6	266.1	741.1	675.5	1,137.7	941.6
Net Position - ending	\$ 460.8	\$ 396.6	\$ 788.8	\$ 741.1	\$ 1,249.6	\$ 1,137.7

Governmental Activities

The total net position of the City’s governmental activities increased by \$64.2 million or 16.2%; the net investment in capital assets for governmental activities increased by \$64.2 million or 16.5% over the prior year.

Revenues by Source – Governmental Activities:



Total revenues for governmental activities decreased by \$23.0 million, or 4.9%, during Fiscal Year 2025. This decrease was primarily due to a reduction in operating grants and contributions related to hurricane expenditure reimbursements from the Federal Emergency Management Agency (FEMA). In the prior fiscal year, the City received over \$40 million in reimbursements related to Hurricane Ian. Outlined below are explanations for the significant revenue changes within governmental activities.

Charges for services increased by \$15.5 million, or 12.1% due to increases in the annual assessment rates for fire service and solid waste service. The Fire Service Assessment increased by \$7.0 million due to the Tier 1 rate increasing from \$240.78 to \$278.84. The Solid Waste Public Service Assessment increased by \$4.7 million due to an increase in the fee from \$304.37 to \$345.76. General government charges for services increased by \$3.8 million due to an increase in internal administrative fees.

Operating grants and contributions decreased by \$44.0 million, or 71.0% primarily due to hurricane-related revenues of over \$40 million received in the prior year from the Federal Emergency Management Agency (FEMA). Additionally, Hurricane Housing Recovery State Housing Initiative funds were received in Fiscal Year 2024 and are not recurring revenues in Fiscal Year 2025..

Capital grants and contributions decreased by \$9.0 million, or 35.6%. Impact fees decreased overall by \$9.1 million or 37.3% from last fiscal year’s \$24.3 million in the previous fiscal year. Commercial impact fee revenue decreased by \$4.2 million, while residential impact fee revenue fell by \$4.9 million. These decreases are primarily attributable to a cooling in both commercial and residential new construction activity during the fiscal year.

Property tax revenue for Fiscal Year 2025 increased by \$16.2 million, or 11.2%, to \$161.0 million, representing 36.6% of the total revenue from the City’s governmental activities. Despite a decrease in the millage rate from 5.3694 mills to 5.2188 mills, the increase in revenue is attributable to the continued rise in taxable assessed property values to \$29.8 billion.

Public Service Tax revenue from electricity purchased by residents and business owners increased by \$1.7 million, or 11.3% over the prior fiscal year.

Revenue from sales taxes, including the Local Government Half-cent and state-shared collections, increased by \$0.1 million, or 0.3% over the prior fiscal year due to reduced inflationary pressures.

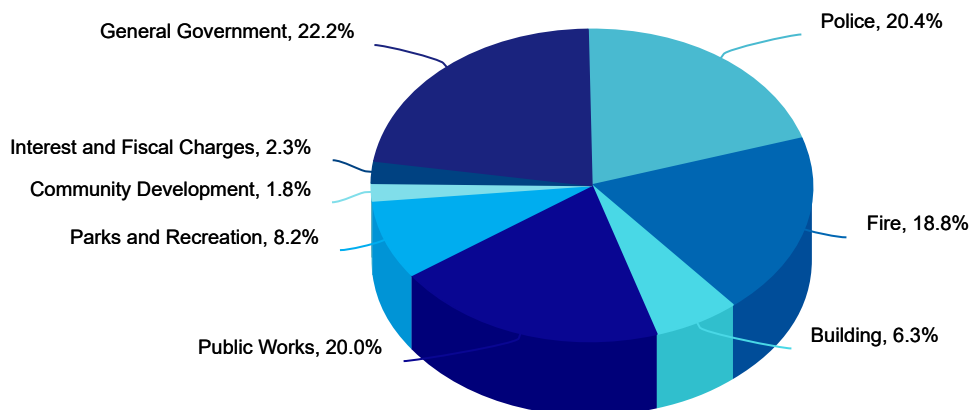
Fuel tax revenue includes state-shared collections on fuel sales, as well as rebates of fuel taxes paid by the City on its purchases. An increase of \$0.2 million or 1.4% over the prior year was recorded by the City in Fiscal Year 2025 due to reduced inflationary pressures.

Communication Services Tax revenue from telephone and cable services increased slightly by \$0.4 million, or 6.9%. The current rate of 5.5% was adopted January 1, 2019, and remained unchanged for Fiscal Year 2025.

Franchise fees increased by \$0.5 million or 4.8%. Franchise fees are levied on corporations or individuals by the City in return for granting a privilege or permitting the use of public property subject to regulation. The City receives franchise fees for electricity, solid waste, and natural gas.

The City's investment portfolios at fiscal-year-end reflect unrealized gains of \$20.4 million, due to shifts in market conditions. This represents a decrease of \$5.6 million from the prior year. Gains and losses are only realized when the securities are sold.

Expenses by Source – Governmental Activities:



Total expenses for governmental activities increased by \$43.9 million, or 13.2% during Fiscal Year 2025. This increase reflects continued investment in infrastructure and personnel, with the largest drivers being Public Works operations, salaries and benefits, and higher service-related expenditures. The increase in Public Works was primarily due to a substantial rise in road and curb maintenance costs, while personnel expenses saw widespread increases across departments, including the addition of 17 full-time officers in the Police Department. These increases were offset in part by adjustments in pension and OPEB contributions based on actuarial valuations.

General Government expenses increased by \$7.8 million, or 10.3%. The primary driver was a \$3.7 million (11.8%) increase in salaries and benefits. Additionally, other operating expenses increased by \$3.7 million, largely due to higher pension payments made on behalf of the state to the pension plan trustee.

Public Safety – Police expenses increased by \$6.1 million, or 8.6% compared to the prior fiscal year. The primary driver was a 10.1% increase in salary and benefit-related expenses, consisting of a \$12.8 million (26.1%) increase in salaries and earned benefits, partially offset by a \$6.4 million (52.0%) decrease in expenditures related to OPEB and pension valuations. The 2025 Adopted Budget included the addition of 17 full-time employees in the Police Department.

Public Safety – Fire expenses increased by \$2.7 million, or 4.0%. The primary driver was a \$1.3 million increase in internal administrative charges. In addition, salary and benefit-related expenses increased by 2.2%, reflecting a \$7.2 million (14.4%) increase in salaries and earned benefits, partially offset by a \$6.0 million (226.0%) decrease in expenditures related to OPEB and pension valuations. After accounting for pension and OPEB valuation adjustments and approved salary increases, overall salary and benefit costs increased by \$1.2 million, or 2.2%.

Public Safety – Building expenses increased by \$1.1 million, or 4.9% compared to the prior fiscal year. The primary driver was a 5.7% increase in salary and benefit-related expenses, consisting of a \$1.6 million (10.3%) increase in salaries and earned benefits, partially offset by a \$0.7 million (83.7%) decrease in expenditures related to OPEB and pension valuations. After accounting for pension and OPEB valuation adjustments and approved salary increases, overall salary and benefit costs increased by \$0.9 million or 5.7%. Additionally, internal and external service expenses increased by \$0.2 million, or 4.0%.

Public Works expenses increased by \$21.0 million, or 38.9% compared to the prior fiscal year. The primary driver was a \$16.3 million (612.1%) increase in expenditures for roads and curb maintenance. In addition, salary and benefit-related expenses increased by 41.8%, reflecting a \$2.8 million (32.6%) increase in salaries and earned benefits and a \$1.1 million (163.9%) increase in expenditures related to OPEB and pension valuations. After accounting for pension and OPEB valuation adjustments and approved salary increases, overall salary and benefit costs increased by \$3.9 million or 41.8%.

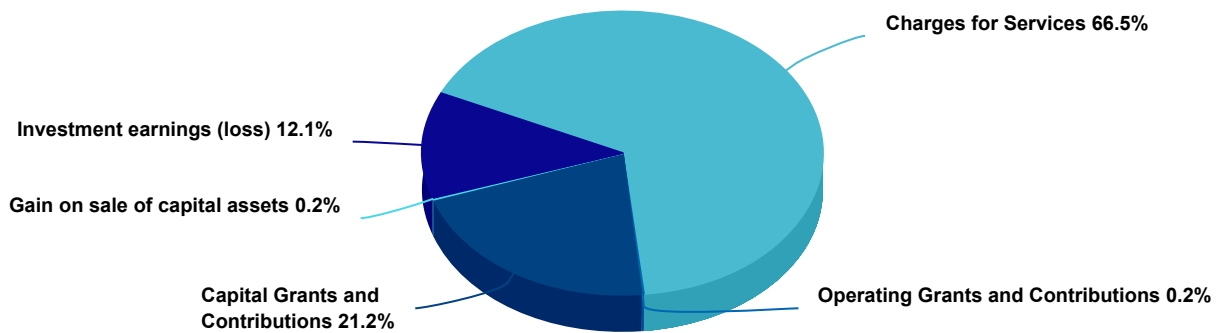
Parks and Recreation expenses increased by \$3.1 million, or 11.2% compared to the prior fiscal year. The primary driver was increased operating expenditures at Coral Oaks Golf Course and The Courts Racquet Center, which rose by \$1.9 million (109.0%). The prior fiscal year included only two months of operating expenses for the racquet center, while the current year reflects a full year of operations. In addition, parking lot maintenance expenditures increased by \$0.4 million (995.0%), and outside services increased by \$0.3 million (25.5%), primarily for environmental recreation programs and parks maintenance. Depreciation and amortization expense increased by \$0.5 million (17.9%), reflecting growth in depreciable assets.

Community Development expenses decreased by \$0.1 million, or 1.4%, primarily due to lower expenditures related to pension and OPEB valuation adjustments.

Business-type Activities

The net position of the City’s business-type activities increased by \$47.7 million or 6.4%. There was an increase in the business-type activities’ net investment in capital assets of \$18.3 million, or 3.5% in comparison to the prior year.

Revenues by Source – Business-type Activities:



Total revenues for business-type activities increased \$29.8 million or 14.0% during Fiscal Year 2024, mainly due to increases in revenues from charges for services, capital grants and contributions, and investment earnings.

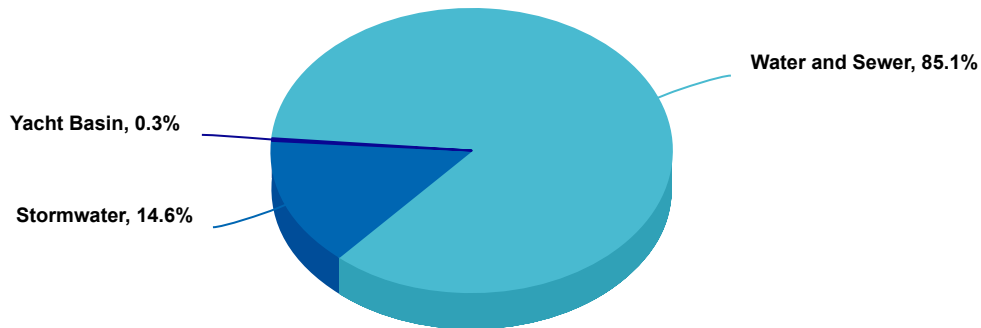
Charges for services reported in business-type activities increased by \$13.0 million, or 9.1%. The majority of the change is due to a \$13.1 million increase in water and sewer revenues, the result of higher commodity and capacity charges related to an increase in utility rates and new connections. Stormwater revenues increased by \$0.6 million due to the Stormwater equivalent residential unit (ERU) increasing from \$142 to \$149 offset with a decrease in reinspection fees. Yacht Basin revenues decreased by \$0.8 million due to the closure of the Boathouse Tiki Bar and Grill.

Operating grants and contributions reported in business-type activities increased by \$0.2 million, or 66.7%, mainly a result of funding from the Federal Emergency Management Agency for Hurricane Ian relief.

Capital grants and contributions reported in business-type activities decreased by \$19.6 million, or 28.2%, primarily due to timing of funding from the Florida Department of Environmental Protection, resulting in a decrease of \$11.8 million. These grants supported the North 1 Utility Expansion Project and the Wastewater Lift Station Bypass Pumps project.

Investments earnings reported in business-type activities resulted in a gain of \$28.1 million which is a decrease of \$3.4 million from the prior year’s gain of \$31.5 million. This change is due to less favorable market conditions. Gains and losses are only realized when the securities are sold.

Expenses by Program – Business-type Activities:



Water and Sewer expenses reported in business-type activities increased by \$6.1 million, or 4.0%, primarily due to a \$5.5 million increase in salaries and benefits compared to the prior year. This reflects salary adjustments and higher OPEB costs resulting from the most recent actuarial valuation.

Stormwater expenses reported in business-type activities increased by \$1.4 million, or 5.4%, driven mainly by a \$2.0 million rise in salaries and benefits, reflecting salary adjustments and higher OPEB costs from the latest actuarial valuation. These increases were partially offset by a \$0.6 million decrease in contractual services related to the removal of the Chiquita Lock in 2025.

Yacht Basin expenses increased by \$0.2 million, primarily due to higher operating costs at Rosen Park.

Financial Analysis of the City’s Funds

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

Governmental Funds

Governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and the Capital Projects Funds. Governmental funds use the current financial resources measurement focus that provides information on near-term inflows, outflows, and balances of spendable resources. The following funds are the City’s major governmental funds.

The *General Fund* is the chief operating fund of the City and accounts for all financial resources not required to be reported in another fund. At the end of the current fiscal year, the General Fund Fund balance increased by \$4.3 million or 3.7% from \$114.9 million to \$119.2 million. The increase is primarily due to federal funding related to Hurricane Ian that was received in the current year for expenditures incurred in a prior year.

The *Fire Fund* accounts for fire operations and related grants, including a special assessment for fire protection services based on a “readiness-to-serve” level of service. The fund is also supported by transfers from the General Fund. At year-end, the Fire Fund reported a total fund balance of \$9.3 million.

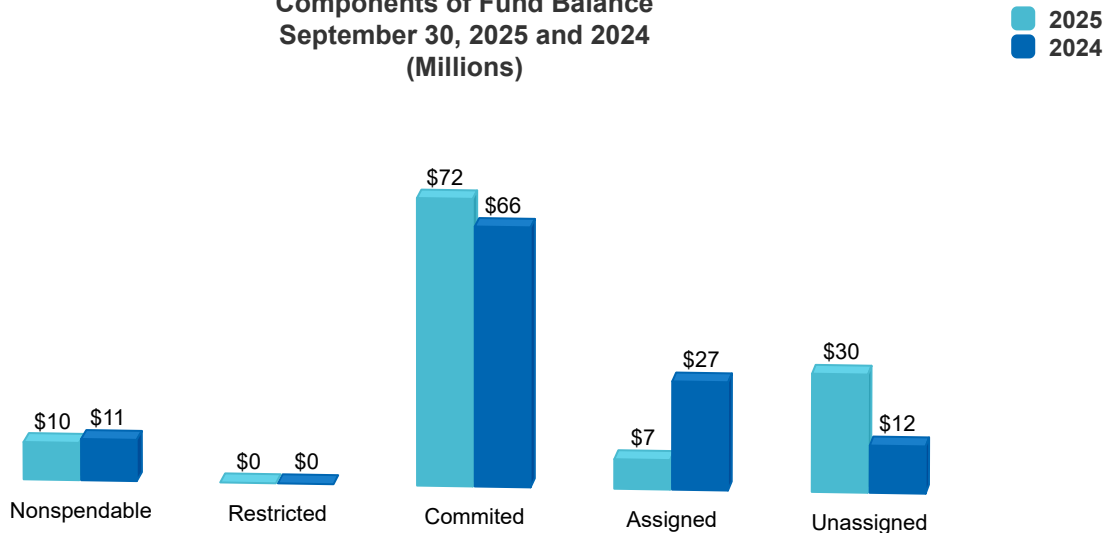
The *Building Fund* accounts for specific revenues such as permit fees and fines that are legally restricted for building code enforcement, construction, renovations and maintenance activities. At the end of the fiscal year, the fund reported a total fund balance of \$11.0 million.

The *Solid Waste Fund* accounts for the City’s collection and payment of solid waste fees. The fund reported a total fund balance of \$18.6 million, compared to \$10.3 million in the prior year. The increase was primarily attributable to a higher tax assessment, resulting in additional revenues.

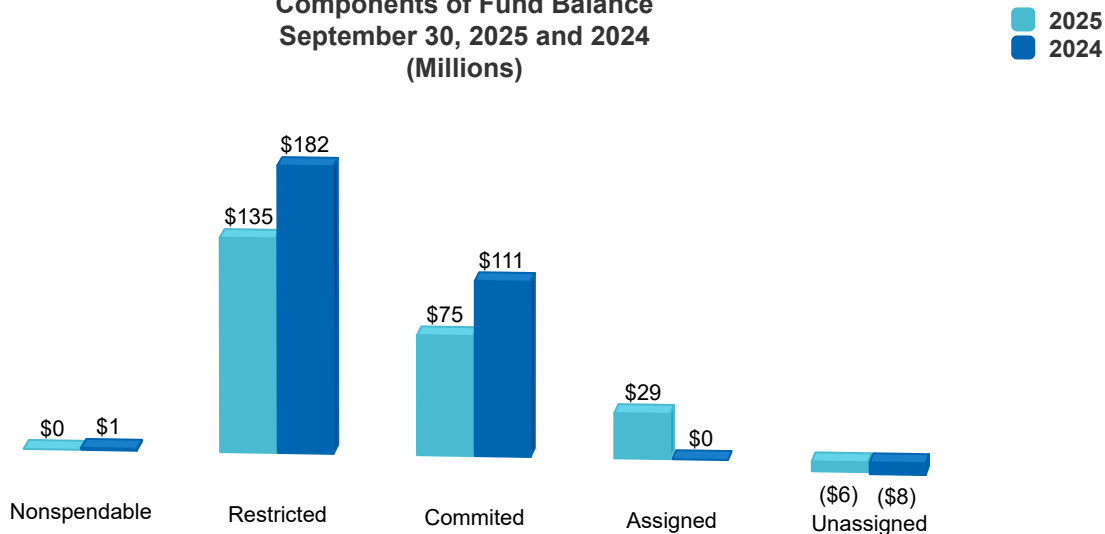
The *General Obligation Fund* accounts for the voter-approved \$60.0 million expansion of the City’s parks and recreation amenities. The fund reported a year-end balance of \$18.7 million, representing a decrease of \$17.9 million, or 48.9% from the prior year. The decrease was primarily due to capital expenditures for planned projects.



**General Fund
Components of Fund Balance
September 30, 2025 and 2024
(Millions)**



**All Other Governmental Funds
Components of Fund Balance
September 30, 2025 and 2024
(Millions)**



Proprietary Funds

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

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

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

General Fund Budgetary Highlights

Original budget compared to final budget. The budgetary comparison schedule can be found on page 112. Four budget amendments were adopted by the City Council for Fiscal Year 2025. Major changes to the budget as a result of those amendments include:

Revenues

- Fund balances brought forward from the end of Fiscal Year 2024 were \$114.9 million.
- Taxes increased by \$0.1 million or 0.03% with increased collection of property taxes.
- Charges for services revenue decreased \$0.1 million or 0.3% related to the internal service full cost recovery.
- Contributions and donations increased \$0.1 million or 100.0% to account for additional donations received by Parks and Recreation.
- Use of fund balance increased \$18.3 million or 103.7% to establish a program for economic development incentives, capital projects and full cost allocations.

Expenditures

- Transfers out of the General Fund were increased by \$7.2 million or 12.6% to reimburse the Building Fund for a reallocation of personnel services as well as fund fire operations and capital projects.
- Expenditures were increased by \$3.0 million for the purpose of establishing a program for economic development incentives utilizing fund balance.

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

Revenue

- Tax revenue was \$5.2 million or 2.6% higher than the budgeted amount primarily due to electric utility service tax revenues and sales tax revenues.
- Intergovernmental revenue was more than the final budget by \$9.8 million primarily due to federal grant funds from the Federal Emergency Management Agency for Hurricane Ian relief that were budgeted in a prior fiscal year.
- Franchise fee revenue was \$2.1 million or 24.1% more than budgeted and consisted of fees on electricity, natural gas, and solid waste.
- Other revenue was \$0.5 million more than budgeted and includes items such as reimbursable charges, contributions, cooperative dividends, and insurance reimbursements. These items are budgeted conservatively as they are less predictable than other revenue sources.
- Fines and forfeitures revenue exceeded budget by \$0.8 million or 124.1%. This revenue line item includes several different fines and fees such as ordinance violation fines, filing fees, and tax billed penalties and is budgeted conservatively.
- Investment earnings were \$8.2 million over budget mainly due to changes in market conditions.

Expenditures

- General Government expenditures were \$1.8 million or 2.6% less than the budgeted amount, mainly due to lower than anticipated building maintenance expenses.
- Public Safety Police expenditures were \$1.8 million or 2.5% over budget due to approved salary increases.
- Public Works expenditures were under budget by \$2.5 million or 12.2% primarily due to transportation maintenance projects not being completed as planned and staff vacancies.
- Community Development expenditures were \$3.2 million or 28.9% under budget primarily due to staff vacancies.
- Parks and Recreation expenditures were \$2.5 million or 9.7% under budget due to delayed planned maintenance expenditures in the wake of hurricane recovery efforts and staff vacancies.



- Capital Outlay expenditures were \$3.3 million or 25.6% less than budget primarily due to timing of delivery of equipment for parks, public works and police.

Capital Assets and Debt Administration

Capital Assets

The following schedule reflects the City’s net capital assets as of September 30, 2025 and 2024:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 219.8	\$ 166.4	\$ 77.2	\$ 33.9	\$ 297.0	\$ 200.3
Construction in progress	177.6	155.6	328.6	246.7	506.2	402.3
Buildings	86.0	74.3	242.7	234.9	328.7	309.2
Infrastructure	130.6	125.3	555.4	572.6	686.0	697.9
Improvements other than buildings	28.1	28.4	125.3	123.5	153.4	151.9
Equipment	32.1	24.6	18.0	14.6	50.1	39.2
Intangible computer software	1.3	-	-	-	1.3	-
Right to use - buildings	0.4	0.7	0.1	0.1	0.5	0.8
Right to use - equipment	1.3	0.6	-	-	1.3	0.6
SBITA	10.5	11.8	-	0.1	10.5	11.9
Total capital assets	\$ 687.7	\$ 587.7	\$ 1,347.3	\$ 1,226.4	\$ 2,035.0	\$ 1,814.1

During Fiscal Year 2025, the City’s total capital assets increased by \$220.9 million or 12.2%. Governmental assets increased overall by \$100.0 million or 17.0% primarily due to an additional \$53.4 million in land and \$22.0 million in construction in progress. Business-type activities assets increased \$120.9 million or 9.9% primarily due an increase in construction in progress of \$81.9 million and \$43.4 million in land.

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

- Bimini Basin East
- Water supply reservoir for Cape Coral’s irrigation water system
- North 1 Utility Expansion Project
- GO Bond Parks: Festival Park, Crystal Lake Park, Yellow Fever Creek, Tropicana Park, and Lake Meade Park
- Jaycee Park
- Irrigation and Pump Improvements
- Old Golf Course
- North 3 Utility Expansion Project

Additional information on the City’s capital assets can be found in Note 6: Capital Assets.

Long Term Debt

Three major rating institutions (Moody’s, Fitch, and Standard & Poor’s) have periodically evaluated the City’s financial management, economic conditions, and administrative practices. The insured rating is based on the credit worthiness of the company insuring the bonds, whereas an underlying rating is based upon the credit worthiness of the issuer or security which is actually pledged for the repayment of the bonds.

During Fiscal Year 2025, the major rating institutions reaffirmed or assigned various ratings. Below is a summary of the bonds which were reviewed:

Moody’s most recent reviews confirmed the Water and Sewer Revenue Bonds credit rating at “A1 Stable” and the Stormwater Revenue Bonds credit rating at “A2 Stable”.

At September 30, 2025, the City had \$1,106.5 million of outstanding debt (excluding compensated absences and other post employment benefits). General Obligation Bonds, which are secured solely by ad valorem taxes, had an outstanding balance of \$48.8 million, or 4.4%, of the total outstanding debt. Revenue Bonds, which are secured solely by specified revenue sources, had an outstanding balance of \$578.5 million, or 52.3%, of the total outstanding debt. Special assessment debt which is collateralized by special assessments levied against the benefited property owners, had an outstanding balance of \$144.8 million, or 13.1%, of the total outstanding debt. Notes from Direct Borrowing, which are collateralized by the net revenues of the water and sewer system, impact fees, special assessment revenue, and other specified revenues sources had an outstanding balance of \$251.8 million, or 19.6%, of the total outstanding debt. Commercial Paper, which is used to manage cash flow in the early stages of significant capital projects which will subsequently be replaced with long-term debt issuances, had an outstanding balance of \$70.8 million, or 6.4%, of the total outstanding debt. In addition, Capital Leases had an outstanding balance of \$1.9 million and Subscription Based IT Arrangements had an outstanding balance of \$9.9 million.

The following is a schedule of outstanding debt as of September 30, 2025 and 2024:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation Debt	\$ 48.8	\$ 52.3	\$ -	\$ -	\$ 48.8	\$ 52.3
Revenue Bonds	80.9	88.6	497.6	445.6	578.5	534.2
Notes from direct borrowings with Governmental Commitment	35.5	42.0	216.3	240.3	251.8	282.3
Special Assessment-Note from Direct Borrowing Debt with Governmental Commitment	-	-	144.8	157.8	144.8	157.8
Commercial Paper	52.2	41.0	18.6	10.0	70.8	51.0
Lease Payable	1.8	1.3	0.1	0.1	1.9	1.4
SBITA Payable	9.9	11.3	-	0.1	9.9	11.4
Total	\$ 229.1	\$ 236.5	\$ 877.4	\$ 853.9	\$ 1,106.5	\$ 1,090.4

The City’s total debt increased by \$16.1 million, or 1.5%, during the current fiscal year. The governmental activities’ debt decreased by \$7.4 million or 3.1% due to new issuances totaling \$11.2 million and new leases and subscriptions totaling \$2.3 million, offset by scheduled debt payments totaling \$20.8 million. The business-type activities’ overall debt increased by \$23.5 million or 2.8% due to new issuances totaling \$69.3 million offset by scheduled debt payments totaling \$45.8 million.

The ratio of net bonded debt to assessed valuation and the amount of general bonded debt per capita are useful indicators of the City’s debt position. This data for the City at September 30, 2025 was as follows:

Debt Ratios	General Obligation Bonded Debt Only
Debt Per Capita (estimated population 228,881 as of September 30, 2025)	\$ 207
Debt to Assessed Value of Taxable Property as of September 30, 2025 (\$29,773,066,334)	0.16%

Additional information on the City’s long-term debt and debt coverage can be found in Note 8: Long-term Liabilities and Note 13: Future Pledged Revenue.

Economic Factors and Next Year's Budget

The State of Florida operates primarily using sales taxes. Local governments (cities, counties, and school boards) rely primarily on property and a limited array of permitted other taxes (sales, gasoline, communication services, business licensing, etc.) and fees (franchise, impact, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments. Other sources of revenue for both the business-type and governmental activities are charges for service whereby the user pays a related fee or charge associated with the service. As the annual budget is developed, the resources available to support the City's operations are closely examined. A primary goal of the City is the continuation of current service levels.

The following factors were considered in preparing the City's budget for the 2026 fiscal year:

- A three-year rolling operating budget plan was used to develop the Fiscal Year 2026 budget, presenting fiscal years through 2028. Only Fiscal Year 2026 was formally approved by the City Council.
- The City's 2030 strategic plan, Cape Compass, served as the foundation for developing the 2026 operating budget and the 2026–2031 capital spending plans. The six strategic priorities are:
 - City Services and Amenities – Deliver exceptional City services and high-quality amenities.
 - Communication and Transparency – Cultivate an engaged and informed community and workforce.
 - Economy, education, and workforce – Create a community of prosperous residents, thriving neighborhoods, and successful businesses.
 - Fiscal Sustainability – Maintain a financially sound government and high-performing organization.
 - Infrastructure – Invest in resilient infrastructure.
 - Environmental Sustainability – Preserve Cape Coral's natural resources for current and future generations.
- The Fiscal Year 2026-2028 budget was adopted with an operating millage rate of 5.1471 and formulated to continue meeting the City's reserve requirements. This year's budget also addresses previously deferred maintenance while meeting the demand for services and infrastructure including amenities as well as expanding public safety to meet the needs of our citizens as our community continues to grow. The Water and Sewer budget was prepared to support the continuing operations of the existing utility facilities including the water reclamation plants, reverse osmosis plants, and the existing collection, distribution, and transmission lines. The preparation of the annual budget is made in conjunction with the annual update of the rate sufficiency model that provides for annual rate changes required for the system.
- The stormwater utility fee is charged per equivalent residential unit (ERU). This rate will be \$156 in the current year compared to \$149 in the prior year.
- The City's Fire Service Assessment will increase 11%, raising the cost recovery rate from 70% to 81%. This will support the enhancement of fire services and allow for the recasting of general fund support towards police services, support for Business Tax Receipt recovery, infrastructure improvements, and emergency management support. This increase is projected to yield an additional \$13.7 million in revenue.
- The City has several fee studies in process including Parks and Recreation Fees, Community Development Services Fees, Building Fees, and Impact fees. These fee studies will help guide future service level cost recovery needs. Impact Fees are planned to be used for Fire Training Facility Phase 3 (Fire Impact Fee), the construction of a neighborhood park at 2224 NE 15th Street (Park Impact Fee reserves) and road improvement projects (Road Impact Fee/Mobility Fee). All other impact fee revenues will be used to satisfy annual debt requirements.
- Gas tax funds have been budgeted in accordance with revenue estimates provided by the State of Florida and will support local road resurfacing, signalization, and small-scale intersection improvements.
- Water, sewer, and irrigation utility capital expansion fees are used to pay for the expansion of the City's utility system including the cost of transmission lines. These fees are also used to pay applicable debt service and/or will be used to offset the borrowing requirements associated with the expansion of the utility plants and related facilities.

Request for Information

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





Basic Financial Statements



STATEMENT OF NET POSITION
September 30, 2025

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		Cape Coral Charter School Authority
ASSETS				
Cash and investments	\$ 442,060,630	\$ 77,605,048	\$ 519,665,678	\$ 22,748,395
Interest receivable	1,263,173	270,304	1,533,477	-
Accounts receivable, net	4,854,704	13,594,171	18,448,875	29,339
Intergovernmental receivable	11,190,220	109,614	11,299,834	374,224
Note receivable	537,503	-	537,503	-
Lease receivable	3,297,443	454,654	3,752,097	-
Due from component unit	550,384	-	550,384	-
Internal balances	748,680	(748,680)	-	-
Inventories	248,286	7,948,977	8,197,263	-
Prepaid items	3,211,020	127,451	3,338,471	145,965
Unamortized bond insurance	2,093	1,816,160	1,818,253	-
Restricted:				
Cash and investments	-	318,400,490	318,400,490	-
Interest receivable	-	534,728	534,728	-
Accounts receivable, net	-	31,019	31,019	-
Intergovernmental receivable	-	10,312,065	10,312,065	-
Assessments receivable, net	-	676,625	676,625	-
Capital assets (net of depreciation and amortization):				
Land and construction in progress	397,376,207	405,811,189	803,187,396	129,204
Other capital assets, net of depreciation and amortization	290,310,858	941,505,674	1,231,816,532	8,304,773
Total assets	1,155,651,201	1,778,449,489	2,934,100,690	31,731,900
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	4,367,047	16,479,771	20,846,818	-
Pension related	29,714,912	2,547,946	32,262,858	4,157,558
OPEB related	93,409,302	22,481,694	115,890,996	-
Total deferred outflows of resources	127,491,261	41,509,411	169,000,672	4,157,558
LIABILITIES				
Accounts payable and other accrued liabilities	24,131,301	15,342,247	39,473,548	803,547
Retainage payable	3,333,795	9,215,140	12,548,935	-
Accrued payroll	8,159,266	1,851,016	10,010,282	231,600
Accrued interest payable	285,115	1,496,588	1,781,703	-
Deposits	2,513,705	3,361,525	5,875,230	-
Intergovernmental payable	2,354,094	-	2,354,094	239,932
Unearned revenue	4,237,205	2,478,760	6,715,965	45,050
Due within one year:				
Leases payable	648,902	61,746	710,648	1,496,869
SBITA payable	2,057,774	-	2,057,774	162,966
Compensated absences	2,758,643	620,727	3,379,370	151,227
Claims liability	5,730,834	-	5,730,834	-
Current OPEB liability	11,203,539	-	11,203,539	-
Total pension liability - restoration plan	24,315	-	24,315	-
Bonds and notes payable	17,309,363	36,612,943	53,922,306	-
Commercial paper obligation	52,186,720	18,563,280	70,750,000	-
Due in more than one year:				
Leases payable	1,156,280	-	1,156,280	4,563,949
SBITA payable	7,857,116	-	7,857,116	460,015
Compensated absences	15,722,438	3,612,811	19,335,249	776,550
Claims liability	8,709,727	-	8,709,727	-
Bonds and notes payable	147,908,502	822,108,602	970,017,104	-
Non-current OPEB liability	312,834,335	77,989,240	390,823,575	-
Net pension liability	76,574,918	19,080,567	95,655,485	13,379,377
Total pension liability - restoration plan	2,685,742	-	2,685,742	-
Total liabilities	710,383,629	1,012,395,192	1,722,778,821	22,311,082
DEFERRED INFLOWS OF RESOURCES				
Pension related	64,385,374	7,588,918	71,974,292	2,300,241
OPEB related	44,385,871	10,682,765	55,068,636	-
Leases	3,191,009	432,669	3,623,678	-
Total deferred inflows of resources	111,962,254	18,704,352	130,666,606	2,300,241
NET POSITION				
Net investment in capital assets	452,560,705	536,187,552	988,748,257	1,750,178
Restricted for:				
General government	2,436,669	-	2,436,669	1,090,423
Public safety	22,534,047	-	22,534,047	-
Public works	39,640,410	-	39,640,410	-
Parks and recreation	4,002,980	-	4,002,980	-
Community development	9,502,339	-	9,502,339	-
Debt service	1,927,401	91,078,271	93,005,672	-
Deposits	-	3,111,693	3,111,693	-
Capital improvements	130,601,264	153,266,115	283,867,379	-
Renewal and replacement	-	10,680,393	10,680,393	-
Unrestricted	(202,409,236)	(5,464,668)	(207,873,904)	8,437,534
Total net position	\$ 460,796,579	\$ 788,859,356	\$ 1,249,655,935	\$ 11,278,135

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

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Cape Coral Charter School Authority	
					Governmental Activities	Business-type Activities		Total
Primary government:								
Governmental activities:								
General government	\$ 83,379,252	\$ 31,788,623	\$ 6,560,987	\$ -	\$ (45,029,642)	\$ -	\$ (45,029,642)	\$ -
Public safety:								
Police	76,826,414	5,019,841	4,210,014	1,468,634	(66,127,925)	-	(66,127,925)	-
Fire	70,691,844	52,737,445	3,518,710	2,212,800	(12,222,889)	-	(12,222,889)	-
Building	23,735,615	9,040,286	256,479	-	(14,438,850)	-	(14,438,850)	-
Public works	75,038,005	35,353,414	45,611	9,771,948	(29,867,032)	-	(29,867,032)	-
Parks and recreation	30,642,804	8,629,025	1,092,314	2,882,275	(18,039,190)	-	(18,039,190)	-
Community development	6,893,600	1,523,855	2,353,190	-	(3,016,555)	-	(3,016,555)	-
Interest on long-term debt	8,525,152	-	-	-	(8,525,152)	-	(8,525,152)	-
Total governmental activities	375,732,686	144,092,489	18,037,305	16,335,657	(197,267,235)	-	(197,267,235)	-
Business-type activities:								
Water and sewer	158,991,647	129,701,060	479,619	49,767,629	-	20,956,661	20,956,661	-
Stormwater	27,321,667	25,993,758	-	-	-	(1,327,909)	(1,327,909)	-
Yacht basin	453,991	155,849	-	-	-	(298,142)	(298,142)	-
Total business-type activities	186,767,305	155,850,667	479,619	49,767,629	-	19,330,610	19,330,610	-
Total primary government	562,499,991	299,943,156	18,516,924	66,103,286	(197,267,235)	19,330,610	(177,936,625)	-
Component unit:								
Cape Coral Charter School Authority	35,468,126	2,538,940	3,883,756	4,269,370				(24,776,060)
General revenues:								
Taxes:								
Florida education finance program					-	-	-	27,735,049
Property taxes, levied for general purpose					151,091,922	-	151,091,922	-
Property taxes, levied for debt service					5,123,839	-	5,123,839	-
Property taxes, other (CRA and All Hazards)					4,809,356	-	4,809,356	-
Public service tax					16,694,746	-	16,694,746	-
Sales					30,753,460	-	30,753,460	-
Fuel					14,175,444	-	14,175,444	-
Alcohol and beverage					91,191	-	91,191	-
Communication					6,183,371	-	6,183,371	-
Franchise fees					11,048,645	-	11,048,645	-
Investment earnings					20,358,110	28,061,345	48,419,455	833,888
Gain on sale of capital assets					1,093,277	370,554	1,463,831	-
Transfers, net					800	(800)	-	-
Total general revenues and transfers					261,424,161	28,431,099	289,855,260	28,568,937
Change in net position					64,156,926	47,761,709	111,918,635	3,792,877
Net position - beginning					396,639,653	741,097,647	1,137,737,300	7,485,258
Net position - ending					\$ 460,796,579	\$ 788,859,356	\$ 1,249,655,935	\$ 11,278,135

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2025**

	General	Fire	Building	Solid Waste	General Obligation	Non-Major Other Governmental	Total Governmental Funds
ASSETS							
Cash and investments	\$113,163,126	\$ 12,414,232	\$14,474,685	\$20,654,217	\$ 20,772,620	\$ 196,476,873	\$ 377,955,753
Interest receivable	849,778	-	86,250	-	-	327,145	1,263,173
Accounts receivable, net	3,421,126	-	-	-	-	1,113,870	4,534,996
Intergovernmental receivable	5,468,383	379,710	-	97,984	-	6,092,985	12,039,062
Notes receivable	10,296	-	-	-	-	527,207	537,503
Lease receivable	1,026,347	-	53,258	-	-	2,179,024	3,258,629
Due from other funds	1,721,086	-	-	-	-	-	1,721,086
Advances to other funds	7,405,134	-	-	-	-	-	7,405,134
Inventories	154,926	-	-	-	-	93,360	248,286
Prepaid items	1,940,298	67,973	2,314	-	-	107,731	2,118,316
Total assets	<u>135,160,500</u>	<u>12,861,915</u>	<u>14,616,507</u>	<u>20,752,201</u>	<u>20,772,620</u>	<u>206,918,195</u>	<u>411,081,938</u>
LIABILITIES							
Accounts payable and other accrued liabilities	4,590,664	239,556	74,685	2,130,386	570,705	11,561,103	19,167,099
Accrued retainage	179,410	2,455	-	-	1,549,250	1,597,408	3,328,523
Accrued payroll	6,633,205	3,031,367	374,767	24,926	-	169,837	10,234,102
Due to other funds	-	-	-	-	-	1,721,086	1,721,086
Deposits	1,179,010	-	1,334,695	-	-	-	2,513,705
Intergovernmental payables	2,207,934	-	44,638	-	-	101,522	2,354,094
Unearned revenue	151,797	32,978	1,754,013	-	-	2,298,417	4,237,205
Advances from other funds	-	-	-	-	-	7,405,134	7,405,134
Total liabilities	<u>14,942,020</u>	<u>3,306,356</u>	<u>3,582,798</u>	<u>2,155,312</u>	<u>2,119,955</u>	<u>24,854,507</u>	<u>50,960,948</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - grant reimbursement	-	215,411	-	-	-	1,283,207	1,498,618
Unavailable revenue - other	580	8,825	-	5,778	-	2,476,533	2,491,716
Unavailable revenue - lease	1,001,726	-	50,925	-	-	2,138,358	3,191,009
Total deferred inflows of resources	<u>1,002,306</u>	<u>224,236</u>	<u>50,925</u>	<u>5,778</u>	<u>-</u>	<u>5,898,098</u>	<u>7,181,343</u>
FUND BALANCES							
Nonspendable	9,500,358	67,973	2,314	-	-	201,091	9,771,736
Restricted	-	9,263,350	7,110,043	18,591,111	18,652,665	81,661,721	135,278,890
Committed	72,446,376	-	-	-	-	75,366,220	147,812,596
Assigned	7,333,784	-	3,870,427	-	-	24,987,035	36,191,246
Unassigned	29,935,656	-	-	-	-	(6,050,477)	23,885,179
Total fund balances	<u>119,216,174</u>	<u>9,331,323</u>	<u>10,982,784</u>	<u>18,591,111</u>	<u>18,652,665</u>	<u>176,165,590</u>	<u>352,939,647</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$135,160,500</u>	<u>\$ 12,861,915</u>	<u>\$14,616,507</u>	<u>\$20,752,201</u>	<u>\$ 20,772,620</u>	<u>\$ 206,918,195</u>	<u>\$ 411,081,938</u>

The accompanying 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**

Fund balances - total governmental funds		\$ 352,939,647
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets	\$ 995,391,897	
Accumulated depreciation	<u>(312,254,059)</u>	683,137,838
Internal service funds are used by management to charge the cost of certain activities to the individual funds.		
Net position of internal service funds	\$ 20,980,254	
Cross-over to enterprise funds	<u>748,680</u>	21,728,934
Unamortized bond insurance is not a current financial resource and therefore is not reported in the funds.		
		2,093
Debt interest payable that will not be liquidated with current financial resources is not reported in the funds.		
		(285,115)
Deferred outflows of resources on the loss on refunding of debt are not recognized in the governmental funds; however, they are recorded in the Statement of Net Position under full accrual accounting.		
		4,367,047
Deferred outflows of resources related to pension experience and assumptions are not recognized in the governmental funds; however, they are recorded in the Statement of Net Position under full accrual accounting.		
		28,999,255
Deferred inflows of resources related to pension earnings, experience, and assumptions are not recognized in the governmental funds; however, they are recorded in the Statement of Net Position under full accrual accounting.		
		(62,253,829)
Deferred outflows related to OPEB earnings, experience, and assumptions are not recognized in the governmental funds; however, they are recorded in the Statement of Net Position under full accrual accounting.		
		86,720,769
Deferred inflows related to OPEB earnings, experience, and assumptions are not recognized in the governmental funds; however, they are recorded in the Statement of Net Position under full accrual accounting.		
		(41,207,640)
Other assets are not available to pay for current period expenditures and are reported as deferred inflows in the funds.		
		3,990,334
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities.		
Bonds, notes, leases and subscriptions payables	(227,747,991)	
Total OPEB liability	(300,835,282)	
Net pension liability	(71,215,646)	
Total pension liability	(2,710,057)	
Compensated absences	(14,833,778)	<u>(617,342,754)</u>
Total net position of governmental activities		<u>\$ 460,796,579</u>

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



**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025**

	General	Fire	Building	Solid Waste	General Obligation	Non-Major Other Governmental	Total Governmental Funds
REVENUES							
Taxes	\$202,488,329	\$ 1,787,223	\$ -	\$ -	\$ -	\$ 24,647,777	\$ 228,923,329
Special assessments	-	51,353,680	-	31,480,510	-	3,483,980	86,318,170
Licenses and permits	136,495	-	8,934,411	-	-	856,187	9,927,093
Franchise fees	11,048,645	-	-	-	-	-	11,048,645
Intergovernmental	14,456,516	341,075	256,479	-	-	5,512,012	20,566,082
Charges for services	26,514,221	1,129,979	-	-	-	4,305,666	31,949,866
Fines and forfeitures	1,359,231	-	35,292	-	-	955,887	2,350,410
Impact fees	-	-	-	-	-	15,212,392	15,212,392
Rent and royalties	631,133	196,250	65,291	-	-	2,987,144	3,879,818
Investment earnings	9,489,111	925,220	760,361	879,022	440,520	5,743,541	18,237,775
Contributions and donations	154,528	-	-	-	-	115,334	269,862
Other revenue	882,301	57,536	2,070	128,896	-	507,902	1,578,705
Total revenues	<u>267,160,510</u>	<u>55,790,963</u>	<u>10,053,904</u>	<u>32,488,428</u>	<u>440,520</u>	<u>64,327,822</u>	<u>430,262,147</u>
EXPENDITURES							
Current:							
General government	67,503,210	-	-	-	-	6,142,529	73,645,739
Public safety:							
Police	72,768,569	-	-	-	-	1,244,127	74,012,696
Fire	-	68,427,839	-	-	-	1,626,258	70,054,097
Building	-	-	15,096,272	-	-	-	15,096,272
Public works	18,034,647	-	-	24,116,604	-	23,684,177	65,835,428
Parks and recreation	23,050,951	-	-	-	-	5,003,809	28,054,760
Community development	7,858,466	-	-	-	-	5,619,897	13,478,363
Capital outlay	9,559,709	2,907,389	76,312	62,033	18,318,544	92,691,345	123,615,332
Debt service:							
Principal	2,545,787	-	52,791	-	-	16,595,467	19,194,045
Interest and fiscal charges	407,809	-	1,313	-	-	8,765,889	9,175,011
Bond issuance costs	-	-	-	-	-	14,285	14,285
Total expenditures	<u>201,729,148</u>	<u>71,335,228</u>	<u>15,226,688</u>	<u>24,178,637</u>	<u>18,318,544</u>	<u>161,387,783</u>	<u>492,176,028</u>
Excess revenues over (under) expenditures	<u>65,431,362</u>	<u>(15,544,265)</u>	<u>(5,172,784)</u>	<u>8,309,791</u>	<u>(17,878,024)</u>	<u>(97,059,961)</u>	<u>(61,913,881)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	759,665	22,547,193	11,304,343	-	-	65,902,966	100,514,167
Transfers out	(64,362,518)	(6,966,294)	-	-	-	(29,187,555)	(100,516,367)
Issuance of debt	-	-	-	-	-	11,186,720	11,186,720
Lease issuances	135,720	-	-	-	-	-	135,720
Subscription issuances	1,133,664	-	-	-	-	-	1,133,664
Proceeds on sale of capital assets	1,162,644	128,500	25,250	-	-	19,650	1,336,044
Total other financing sources (uses)	<u>(61,170,825)</u>	<u>15,709,399</u>	<u>11,329,593</u>	<u>-</u>	<u>-</u>	<u>47,921,781</u>	<u>13,789,948</u>
Net change in fund balances	4,260,537	165,134	6,156,809	8,309,791	(17,878,024)	(49,138,180)	(48,123,933)
Fund balances - beginning, as originally reported	114,955,637	9,166,189	-	10,281,320	36,530,689	230,129,745	401,063,580
Adjustment - change to reporting entity	-	-	4,825,975	-	-	(4,825,975)	-
Fund balances - beginning	114,955,637	9,166,189	4,825,975	10,281,320	36,530,689	225,303,770	401,063,580
Fund balances - ending	<u>\$119,216,174</u>	<u>\$ 9,331,323</u>	<u>\$10,982,784</u>	<u>\$ 18,591,111</u>	<u>\$18,652,665</u>	<u>\$176,165,590</u>	<u>\$ 352,939,647</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025**

Net change in fund balances - total governmental funds:		\$ (48,123,933)
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital outlay	\$ 123,615,332	
Depreciation	<u>(25,952,396)</u>	97,662,936
The net effect on net position for various miscellaneous transactions involving capital assets (disposals, transfers, donations).		
		639,756
Certain revenues not considered available are not recognized in the governmental funds but are included in the Statement of Activities.		
		(1,820,531)
The issuance of debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond insurance costs, premiums, discounts, leases and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments - governmental funds	\$ 19,194,045	
Issuance of debt, leases and SBITAs	(12,456,104)	
Unamortized bond insurance cost	<u>(190)</u>	6,737,751
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in long-term compensated absences	\$ (2,363,486)	
OPEB related	(14,749,639)	
Pension related	<u>18,481,945</u>	1,368,820
Internal service funds are used by management to charge the cost of certain activities to the individual funds.		
		6,991,524
Interest on long-term debt in the Statement of Activities is recognized as the interest accrues, regardless of when it is due. In the governmental funds, interest is recognized as an expenditure when it is due. Premiums, discounts, and other similar items are deferred and amortized in the statement of activities.		
Amortization of bond premiums, discounts, refunding gains and losses		<u>700,603</u>
Change in net position - governmental activities		<u>\$ 64,156,926</u>

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



**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 35,732,836	\$ 41,449,278	\$ 422,934	\$ 77,605,048	\$ 64,104,878
Interest receivable	270,304	-	-	270,304	-
Accounts receivable, net	13,523,455	70,716	-	13,594,171	60,063
Lease receivable	-	-	454,654	454,654	-
Intergovernmental receivable	-	109,614	-	109,614	-
Inventories	7,948,977	-	-	7,948,977	-
Prepaid items	127,451	-	-	127,451	1,092,704
Restricted:					
Cash and investments	313,513,676	4,886,814	-	318,400,490	-
Interest receivable	534,728	-	-	534,728	-
Intergovernmental receivable	10,312,065	-	-	10,312,065	-
Total restricted assets	324,360,469	4,886,814	-	329,247,283	-
Total current assets	381,963,492	46,516,422	877,588	429,357,502	65,257,645
Noncurrent assets:					
Unamortized bond insurance	1,816,160	-	-	1,816,160	-
Restricted:					
Accounts receivable, net	31,019	-	-	31,019	-
Assessments receivable	676,625	-	-	676,625	-
Total restricted assets	707,644	-	-	707,644	-
Capital assets:					
Land	64,819,994	12,384,520	20,555	77,225,069	-
Buildings	398,227,620	1,916,446	76,695	400,220,761	907,624
Right to use - buildings	-	268,397	-	268,397	-
Improvements other than buildings	359,971,496	35,317,217	96,990	395,385,703	63,796
Equipment	37,264,341	15,247,260	97,732	52,609,333	3,455,825
Right to use - equipment	-	-	-	-	1,659,565
Infrastructure	926,739,511	18,220,819	286,049	945,246,379	-
Intangible computer software	-	-	-	-	705,245
SBITA	-	-	-	-	474,203
Construction in progress	305,109,552	17,489,686	5,986,882	328,586,120	2,016,120
Less accumulated depreciation	(812,602,344)	(39,323,080)	(299,475)	(852,224,899)	(4,733,151)
Total capital assets, net	1,279,530,170	61,521,265	6,265,428	1,347,316,863	4,549,227
Total noncurrent assets	1,282,053,974	61,521,265	6,265,428	1,349,840,667	4,549,227
Total assets	1,664,017,466	108,037,687	7,143,016	1,779,198,169	69,806,872
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding	16,479,771	-	-	16,479,771	-
Pension related	1,919,329	628,617	-	2,547,946	715,657
OPEB related	16,464,054	6,017,640	-	22,481,694	6,688,533
Total deferred outflows of resources	34,863,154	6,646,257	-	41,509,411	7,404,190

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

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS (continued)
September 30, 2025**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
LIABILITIES					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 13,369,665	\$ 1,812,575	\$ 160,007	\$ 15,342,247	\$ 4,964,202
Accrued retainage	8,704,050	469,832	41,258	9,215,140	5,272
Accrued payroll	1,401,019	449,997	-	1,851,016	549,893
Accrued interest payable	1,452,892	43,696	-	1,496,588	-
Deposits	3,335,525	-	26,000	3,361,525	-
Unearned revenue	2,478,760	-	-	2,478,760	-
Leases payable current	-	61,746	-	61,746	332,282
SBITA payable current	-	-	-	-	166,252
Compensated absences	466,428	154,299	-	620,727	133,914
Claims liability	-	-	-	-	5,730,834
Total OPEB liability	1,974,704	721,758	-	2,696,462	802,224
Debt:					
Revenue bonds	7,935,000	385,000	-	8,320,000	-
Special assessment debt	8,425,000	-	-	8,425,000	-
Notes - direct borrowings	19,867,943	-	-	19,867,943	-
Total debt	36,227,943	385,000	-	36,612,943	-
Total current liabilities	69,410,986	4,098,903	227,265	73,737,154	12,684,873
Noncurrent liabilities:					
Compensated absences	2,723,825	888,986	-	3,612,811	888,660
Lease payable	-	-	-	-	878,132
Claims liability	-	-	-	-	8,709,727
Total OPEB liability	55,139,278	20,153,500	-	75,292,778	22,400,368
Net pension liability	14,373,099	4,707,468	-	19,080,567	5,359,272
Debt:					
Revenue bonds	478,356,681	10,907,438	-	489,264,119	-
Special assessment debt	136,382,823	-	-	136,382,823	-
Notes - direct borrowings	196,461,660	-	-	196,461,660	-
Commercial paper obligation	14,000,000	-	4,563,280	18,563,280	-
Total debt	825,201,164	10,907,438	4,563,280	840,671,882	-
Total noncurrent liabilities	897,437,366	36,657,392	4,563,280	938,658,038	38,236,159
Total liabilities	966,848,352	40,756,295	4,790,545	1,012,395,192	50,921,032
DEFERRED INFLOWS OF RESOURCES					
Pension related	5,716,616	1,872,302	-	7,588,918	2,131,545
OPEB related	7,823,326	2,859,439	-	10,682,765	3,178,231
Leases	-	-	432,669	432,669	-
Total deferred inflows of resources	13,539,942	4,731,741	432,669	18,704,352	5,309,776
NET POSITION					
Net investment in capital assets	481,149,377	53,535,239	1,502,936	536,187,552	3,167,289
Restricted for:					
Debt service	90,331,207	747,064	-	91,078,271	-
Deposits	3,111,693	-	-	3,111,693	-
Capital improvements	153,266,115	-	-	153,266,115	-
Renewal and replacement	10,680,393	-	-	10,680,393	-
Operation and maintenance	8,553,006	2,680,070	46,710	11,279,786	-
Unrestricted	(28,599,465)	12,233,535	370,156	(15,995,774)	17,812,965
Total net position	\$ 718,492,326	\$ 69,195,908	\$ 1,919,802	\$ 789,608,036	\$ 20,980,254
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.				(748,680)	
Net position of business-type activities				\$ 788,859,356	

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2025**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
OPERATING REVENUES					
Charges for services	\$ 128,037,638	\$ 25,876,966	\$ 155,809	\$ 154,070,413	\$ 78,021,165
Other revenue	1,663,422	116,792	40	1,780,254	7,108,367
Total operating revenues	129,701,060	25,993,758	155,849	155,850,667	85,129,532
OPERATING EXPENSES					
Salaries, wages and employee benefits	35,961,289	13,753,179	11,978	49,726,446	15,066,048
Contractual services, materials and supplies	46,552,302	9,888,746	419,650	56,860,698	19,657,898
Claims and claims adjustments	-	-	-	-	45,373,711
Depreciation	45,604,949	3,158,770	35,471	48,799,190	751,374
Total operating expenses	128,118,540	26,800,695	467,099	155,386,334	80,849,031
Operating income (loss)	1,582,520	(806,937)	(311,250)	464,333	4,280,501
NONOPERATING REVENUES (EXPENSES)					
Non-capital federal & state grants	479,619	-	-	479,619	2,779
Investment earnings	25,784,407	2,228,696	48,242	28,061,345	2,120,335
Rents & Royalties	-	-	-	-	371,438
Interest expense	(30,146,326)	(512,349)	-	(30,658,675)	(50,744)
Debt service costs	(459,558)	-	-	(459,558)	-
Gain (loss) on sale of capital assets	160,656	209,898	(1,525)	369,029	3,014
Total nonoperating revenues (expenses)	(4,181,202)	1,926,245	46,717	(2,208,240)	2,446,822
Income (loss) before contributions and transfers	(2,598,682)	1,119,308	(264,533)	(1,743,907)	6,727,323
Capital contributions					
Capital grants	17,591,368	-	-	17,591,368	-
Special assessments	26,581,568	-	-	26,581,568	-
Capital asset contributions	28,821	-	-	28,821	-
Impact fees and contribution in aid of construction	5,565,872	-	-	5,565,872	-
Total capital contributions	49,767,629	-	-	49,767,629	-
Transfers					
Transfers in	223,913	-	-	223,913	6,500
Transfers out	-	(224,713)	-	(224,713)	(3,500)
Total transfers	223,913	(224,713)	-	(800)	3,000
Change in net position	47,392,860	894,595	(264,533)	48,022,922	6,730,323
Total net position - beginning	671,099,466	68,301,313	2,184,335	741,585,114	14,249,931
Total net position - ending	\$ 718,492,326	\$ 69,195,908	\$ 1,919,802	\$ 789,608,036	\$ 20,980,254
Change in net position of business-type activities				\$ 48,022,922	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.				(261,201)	
Change in net position of business-type activities				\$ 47,761,721	

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2025**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin		Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 128,341,350	\$ 25,955,608	\$ 150,643	\$ 154,447,601	\$ 85,159,100
Cash payments for claims	-	-	-	-	(44,601,665)
Cash payments to suppliers	(38,669,466)	(6,345,531)	(18,790)	(45,033,787)	(19,023,434)
Cash payments to employees	(34,623,823)	(12,143,161)	(12,619)	(46,779,603)	(13,209,005)
Cash payments for interfund services	(10,895,899)	(2,999,580)	(248,332)	(14,143,811)	-
Net cash provided (used) by operating activities	44,152,162	4,467,336	(129,098)	48,490,400	8,324,996
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Non-Capital Federal & State Grants	479,619	-	-	479,619	2,779
Transfers in	223,913	-	-	223,913	-
Transfers out	-	(223,913)	-	(223,913)	-
Net cash provided (used) by noncapital financing activities	703,532	(223,913)	-	479,619	2,779
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(146,467,470)	(15,178,050)	(4,845,237)	(166,490,757)	(2,506,705)
Proceeds on sale of capital assets	230,950	269,069	-	500,019	43,879
Capital grants	12,816,224	-	-	12,816,224	-
Issuance of long-term debt	64,701,941	-	4,563,280	69,265,221	1,005,091
Principal payments on long-term debt	(43,811,817)	(460,397)	-	(44,272,214)	(405,424)
Collection of special assessments	26,732,139	-	-	26,732,139	-
Transfer out for the acquisition of capital assets	-	(800)	-	(800)	(3,500)
Impact fees	4,919,478	-	-	4,919,478	-
Contribution in aid of construction	693,303	-	-	693,303	-
Interest paid	(30,433,718)	(545,277)	-	(30,978,995)	(50,744)
Rents & Royalties	-	-	-	-	371,438
Debt service costs	(572,781)	-	-	(572,781)	-
Transfer in for sale of capital assets	-	-	-	-	6,500
Net cash used by capital and related financing activities	(111,191,751)	(15,915,455)	(281,957)	(127,389,163)	(1,539,465)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment Earnings	25,765,129	2,350,673	51,810	28,167,612	2,270,879
Net cash provided by investing activities	25,765,129	2,350,673	51,810	28,167,612	2,270,879
Net increase (decrease) in cash and investments	(40,570,928)	(9,321,359)	(359,245)	(50,251,532)	9,059,189
Cash and investments - beginning	389,817,440	55,657,451	782,179	446,257,070	55,045,689
Cash and investments - ending	\$ 349,246,512	\$ 46,336,092	\$ 422,934	\$ 396,005,538	\$ 64,104,878
CLASSIFIED AS:					
Cash and investments	\$ 35,732,836	\$ 41,449,278	\$ 422,934	\$ 77,605,048	\$ 64,104,878
Restricted cash and investments	313,513,676	4,886,814	-	318,400,490	-
Total cash and investments	\$ 349,246,512	\$ 46,336,092	\$ 422,934	\$ 396,005,538	\$ 64,104,878

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Year Ended September 30, 2025

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 1,582,520	\$ (806,937)	\$ (311,250)	\$ 464,333	\$ 4,280,501
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	45,604,949	3,158,770	35,471	48,799,190	751,374
(Increase) decrease in assets:					
Accounts receivable, net	(1,177,552)	(36,505)	-	(1,214,057)	29,571
Accounts receivable, leases	-	-	43,008	43,008	-
Intergovernmental receivable	-	(1,650)	-	(1,650)	-
Inventories	960,591	-	-	960,591	-
Prepaid items	(6,677)	-	-	(6,677)	(42,111)
(Increase) decrease in deferred outflows:					
Pension related	1,656,737	494,898	-	2,151,635	506,507
OPEB related	(2,488,035)	(1,152,162)	-	(3,640,197)	(1,205,582)
Increase (decrease) in liabilities:					
Accounts payable and other accrued liabilities	(4,103,630)	543,641	152,529	(3,407,460)	676,575
Accrued payroll	235,634	57,745	(641)	292,738	118,804
Compensated absences	509,426	184,420	-	693,846	150,120
Total OPEB liability	7,786,131	3,702,729	-	11,488,860	3,850,712
Net pension liability	(7,436,079)	(2,144,458)	-	(9,580,537)	(2,094,285)
Claims liability	-	-	-	-	772,046
Deposits	(45,505)	-	6,000	(39,505)	-
Increase (decrease) in deferred inflows:					
Pension earnings	2,067,461	704,480	-	2,771,941	-
Leases	-	-	(54,215)	(54,215)	-
Pension related	1,440,306	473,854	-	1,914,160	1,376,643
OPEB related	(2,434,115)	(711,489)	-	(3,145,604)	(845,879)
Total adjustments	42,569,642	5,274,273	182,152	48,026,067	4,044,495
Net cash provided (used) by operating activities	\$ 44,152,162	\$ 4,467,336	\$ (129,098)	\$ 48,490,400	\$ 8,324,996
Supplemental disclosure of noncash investing, capital, and financing activities:					
Increase in fair value of investments	\$ (474,571)	\$ (321,931)	\$ (9,417)	\$ (805,919)	\$ (397,327)
Capital Related accounts payable and retainage payable	20,507,267	611,666	199,211	21,318,144	880,756
Right to use lease arrangement	-	3,930	-	3,930	-

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2025**

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 44,211,135
Receivables:	
Member contributions	374
Due from brokers	236,723
Interest receivable	557,682
Total receivables	794,779
Investments, at fair value:	
US Government Obligations and Federal Agency Guaranteed Securities	19,471,813
Corporate Bonds	6,878,014
Certificates of deposit	1,337,869
Alternative	41,417,340
Stocks	239,303,541
Mutual and ETF funds:	
Equity	302,472,427
Fixed income	19,233,504
Pooled/common/commingled funds/partnerships:	
Fixed income	154,145,768
Equity	119,630,501
Real Estate	209,130,840
Total investments	1,113,021,617
Total assets	1,158,027,531
LIABILITIES	
Accounts payable	878,497
Due to broker for securities purchased	339,969
Member contributions payable	108,106
Prepaid contributions	28,702
Total liabilities	1,355,274
NET POSITION RESTRICTED FOR PENSIONS	\$ 1,156,672,257

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

**STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2025**

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 43,349,895
Plan members	14,056,509
Member buybacks	283,426
State of Florida	6,580,043
Total contributions	<u>64,269,873</u>
Investment income	
Investment income	33,045,769
Net appreciation in fair value of investments	75,058,777
Less: investment expenses	<u>(2,802,246)</u>
Net Investment Income	<u>105,302,300</u>
Total additions	<u>169,572,173</u>
DEDUCTIONS	
Benefits and refunds	53,997,622
Administrative expenses	<u>789,673</u>
Total deductions	<u>54,787,295</u>
Net increase in net position	114,784,878
Net position - beginning	<u>1,041,887,379</u>
Net position - ending	<u>\$ 1,156,672,257</u>

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



Notes to Financial Statements



NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

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NOTES TO THE FINANCIAL STATEMENTS

NOTE I. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

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

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

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

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

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

The Cape Coral Charter School Authority was audited by independent auditors for the fiscal year ended June 30, 2025, and their report dated September 18, 2025, was previously issued under separate cover. The financial statements for the Authority may be obtained through the Financial Services Department of the City of Cape Coral, 1015 Cultural Park Blvd., Cape Coral, FL 33990.

2. Related Organization

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

3. Summary of Significant Accounting Policies

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

Basic Financial Statements

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

The focus of the GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, is on the City as a whole and the fund financial statements. The focus of

the fund financial statements is on the major funds of the governmental and business-type activities. Each presentation provides valuable information that can be analyzed to enhance the usefulness of the information.

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

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

A. Accrual:

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

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

B. Modified Accrual:

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

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

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

Basis of Presentation

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

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

The following major funds are used by the City:

A. Governmental Funds:

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

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

- a. **General Fund** is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.
- b. **Fire Fund** is a special revenue fund used to account for the City's collection of the Fire Service Assessment, operations of the City Fire Department, and fire grants.
- c. **Building Fund** is a special revenue fund used to account for the City's collection of permit fees and operations of the City Building Department.
- d. **Solid Waste** is a special revenue fund used to account for the City's collection and payment of solid waste fees.
- e. **General Obligation Fund** is a capital projects fund used to account for parks capital projects paid for by general obligation debt.

B. Proprietary Funds:

The City of Cape Coral maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for activity for which a fee is charged to external users for goods or services. In the government-wide financial statements the enterprise funds are presented as business-type activities. Internal service funds are used to account for activity that provide goods or services to other funds, departments or agencies of the primary government and its component units on a cost-reimbursement basis. Five internal service funds are utilized: 1) The Risk Management Fund is used to account for the City's risk management activity for workers compensation, auto liability, property and contents losses, and general liability. 2) The Facilities Management Fund is used to account for the costs of operation for the repair and maintenance of city owned/leased buildings. 3) The Fleet Management Fund is used to account for the costs of operation for the repair and maintenance of city owned/leased vehicles and equipment. 4) The Self-Funded Health Insurance Fund is used to account for the self-funded medical insurance plan. 5) The Project Management Fund is used to account for the costs of managing capital projects citywide. The internal service funds have been included within governmental-type activities in the government-wide financial statements because they primarily benefit governmental funds.

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

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

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

C. Other Funds:

Additionally, the City reports the following funds:

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



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

A. Cash and Investments

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

The City participates in four local government investment pools (LGIP): FL Prime administered by the Florida State Board of Administration (SBA), FL Class administered by Public Trust Advisors, FL Safe administered by Chandler Asset Management, and FL Star administered by J.P. Morgan Asset Management. The SBA was created by Section 218.405, Florida Statutes, and FL Safe, FL Class, and FL Star were created pursuant to Section 163.01, Florida Statutes.

Detailed information on allowable investments and actual holdings can be found in the Detailed Notes section, under Cash and Investments.

B. Receivables

During fiscal year 2025, numerous transactions occurred between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds." Any balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Accounts Receivable - The General Fund accounts receivable includes gas, electric and solid waste franchise fees, public service tax, and other miscellaneous receivables. The Other Governmental Funds accounts receivable includes The Courts Racquet Center operations, Coral Oaks Golf Course operations, lot mowing assessments, and miscellaneous receivables.

Assessments Receivable - The City levies a special assessment against benefited property owners for construction of water, wastewater, and irrigation utility extension in certain areas of the City. In addition, the City levies a fire services assessment to fund fire-rescue services. The City utilizes the uniform collection method for collecting the assessments. The receivable reported is the assessment amount that has a lien and is unpaid. There are no unbilled receivables for governmental activities and \$233,241,590 for business-type activities.

Lease Receivable - The General Fund lease receivable includes annual leases for land, building and infrastructure.

Intergovernmental Receivable - The General Fund intergovernmental receivable is primarily composed of communication service and half cent taxes, police task force reimbursements, alcoholic beverage license fees, state fuel tax rebates, and grant reimbursement from the federal government. Also included is reimbursement from Lee County under an interlocal fuel purchase agreement and county-collected revenues. A receivable from the component unit Cape Coral Charter School Authority of \$550,384 is also recorded.

The Other Governmental Funds intergovernmental receivables consist of fuel tax collections from the state, and collections due from the Lee County Tax Collector and the Lee County Clerk of Courts. Intergovernmental receivables also include grant reimbursements from the federal government, various state agencies, and Lee County.

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

Noncurrent portions of interfund receivables classified as advances between funds, as reported in the fund financial statements, are classified as non-spendable fund balance in the applicable governmental

funds, indicating that they do not constitute expendable available financial resources; and therefore, are not available for appropriation.

C. Inventories and Prepaid Items

Inventories, consisting primarily of expendable supplies held for consumption, are stated at either weighted average or cost (first-in, first-out method). The City utilizes the consumption method of accounting, which provides that expenditures are recognized when inventory is used. The General Fund maintains inventories for fuel, restaurant and food supplies, and items for resale. The Water and Sewer Fund maintains inventories of materials and parts.

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

D. Capital Assets

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

Capital assets and right-to-use assets are depreciated and amortized using the straight-line method over their estimated useful lives. The ranges of these useful lives are as follows:

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

E. Leases and Subscription-based Information Technology Arrangements (SBITA)

Leases: The City is a lessee for noncancellable leases of buildings and equipment. The City recognizes a lease liability and an intangible right-to-use leased asset in the government-wide financial statements. Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

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



initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

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

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

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

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

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

Subscription-based Information Technology Arrangements (SBITA): The City has entered into Subscription-Based Information Technology Arrangements with various software providers.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will *not* exercise that option).

Under GASB Statement No. 96, the City recognizes a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability at the commencement of the subscription term, when the subscription asset is placed into service. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges the City, which may be implicit, or the City's incremental borrowing rate if the interest rate is not readily determinable. The City recognizes amortization of the discount on the subscription liability as an outflow of resources (interest expense) in subsequent financial reporting periods.

F. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has the following deferred outflows/inflows:

- ◆ Deferred charge (gain/loss) on refunding - reported in the government-wide Statement of Net Position. A deferred charge on debt refunding results from the difference in the carrying value of

refunded debt and its reacquisition price, and amortized over the shorter of the life of the refunded or refunding debt.

- ◆ Unavailable revenue - the sources of unavailable revenue are related to grant reimbursements. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available.
- ◆ Leases – deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, recognizing the deferred revenue over the term of the lease.
- ◆ Pension Investment earnings - difference between projected and actual earnings on investments. These amounts will be recognized as reductions in pension expense in future years.
- ◆ Pension and OPEB Experience - differences between expected and actual experience with regard to economic or demographic factors. These amounts are amortized to pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions.
- ◆ Pension and OPEB Assumptions - changes in actuarial assumptions about future economic or demographic factors.
- ◆ Pension and OPEB benefit payments subsequent to measurement date.

G. Compensated Absences

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

H. Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds Statement of Net Position. At fiscal year-end, \$22,400,368 of Internal Service Funds total OPEB liability is included in the governmental activities total. The remainder of the total OPEB liability in the governmental activities is generally liquidated by the General Fund. At fiscal year-end, \$5,359,272 of Internal Service Funds net pension liability is included in the governmental activities total. The remainder of the net pension liability in the governmental activities is generally liquidated by the General Fund.

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

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

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

J. Utility Capital Expansion Fee

The City utilizes utility capital expansion fees as a means for funding capital expansion required to meet system demands resulting from growth. These fees are recorded as capital contributions revenue in the proprietary funds when charged.



K. Special Assessments

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

L. Unearned Revenue

Unearned revenue recorded in the General Fund relates to planned development project fees and planning and zoning fees collected at the time of application that are not earned until the next fiscal year and tower lease payments.

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

Unearned revenue recorded in the Water and Sewer Fund is related to funds received from the American Rescue Plan Act (ARPA) that will be used in Fiscal Year 2026 to fund utility infrastructure improvements.

M. Intergovernmental Allocation of Administrative Expenses

The General Fund incurs certain administrative expenses for other funds, including accounting, legal, data processing, personnel administration, and other services. The governmental funds that received these services were charged \$8,663,010 for Fiscal Year 2025. These amounts are eliminated in the Statement of Activities. The enterprise funds that received these services were charged \$8,239,164 for Fiscal Year 2025. These amounts are recorded as revenue in the General Fund and operating expenses in the enterprise funds.

The Facilities Management Fund incurs costs for the repair and maintenance of city owned/leased buildings and administration of these activities for other funds. The governmental funds that received these services were charged \$12,226,289 in Fiscal Year 2025. These amounts are eliminated in the Statement of Activities. The enterprise funds that received these services were charged \$1,438,748 for Fiscal Year 2025. These amounts are recorded as revenue in the Facilities Management Fund and operating expenses in the enterprise funds.

The Risk Management Fund incurs costs for property and general liability insurance related services provided to other funds. The governmental funds that received these services were charged \$1,968,874 in Fiscal Year 2025. These amounts are eliminated in the Statement of Activities. The enterprise funds that received these services were charged \$4,405,179 for Fiscal Year 2025. These amounts are recorded as revenue in the Risk Management Fund and operating expenses in the enterprise funds.

N. State Pension Contributions

The State of Florida makes contributions from taxes on casualty insurance premiums. The State of Florida's contribution to the Municipal Police Officers' Plan for the year ended September 30, 2025 was \$3,170,196. The State of Florida's contribution to the Municipal Firefighters' Plan for the year ended September 30, 2025 was \$3,409,847. The City recognized these on-behalf payments from the state as revenues and expenditures in the governmental fund financial statements.

O. Fund Balance

Under GASB Statement No. 54, governmental funds report the fund balance into classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on specific purposes for which those funds can be spent. Fund balance is divided into five classifications. The classifications are as follows:

Non-Spendable Fund Balance - Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted

to cash (such as inventories and prepaid amounts) and items such as the long-term amount of loans, notes receivable and advances, as well as property acquired for resale.

Restricted Fund Balance - Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts that can be used only for the specific purposes determined by a formal action of the City Council, the City's highest level of decision-making authority. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally, which is by resolution.

Assigned Fund Balance - Portion that reflects a government's intended use of resources. Such intent must be established by the Financial Services Director pursuant to the Financial Management Policies (Resolution 334-24) approved by City Council. Assigned fund balance also includes spendable fund balance amounts established by management of the City that are intended to be used for specific purposes that are neither considered restricted nor committed.

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

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

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

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

P. Net Position

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted or unrestricted. The first category represents net position related to capital assets which includes capital assets net of depreciation, debt payable, retainage payable, construction related accounts payable, unspent debt proceeds and deferred outflows of resources related to debt refunding. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. The unrestricted net position category represents all other net position that does not meet the definition of "restricted" or "net investment in capital assets." When both restricted and unrestricted resources are available for use, it is the City's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Q. Use of Estimates

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

R. Change within the Reporting Entity

Effective October 1, 2024, the City reclassified the Building Fund from a nonmajor fund to a major fund. This reclassification was made to improve financial reporting transparency and enhance audit testing requirements. The change represents a reclassification only and had no effect on the City’s previously reported total net position or fund balances.

	September 30, 2024 as Previously Reported	Change within Financial Reporting Entity	September 30, 2024 as Restated
Governmental Funds			
Major Funds:			
Building fund	\$ -	\$ 4,825,975	\$ 4,825,975
Nonmajor funds	230,129,745	(4,825,975)	225,303,770
Total Governmental Funds	<u>\$ 230,129,745</u>	<u>\$ -</u>	<u>\$ 230,129,745</u>

S. Revenue Recognition – Grants

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

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

NOTE II. PROPERTY TAXES

Property taxes are levied on November 1st of each year and are due and payable upon receipt of the notice of levy. The Lee County, Florida Tax Collector’s office bills and collects property taxes on behalf of the City. The total tax rate of 5.3979 mills per \$1,000 of assessed taxable property value consists of 5.2188 mills to finance general governmental services and 0.1791 mills to finance the debt service for the General Obligation Bond approved for acquisition, construction and equipping various parks for the fiscal year ended September 30, 2025. Property tax revenue is recognized in the fiscal year for which the taxes are levied. On May 1st of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction prior to June 1st, and the proceeds collected are remitted to the City.

No accruals for the property tax levy becoming due in November 2025 are included in the accompanying financial statements since such taxes are levied for the subsequent fiscal year and are not considered earned or available on September 30, 2025.

NOTE III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance with Finance-Related Legal and Contractual Provisions

City management believes that the City is in compliance with finance-related legal and contractual provisions.

2. Deficit Fund Balance/Net Position

The following individual funds had deficit fund balances as of September 30, 2025:

Fund	Type	Amount
Community Redevelopment Agency (CRA) ¹	Governmental	\$ 4,653,666
Police Grants ²	Governmental	73,972
Community Development Block Grant ²	Governmental	444,125
CDBG Disaster Recovery ²	Governmental	28,120
HUD Neighborhood Stabilization ²	Governmental	94,460
Development Services Grants ²	Governmental	224,782
Racquet Center ³	Governmental	484,183
Facilities Management ⁴	Internal Service	10,181,722
Project Management ⁴	Internal Service	5,672,645

1 In advance of future year tax revenues to fund capital projects. The deficit will be eliminated using future tax revenues.

2 The deficit is due to timing of reimbursement based grants. When grant funds are received the deficit will be eliminated.

3 The deficit is due to startup costs of opening a new facility. The deficit will be eliminated when the facility becomes profitable.

4 The deficit is the result of unfunded pension and OPEB expenses. It will be eliminated by adjusting internal service fund rates to fully recover the cost of services, including pension and OPEB expenses. Over time, these higher charges will generate operating surpluses that will reduce the deficit.



NOTE IV. DETAILED NOTES

1. Cash and Investments

As of September 30, 2025, the City had the following cash and investment amounts:

Category	Fair Value
Checking and savings accounts	\$ 45,069,563
Cash on hand	14,925
Cash with fiscal agent	2,242
LGIP- FL Prime (SBA)	271,278,016
Intergovernmental Investment Pools	266,768,808
Money Market Funds	2,404,649
Investments	<u>252,527,965</u>
Total	<u>\$ 838,066,168</u>

A. Cash and Cash Equivalents

The City maintains a cash and investment pool that is available for use by all funds except for monies legally restricted. Investment earnings (which include realized and unrealized gains and losses as well as interest income) are distributed monthly to the individual funds based on the fund’s average cash balance as a percentage of the entire portfolio. The City’s cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes.

B. Investment Portfolio

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. The City adopted a comprehensive investment policy by ordinance that establishes permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect the City’s cash and investment assets. The investment policy applies to all cash and investments held or controlled by the City with the exception of pension funds and funds related to the issuance of debt. Ordinance 23-22, amending the City’s investment policy, was adopted on March 16, 2022.

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

As of September 30, 2025, interest receivable on the City’s investment portfolio amounted to \$2,068,205.

As of September 30, 2025, the City had the following investment types and effective duration presented in terms of years:

Security Type	Fair Value	Weighted Average Duration (Years)
Corporate Notes	\$ 22,782,270	1.57
Federal Agencies - Bond/Note	151,949	2.43
US Treasury - Bond/Note	226,154,910	2.55
Municipal - Bond/Note	3,438,836	1.44
LGIP- Florida Prime (SBA)	271,278,016	0.13
Intergovernmental Investment Pool-FL Class	87,686,457	0.12
Intergovernmental Investment Pool-FL Safe	147,797,084	0.10
Intergovernmental Investment Pool-FL Star	31,285,267	0.10
Money Market Funds	<u>2,404,649</u>	0.00
Total Fair Value	<u>\$ 792,979,438</u>	
Portfolio Weighted Average Duration		0.87

C. Fair Value of Investments

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

As of September 30, 2025, the City had the following investment measurements by security type:

<u>Investment Type</u>	<u>Amount</u>	<u>Quoted Prices in Active Markets for Identical Assets</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Corporate Notes	\$ 22,782,270	\$ -	\$ 22,782,270	\$ -
Federal Agencies - Bond/Note	151,949	-	151,949	-
US Treasuries - Bond/Note	226,154,910	-	226,154,910	-
Municipal Bond/Note	3,438,836	-	3,438,836	-
Total	<u>\$ 252,527,965</u>	<u>\$ -</u>	<u>\$ 252,527,965</u>	<u>\$ -</u>
Cash Equivalents Measured at Amortized Cost				
Money Market Funds	2,404,649			
Total Cash Equivalents Measured at Amortized Cost	<u>\$ 2,404,649</u>			
Investments Measured at Net Asset Value (NAV)				
Florida Prime	271,278,016			
Florida Safe	147,797,084			
Florida Class	87,686,457			
Florida Star	31,285,267			
Total Cash Equivalents and Investments	<u>\$ 792,979,438</u>			

D. Interest Rate Risk

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

E. Credit Risk

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

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

Florida Prime shall be rated AAAM by Standard & Poor's or the equivalent by another rating agency, commercial paper shall be rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). If the commercial paper is backed by a letter of credit ("LOC"), the long-term debt of the LOC provider must be rated "A" or better by at least two nationally recognized rating agencies, Bankers' Acceptances at the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's Investors

Services and “A-1” by Standard & Poor’s, and issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System.

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

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

As of September 30, 2025, the City had the following credit exposure as a percentage of total investments:

Security Type	Credit Risk Note		Amounts
	S&P Credit Rating	% of Portfolio	
Corporate Notes	AA+	0.51%	\$ 4,053,566
Corporate Notes	AA-	0.62%	4,946,897
Corporate Notes	A+	0.85%	6,716,712
Corporate Notes	A	0.89%	7,065,095
Federal Agencies - Bond/Note	AA+	0.02%	151,949
US Treasuries - Bond/Note	AA+	28.52%	226,154,910
Municipal Bond/Note	AA+	0.18%	1,466,204
Municipal Bond/Note	AA	0.14%	1,119,821
Municipal Bond/Note	AAA	0.11%	852,811
LGIP	AAAM	67.85%	538,046,824
Money Market Funds	AAAM	0.31%	2,404,649
Total		100.00%	\$ 792,979,438

As of September 30, 2025, the City’s investment deposit in FL Prime, FL Class, FL Asset Fund Trust (FL Safe), and FL Star investment pool were \$271,278,016, \$87,686,457, \$147,797,084, and \$31,285,267, respectively. These qualify as 2a7-like external investment pools. As of September 30, 2025, all pools were rated AAAM by Standard & Poor’s.

F. Custodial Credit Risk

The City’s investment policy, pursuant to Section 218.415(18), Florida Statutes, requires that securities, except for certificates of deposits, are held with a third-party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts, and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider’s safekeeping department for the term of the deposit.

As of September 30, 2025, the City’s investment portfolio was held with a third-party custodian as required by the City’s investment policy.

G. Concentration of Credit Risk

The City’s investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the City’s investment portfolio. A maximum of 60% of available funds may be invested in FL Prime, a maximum of 100% of available funds may be invested in United States Government Securities, a maximum of 50% of available funds may be invested in United States Government Agencies with no more than 25% of available funds invested in an individual United States Government agency, a maximum of 80% of available funds invested in Federal Instrumentalities with no more than 25% of available funds invested in any one issuer. A maximum of 10% of available funds may be invested in non-negotiable interest-bearing time certificates of deposit with no more than 5% of available funds deposited with any one issuer, a maximum of 25% of available funds invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements with no more than 10% of available funds invested with any one institution.

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

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

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

As of September 30, 2025, the City’s pension funds had the following investment types and effective duration presented in terms of years:

General Employees’ Pension Investments

Security Type	Fair Value	Percentage of Portfolio	Weighted Average Maturity (years)
Cash and Cash Equivalents	\$ 15,631,139	3.11%	N/A
Investments:			
Stock	119,528,265	23.78%	N/A
Mutual Funds:			
Equity	36,168,376	7.20%	N/A
Fixed income	119,886	0.02%	N/A
Pooled/Common/Commingled Funds			
Fixed income	107,678,284	21.42%	N/A
Equity	71,991,712	14.32%	N/A
Real estate	151,562,895	30.15%	N/A
Total	\$ 502,680,557	100.00%	



Police Officers' Pension Investments

Security Type	Fair Value	Percentage of Portfolio	Weighted Average Maturity (years)
Cash and Cash Equivalents	\$ 14,146,629	4.34%	N/A
Investments:			
Federal agency securities	9,272,329	2.84%	3.59
Corporate Bonds	3,187,383	0.98%	12.07
Certificate of Deposit	624,480	0.19%	N/A
Alternative	41,417,340	12.70%	
Mutual Funds:			
Equity	170,105,542	52.17%	N/A
Fixed income	13,287,342	4.07%	N/A
Pooled/Common/Commingled Funds:			
Equity	27,181,671	8.34%	N/A
Real Estate	21,153,331	6.49%	N/A
Fixed Income	25,705,470	7.88%	N/A
Total	<u>\$ 326,081,517</u>	<u>100.00%</u>	

Firefighters' Pension Investments

Security Type	Fair Value	Percentage of Portfolio	Weighted Average Maturity (years)
Cash and Cash Equivalents	\$ 14,433,367	4.39%	N/A
Investments:			
Federal agency securities	10,199,484	3.11%	4.83
Corporate Bonds	3,690,631	1.12%	12.11
Certificates of Deposit	713,389	0.22%	N/A
Stock	119,775,276	36.46%	N/A
Mutual Funds:			
Equity	96,198,509	29.29%	N/A
Fixed income	5,826,276	1.77%	N/A
Pooled/Common/Commingled Funds:			
Equity	20,457,118	6.23%	N/A
Fixed Income	20,762,014	6.32%	N/A
Real Estate	36,414,614	11.09%	N/A
Total	<u>\$ 328,470,678</u>	<u>100.00%</u>	

H. Interest Rate Risk

The investment policies for the pension funds do not address interest rate risk. The pension funds utilize "effective duration" as a measurement of interest rate risk.

I. Credit Risk

As of September 30, 2025, the Pension Funds had the following credit exposure as a percentage of total fixed income investments:

Standard & Poor's Credit Rating	General Employees'	Police Officers'	Firefighters'
AAA	N/A	1.76%	0.68%
AA+	N/A	15.77%	25.47%
AA	N/A	0.08%	1.65%
AA-	N/A	1.02%	1.17%
A+	N/A	1.08%	2.52%
A	N/A	2.32%	2.96%
A-	N/A	2.34%	2.11%
BB+	N/A	0.00%	0.24%
BBB+	N/A	1.70%	2.23%
BBB	N/A	1.68%	2.30%
BBB-	N/A	0.23%	0.34%
not rated	100.00%	72.02%	58.33%
Total	100.00%	100.00%	100.00%



The following lists investments that represent 5% or more of the Plan's fiduciary net position as of September 30, 2025:

General Employees' Pension Investments

Investment	Amount
Vanguard Russell 1000 Growth	\$ 36,168,376
FIAM Core Plus Pool	43,692,252
Wells Fargo Capital Management	29,622,181
FIAM Tactical Bond	27,399,313
Arrowstreet Intl Equity	49,416,758
IIF Hedged LP	26,325,985
Total	<u>\$ 212,624,865</u>

Police Officers' Pension Investments

Investment	Amount
American Funds Washington Mutual	\$ 48,203,475
RhumbLine Russell 1000	41,417,340
Vanguard Russell 1000 Growth	53,215,750
Vanguard Small Cap Index	30,418,852
Europacific Growth	23,704,884
Total	<u>\$ 196,960,301</u>

Firefighters' Pension Investments

Investment	Amount
DRZ	\$ 19,192,484
Great Lakes Advisors	20,291,458
RhumbLine Russell 1000	23,837,588
Polen Capital Management	16,629,135
William Blair Large Cap Growth	21,043,534
Waycross Core Equity	28,855,454
Vanguard Small Cap Index	30,253,118
Total	<u>\$ 160,102,771</u>

J. Fair Value Measurement

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan had the following recurring fair value measurements comprised of investments as of September 30, 2025:

General Employees' Pension Investments

	Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investment by Fair Value Level			
Investments:			
Stocks	\$ 119,528,265	\$ 119,528,265	\$ -
Mutual Funds:			
Equity	36,168,376	36,168,376	-
Fixed income	119,886	119,886	-
Total	<u>\$ 155,816,527</u>	<u>\$ 155,816,527</u>	<u>\$ -</u>
Investment Measured at Net Asset Value (NAV)			
Pooled/common/commingled funds			
Fixed Income	107,678,284		
Equity	71,991,712		
Real Estate	151,562,895		
Total Investments Measured at NAV	331,232,891		
Total Investments Measured at Fair Value	487,049,418		
Investments Measured at Amortized Cost			
Money Market Funds and Short-Term Cash	15,631,139		
Total cash, cash equivalents, and investments	<u>\$ 502,680,557</u>		

Police Officers' Pension Investments

	Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investment by Fair Value Level			
U.S. Government Obligations and Federal Agency Securities	\$ 9,272,329	\$ -	\$ 9,272,329
Corporate Bonds	3,187,383	-	3,187,383
Alternative	41,417,340	-	41,417,340
Mutual Funds:			
Fixed Income	13,287,342	13,287,342	-
Equity	170,105,542	170,105,542	-
Total	<u>\$ 237,269,936</u>	<u>\$ 183,392,884</u>	<u>\$ 53,877,052</u>

Investment Measured at Net Asset Value (NAV)

Pooled/common/commingled funds	
Equity Index Funds	\$ 27,181,671
Real Estate Commingled Funds	21,153,331
Fixed Income	25,705,470
Total Investments Measured at NAV	<u>74,040,472</u>
Total Investments Measured at Fair Value	<u>311,310,408</u>
Investments Measured at Amortized Cost	
Money Market Funds and Other Short-Term Cash	14,146,629
Certificates of Deposit	624,480
Total cash, cash equivalents, and investments	<u>\$ 326,081,517</u>

Firefighters' Pension Investments

	Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investment by Fair Value Level			
U.S. Government Obligations and Federal Agency Securities	\$ 10,199,484	\$ -	\$ 10,199,484
Corporate Bonds	3,690,631	-	3,690,631
Stocks	119,775,276	119,775,276	-
Mutual Funds:			
Fixed Income	5,826,276	5,826,276	-
Equity	96,198,509	96,198,509	-
	<u>\$ 235,690,176</u>	<u>\$ 221,800,061</u>	<u>\$ 13,890,115</u>
Investment Measured at Net Asset Value (NAV)			
Pooled/common/commingled funds			
Equity Index Funds	\$ 20,457,118		
Fixed Income	20,762,014		
Real Estate	36,414,614		
Total Investments Measured at NAV	<u>77,633,746</u>		
Total Investments Measured at Fair Value	<u>313,323,922</u>		
Investments Measured at Amortized Cost			
Money Market Funds and Other Short-Term Cash	14,433,367		
Certificates of Deposit	713,389		
Total cash, cash equivalents, and investments	<u>\$ 328,470,678</u>		

Debt and equity securities classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt Securities classified as Level 2 of the fair value hierarchy are valued using quoted prices for similar assets in active markets. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities relationship to benchmark quoted prices.

Other information for investment measured at the NAV or its equivalent follows:

General Employees’ Pension Investments

	<u>Fair Value</u>
Pooled/Common/Commingled Funds	
Equity	\$ 71,991,712
Fixed Income	107,678,284
Real Estate	<u>151,562,895</u>
Total Investments Measured at the NAV	<u>\$ 331,232,891</u>

Unfunded commitments total \$24,267,613. Most investments have daily redemptions with a 0 to 90 day notice.

Police Officers’ Pension Investments

	<u>FairValue</u>
Pooled/Common/Commingled Funds	
Equity Index Funds	\$ 27,181,671
Real Estate Commingled Funds	21,153,331
Fixed income	<u>25,705,470</u>
Total Investments Measured at the NAV	<u>\$ 74,040,472</u>

Unfunded commitments total \$18,012,609. Most investments have daily redemptions with a 0 to 90 day notice.

Firefighters’ Pension Investments

	<u>FairValue</u>
Pooled/Common/Commingled Funds	
Equity Index Funds	\$ 20,457,118
Fixed Income	20,762,014
Real Estate	<u>36,414,614</u>
Total Investments Measured at the NAV	<u>\$ 77,633,746</u>

Unfunded commitments total \$21,930,719 Most investments have daily redemptions with a 0 to 90 day notice.

K. Custodial Credit Risk

The pension funds’ investment policy, pursuant to Section 112.661(10), Florida Statutes, states that securities should be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the Pension Funds should be properly designated as an asset of the Pension Fund.

As of September 30, 2025, the pension funds’ investment portfolio was held with a third-party custodian as required by Florida Statute.

L. Concentration of Credit Risk

The pension funds’ investment policy has established asset allocation and issuer limits which are designed to reduce concentration of credit risk of the pension funds’ investment portfolio.



2. Restricted Cash and Investments

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

	Water and Sewer	Stormwater
Debt service	\$ 100,038,139	\$ -
Capital improvements	203,691,678	4,886,814
Renewal and replacement	6,672,166	-
Deposits	3,111,693	-
Total restricted cash and investments	\$ 313,513,676	\$ 4,886,814

3. Accounts and Assessments Receivable

The composition of accounts and assessments receivable as of September 30, 2025 is as follows:

Governmental activities:

	General Fund	Fire	Building	Solid Waste	Other Governmental Funds	Total
Unrestricted:						
Interest	\$ 849,778	\$ -	\$ 86,250	\$ -	\$ 327,145	\$ 1,263,173
Intergovernmental ¹	5,468,383	379,710	-	97,984	6,092,985	12,039,062
Gross accounts receivable	3,421,126	-	-	-	1,113,870	4,534,996
Notes Receivable	10,296	-	-	-	527,207	537,503
Lease receivable	1,026,347	-	53,258	-	2,179,024	3,258,629
Total net unrestricted	\$10,775,930	\$ 379,710	\$ 139,508	\$ 97,984	\$ 10,240,231	\$ 21,633,363

¹Intergovernmental receivables in Other Governmental Funds includes a receivable for a \$2,474,591 allocation of Opioid Settlement funds. The City has decided not to estimate an allowance for uncollectible accounts as there is no historical information to serve as a basis for calculation. Further, as there are currently no apparent going concern issues for the entities involved, the City believes it reasonable to expect full collection. The City will monitor the situation and review this expectation each year.

Business-type activities:

	<u>Water and Sewer</u>	<u>Stormwater</u>	<u>Other Non-Major Yacht Basin</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
Unrestricted:					
Interest	\$ 270,304	\$ -	\$ -	\$ 270,304	\$ -
Intergovernmental	-	109,614	-	109,614	-
Gross accounts receivable	15,462,634 ¹	134,413	-	15,597,047	60,080
Less: allowance for uncollectibles	(1,939,179) ²	(63,697)	-	(2,002,876)	(17)
Lease receivable	-	-	454,654	454,654	-
Total net unrestricted	<u>13,793,759</u>	<u>180,330</u>	<u>454,654</u>	<u>14,428,743</u>	<u>60,063</u>
Restricted:					
Interest	534,728	-	-	534,728	-
Intergovernmental	10,312,065	-	-	10,312,065	-
Gross accounts receivable	31,021 ³	-	-	31,021	-
Less: allowance for uncollectibles	(2) ²	-	-	(2)	-
Gross assessments receivable	682,567 ³	-	-	682,567	-
Less: allowance for uncollectibles	(5,942) ²	-	-	(5,942)	-
Total net restricted	<u>11,554,437</u>	<u>-</u>	<u>-</u>	<u>11,554,437</u>	<u>-</u>
Total net receivables	<u>\$ 25,348,196</u>	<u>\$ 180,330</u>	<u>\$ 454,654</u>	<u>\$ 25,983,180</u>	<u>\$ 60,063</u>

¹ Includes unbilled receivables of \$7,018,502.

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

³ The City monitors the accounts on a monthly basis. As of September 30, 2025, the delinquent amounts were \$5,942 for assessments and \$2 for CIAC loans.

Unbilled Assessments:

The City levies a special assessment against benefited property owners for construction of water, wastewater and irrigation utility extensions in certain areas of the City. The City utilizes the Uniform Collection Act under Florida Statutes 197.3632 and 197.3635 for collecting assessments. The Uniform Assessment Collection Act authorizes the collection of non-ad valorem assessments on the same tax bill as ad valorem taxes, therefore offering the City the greatest assurance of collecting all of its billed special assessment revenue. The receivable is recorded at the time of the levy, which is when the annual assessment installment is billed on the tax roll and the enforceable legal claim arises. Property owners may pay off their assessment at any time during the repayment period. As of September 30, 2025, the estimated annual assessments and interest that remain unbilled and do not have a lien recorded are as follows:

<u>Year Ending September 30,</u>	<u>Special Assessments</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 18,722,430	\$ 8,640,352
2027	17,353,094	8,293,898
2028	14,464,499	8,014,393
2029	12,143,421	8,200,818
2030	12,143,421	7,615,375
2031-2035	58,309,832	35,431,253
2036-2040	38,035,664	28,956,593
2041-2045	22,068,037	22,325,571
2046-2050	22,046,495	14,332,521
2051-2054	17,954,697	3,940,735
Total	<u>\$ 233,241,590</u>	<u>\$ 145,751,509</u>

4. Lease Receivables

The City leases land, building, and infrastructure to third parties. As of September 30, 2025, the City's lease receivables were valued at \$3,752,097 and the deferred inflow of resources associated with these leases that will be recognized as revenue over the term of the leases was \$5,004,253. The lease receivables for Governmental and Business-type activities at September 30, 2025 were as follows:

Governmental Activities

Land leases - annual lease payments totaling \$116,061 plus interest at a rate ranging from 0.316% to 4.118%, due dates ranging from October 01, 2025 to September 30, 2051.	\$ 1,833,871
Building leases - annual lease payments totaling \$1,727,543 plus interest at a rate of 1.059% to 2.580%, due dates ranging from October 01, 2025 to June 01, 2026.	1,314,565
Infrastructure leases - annual lease payments totaling \$41,932 plus interest at a rate ranging from 0.387% to 2.230%, due dates ranging from October 01, 2025 to April 30, 2029.	110,193
Total Governmental Activities Lease Receivables	<u><u>\$ 3,258,629</u></u>

Business-type Activities

Land lease - annual lease payments totaling \$43,008 plus interest at a rate of 2.76%, due dates ranging from October 01, 2025 to September 23, 2033.	<u><u>\$ 454,654</u></u>
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The payments for the lease receivables are expected to be received in the subsequent years as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 1,493,109	\$ 30,858	\$ 45,917	\$ 11,975
2027	154,530	13,000	48,960	10,669
2028	132,267	5,665	52,140	9,278
2029	74,389	3,388	55,463	7,798
2030	62,628	1,576	58,935	6,223
2031 - 2035	449,785	6,819	193,239	8,224
2036 - 2040	352,208	5,386	-	-
2041 - 2045	243,003	3,834	-	-
2046 - 2050	246,867	1,955	-	-
2051 - 2052	49,843	236	-	-
	<u><u>\$ 3,258,629</u></u>	<u><u>\$ 72,717</u></u>	<u><u>\$ 454,654</u></u>	<u><u>\$ 54,167</u></u>

5. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2025 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Purpose for Balance	Amount
General	Other governmental (CDBG)	Awaiting grant reimbursement	\$ 511,106
	Other governmental (Development Svcs Grants)	Awaiting grant reimbursement	224,782
	Other governmental (HUD NSP)	Awaiting grant reimbursement	94,460
	Other governmental (Police Grants)	Awaiting grant reimbursement	433,494
	Other governmental (Lake Kennedy Racquet Center)	Start up costs	457,244
Total			<u>\$ 1,721,086</u>

Advances to/from other funds:

Receivable Fund	Payable Fund	Purpose for Balance	Amount
General	Other governmental (CRA) ¹	The Cove at 47th	<u>\$ 7,405,134</u>

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

Interfund Transfers:

Transfers Out	Transfers In						Total
	General Fund	Fire	Building	Other Governmental Funds	Water and Sewer Funds	Internal Service Funds	
General Fund	\$ -	\$ 22,547,193	\$ 2,235,662	\$ 39,576,663	\$ -	\$ 3,000	\$ 64,362,518
Fire	-	-	-	6,966,294	-	-	6,966,294
Other Governmental	758,865	-	9,068,681	19,360,009	-	-	29,187,555
Stormwater	800	-	-	-	223,913	-	224,713
Internal Service Fund	-	-	-	-	-	3,500	3,500
Total	<u>\$ 759,665</u>	<u>\$ 22,547,193</u>	<u>\$ 11,304,343</u>	<u>\$ 65,902,966</u>	<u>\$ 223,913</u>	<u>\$ 6,500</u>	<u>\$ 100,744,580</u>

All transfers are used to either transfer revenue from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, transfer receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due or use unrestricted revenue collected in the General Fund to finance various programs, capital projects and improvements, accounted for in other funds in accordance with budgetary authorization.

6. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases and Transfers In</u>	<u>Decreases and Transfers Out</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land				
Governmental	\$ 166,350,394	\$ 53,430,812	\$ -	\$ 219,781,206
Construction in progress				
Governmental	155,038,399	61,110,094	(40,569,612)	175,578,881
Internal Service	544,553	1,828,283	(356,716)	2,016,120
Total construction in progress	<u>155,582,952</u>	<u>62,938,377</u>	<u>(40,926,328)</u>	<u>177,595,001</u>
Total capital assets, not being depreciated	<u>321,933,346</u>	<u>116,369,189</u>	<u>(40,926,328)</u>	<u>397,376,207</u>
Capital assets, being depreciated:				
Buildings				
Governmental	145,616,875	15,548,073	-	161,164,948
Internal Service	907,624	-	-	907,624
Total buildings	<u>146,524,499</u>	<u>15,548,073</u>	<u>-</u>	<u>162,072,572</u>
Infrastructure				
Governmental	240,894,484	13,547,368	-	254,441,852
Improvements other than buildings				
Governmental	83,878,731	3,162,004	-	87,040,735
Internal Service	63,796	-	-	63,796
Total improvements other than buildings	<u>83,942,527</u>	<u>3,162,004</u>	<u>-</u>	<u>87,104,531</u>
Equipment				
Governmental	66,569,916	15,641,942	(5,095,134)	77,116,724
Internal Service	3,687,719	564,708	(796,602)	3,455,825
Total equipment	<u>70,257,635</u>	<u>16,206,650</u>	<u>(5,891,736)</u>	<u>80,572,549</u>
Intangible computer software				
Governmental	3,277,107	1,353,104	(113,791)	4,516,420
Internal Service	705,245	-	-	705,245
Total intangible computer software	<u>3,982,352</u>	<u>1,353,104</u>	<u>(113,791)</u>	<u>5,221,665</u>
Lease assets:				
Buildings				
Governmental	806,019	-	-	806,019
Total right-to-use buildings	<u>806,019</u>	<u>-</u>	<u>-</u>	<u>806,019</u>
Equipment				
Governmental	64,824	225,924	(64,824)	225,924
Internal Service	822,745	836,820	-	1,659,565
Total right-to-use equipment	<u>887,569</u>	<u>1,062,744</u>	<u>(64,824)</u>	<u>1,885,489</u>
Subscription assets				
Governmental	13,754,932	1,133,664	(169,408)	14,719,188
Internal Service	179,061	295,142	-	474,203
Total subscription assets	<u>13,933,993</u>	<u>1,428,806</u>	<u>(169,408)</u>	<u>15,193,391</u>
Total capital assets, being depreciated	<u>561,229,078</u>	<u>52,308,749</u>	<u>(6,239,759)</u>	<u>607,298,068</u>

	<u>Beginning Balance</u>	<u>Increases and Transfers In</u>	<u>Decreases and Transfers Out</u>	<u>Ending Balance</u>
Less accumulated depreciation and amortization for:				
Buildings				
Governmental	(71,389,009)	(3,907,467)	-	(75,296,476)
Internal Service	(720,393)	(12,140)	-	(732,533)
Total buildings	<u>(72,109,402)</u>	<u>(3,919,607)</u>	<u>-</u>	<u>(76,029,009)</u>
Infrastructure				
Governmental	(115,588,843)	(8,261,936)	-	(123,850,779)
Improvements other than buildings				
Governmental	(55,450,127)	(3,496,752)	-	(58,946,879)
Internal Service	(63,795)	-	-	(63,795)
Total improvements other than buildings	<u>(55,513,922)</u>	<u>(3,496,752)</u>	<u>-</u>	<u>(59,010,674)</u>
Equipment				
Governmental	(43,406,103)	(7,550,379)	4,855,819	(46,100,663)
Internal Service	(2,297,651)	(247,393)	197,857	(2,347,187)
Total equipment	<u>(45,703,754)</u>	<u>(7,797,772)</u>	<u>5,053,676</u>	<u>(48,447,850)</u>
Intangible computer software				
Governmental	(3,277,107)	(98,305)	113,791	(3,261,621)
Internal Service	(705,245)	-	-	(705,245)
Total intangible computer software	<u>(3,982,352)</u>	<u>(98,305)</u>	<u>113,791</u>	<u>(3,966,866)</u>
Lease assets:				
Buildings				
Governmental	(127,178)	(267,749)	-	(394,927)
Total right-to-use buildings	<u>(127,178)</u>	<u>(267,749)</u>	<u>-</u>	<u>(394,927)</u>
Equipment				
Governmental	(46,303)	(57,159)	61,006	(42,456)
Internal Service	(234,482)	(333,773)	-	(568,255)
Total right-to-use equipment	<u>(280,785)</u>	<u>(390,932)</u>	<u>61,006</u>	<u>(610,711)</u>
Subscription assets				
Governmental	(2,115,024)	(2,312,649)	67,415	(4,360,258)
Internal Service	(59,687)	(158,068)	(98,381)	(316,136)
Total subscription assets	<u>(2,174,711)</u>	<u>(2,470,717)</u>	<u>(30,966)</u>	<u>(4,676,394)</u>
Total accumulated depreciation	<u>(295,480,947)</u>	<u>(26,703,770)</u>	<u>5,197,507</u>	<u>(316,987,210)</u>
Total capital assets, being depreciated, net	265,748,131	25,604,979	(1,042,252)	290,310,858
Governmental activities capital assets, net	<u>\$ 587,681,477</u>	<u>\$ 141,974,168</u>	<u>\$ (41,968,580)</u>	<u>\$ 687,687,065</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land				
Water and Sewer	\$ 25,849,998	\$ 38,969,996	\$ -	\$ 64,819,994
Stormwater	8,062,155	4,322,365	-	12,384,520
Yacht Basin	20,555	-	-	20,555
Total land	<u>33,932,708</u>	<u>43,292,361</u>	<u>-</u>	<u>77,225,069</u>
Construction in progress				
Water and Sewer	234,295,862	107,289,017	(36,475,327)	305,109,552
Stormwater	11,259,199	8,661,856	(2,431,369)	17,489,686
Yacht Basin	1,100,389	4,886,493	-	5,986,882
Total construction in progress	<u>246,655,450</u>	<u>120,837,366</u>	<u>(38,906,696)</u>	<u>328,586,120</u>
Total capital assets, not being depreciated	<u>280,588,158</u>	<u>164,129,727</u>	<u>(38,906,696)</u>	<u>405,811,189</u>
Capital assets, being depreciated:				
Buildings				
Water and Sewer	380,828,226	17,399,394	-	398,227,620
Stormwater	1,916,446	-	-	1,916,446
Yacht Basin	76,695	-	-	76,695
Total buildings	<u>382,821,367</u>	<u>17,399,394</u>	<u>-</u>	<u>400,220,761</u>
Infrastructure				
Water and Sewer	921,615,958	5,123,553	-	926,739,511
Stormwater	18,220,819	-	-	18,220,819
Yacht Basin	286,049	-	-	286,049
Total Infrastructure	<u>940,122,826</u>	<u>5,123,553</u>	<u>-</u>	<u>945,246,379</u>
Improvements other than buildings				
Water and Sewer	347,043,344	12,928,152	-	359,971,496
Stormwater	33,652,230	1,664,987	-	35,317,217
Yacht Basin	96,990	-	-	96,990
Total improvements other than buildings	<u>380,792,564</u>	<u>14,593,139</u>	<u>-</u>	<u>395,385,703</u>
Equipment				
Water and Sewer	34,710,990	4,220,537	(1,667,186)	37,264,341
Stormwater	12,879,058	3,444,519	(1,076,317)	15,247,260
Yacht Basin	106,885	-	(9,153)	97,732
Total equipment	<u>47,696,933</u>	<u>7,665,056</u>	<u>(2,752,656)</u>	<u>52,609,333</u>
Lease assets:				
Buildings				
Stormwater	264,467	3,930	-	268,397
Total right-to-use buildings	<u>264,467</u>	<u>3,930</u>	<u>-</u>	<u>268,397</u>
Subscription assets				
Stormwater	168,270	-	(168,270)	-
Total subscription assets	<u>168,270</u>	<u>-</u>	<u>(168,270)</u>	<u>-</u>
Total capital assets, being depreciated	<u>1,751,866,427</u>	<u>44,785,072</u>	<u>(2,920,926)</u>	<u>1,793,730,573</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Less accumulated depreciation and amortization for:				
Buildings				
Water and Sewer	(146,138,622)	(9,462,377)	-	(155,600,999)
Stormwater	(1,867,403)	(5,938)	-	(1,873,341)
Yacht Basin	(30,805)	(3,851)	-	(34,656)
Total buildings	<u>(148,036,830)</u>	<u>(9,472,166)</u>	<u>-</u>	<u>(157,508,996)</u>
Infrastructure				
Water and Sewer	(355,964,358)	(21,904,209)	-	(377,868,567)
Stormwater	(11,463,245)	(393,927)	-	(11,857,172)
Yacht Basin	(114,875)	(14,364)	-	(129,239)
Total Infrastructure	<u>(367,542,478)</u>	<u>(22,312,500)</u>	<u>-</u>	<u>(389,854,978)</u>
Improvements other than buildings				
Water and Sewer	(240,768,595)	(11,430,572)	-	(252,199,167)
Stormwater	(16,420,948)	(1,340,668)	-	(17,761,616)
Yacht Basin	(79,404)	(4,068)	-	(83,472)
Total improvements other than buildings	<u>(257,268,947)</u>	<u>(12,775,308)</u>	<u>-</u>	<u>(270,044,255)</u>
Equipment				
Water and Sewer	(25,722,714)	(2,807,791)	1,596,894	(26,933,611)
Stormwater	(7,301,697)	(1,327,430)	1,008,450	(7,620,677)
Yacht Basin	(46,548)	(13,188)	7,628	(52,108)
Total equipment	<u>(33,070,959)</u>	<u>(4,148,409)</u>	<u>2,612,972</u>	<u>(34,606,396)</u>
Lease assets:				
Right to use - Buildings				
Stormwater	(119,467)	(90,807)	-	(210,274)
Total right-to-use buildings	<u>(119,467)</u>	<u>(90,807)</u>	<u>-</u>	<u>(210,274)</u>
Subscription assets				
Stormwater	(56,092)	-	56,092	-
Total subscription assets	<u>(56,092)</u>	<u>-</u>	<u>56,092</u>	<u>-</u>
Total accumulated depreciation and amortization	<u>(806,094,773)</u>	<u>(48,799,190)</u>	<u>2,669,064</u>	<u>(852,224,899)</u>
Total capital assets, being depreciated, net	<u>945,771,654</u>	<u>(4,014,118)</u>	<u>(251,862)</u>	<u>941,505,674</u>
Business-type activities capital assets, net	<u>\$1,226,359,812</u>	<u>\$ 160,115,609</u>	<u>\$ (39,158,558)</u>	<u>\$1,347,316,863</u>

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

Governmental activities:	
General Government	\$ 6,490,062
Public Safety:	
Police	3,830,252
Fire	3,602,853
Building	169,455
Public Works	7,258,182
Community Development	1,609,114
Parks and Recreation	2,992,478
Internal Service	<u>751,374</u>
Total depreciation expense - governmental activities	<u>\$ 26,703,770</u>
Business-type activities:	
Water and Sewer	\$ 45,604,949
Stormwater	3,158,770
Yacht Basin	<u>35,471</u>
Total depreciation expense - business-type activities	<u>\$ 48,799,190</u>

Included in capital assets is land that is held for resale. The land is reported in business-type activities. The historical cost of the land held for resale is \$4,069,207 as of September 30, 2025.

7. Accounts Payable and Other Accrued Liabilities

Accounts payable and other accrued liabilities on September 30, 2025 are as follows:

Governmental activities:

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Building</u>	<u>Solid Waste</u>	<u>General Obligation Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Accounts payable and other accrued liabilities	\$ 4,590,664	\$ 239,556	\$ 74,685	\$ 2,130,386	\$ 570,705	\$ 11,561,103	\$19,167,099
Retainage payable	179,410	2,455	-	-	1,549,250	1,597,408	3,328,523
Intergovernmental payable	2,207,934	-	44,638	-	-	101,522	2,354,094
Total	<u>\$ 6,978,008</u>	<u>\$ 242,011</u>	<u>\$ 119,323</u>	<u>\$ 2,130,386</u>	<u>\$ 2,119,955</u>	<u>\$ 13,260,033</u>	<u>\$24,849,716</u>

Business-type activities:

	<u>Water and Sewer</u>	<u>Stormwater</u>	<u>Other Non-Major Yacht Basin</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
Accounts payable and other accrued liabilities	\$13,369,665	\$ 1,812,575	\$ 160,007	\$15,342,247	\$ 4,964,202
Retainage payable	8,704,050	469,832	41,258	9,215,140	5,272
Total	<u>\$22,073,715</u>	<u>\$ 2,282,407</u>	<u>\$ 201,265</u>	<u>\$24,557,387</u>	<u>\$ 4,969,474</u>

8. Long-term Debt

At September 30, 2025 long-term debt is comprised of the following:

General Obligation Debt

General Obligation Note-Direct Borrowings

\$10,200,000 General Obligation (Note), Series 2019 was approved to finance and refinance the cost of acquisition, construction and equipping of various parks, natural areas, recreational and athletic facilities, trails, boating, fishing and swimming facilities, and wildlife habitat and shoreline protection improvements, as generally described in the Referendum Ordinance. Principal is paid annually from March 2020 to March 2034 with interest paid semiannually at 2.74%. \$ 6,630,000

General Obligation Revenue Bonds

\$24,800,000 General Obligation Bonds, Series 2021 was approved to finance and refinance the cost of acquisition, construction and equipping of various parks, natural areas, recreational and athletic facilities, trails, boating, fishing and swimming facilities, and wildlife habitat and shoreline protection improvements, as generally described in the Referendum Ordinance. Principal is paid annually from March 2022 to March 2035 with interest paid semiannually at 1.46%. 19,670,000

\$17,565,000 General Obligations Bonds, Series 2024 was approved to finance the cost of acquisition, construction and equipping of various parks, natural areas, recreational and athletic facilities, trails, boating, fishing and swimming facilities, and wildlife habitat and shoreline protection improvements, as generally described in the referendum Ordinance. Principal is paid annually from March 2025 to March 2039 with interest paid semiannually at 5.00% 16,880,000

43,180,000

Plus unamortized premium 5,660,650

\$ 48,840,650

General Long-term Debt

Revenue Bonds

\$51,790,000 Special Obligation Revenue Bonds, Series 2015 was issued to refund a portion of the City's Special Obligation Revenue, Series 2006 and finance the cost of acquisition and equipping various vehicles for Police, Fire, Code Compliance, Public Works, Parks and Recreation, and the acquisition and installation of certain equipment. The City refunded the 2006 Series to reduce its debt service payment over 22 years by \$6,919,935 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,976,052. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2036 with interest paid semiannually at rates ranging from 3.625% to 5.00%. \$ 31,130,000

\$62,595,000 Special Obligation Revenue Bonds, Series 2017 was issued to refund \$26,360,000 of the outstanding Special Obligation Revenue Bonds, Series 2007; \$20,400,000 of the outstanding Special Obligation Revenue Bonds, Series 2008; and \$15,835,000 of the outstanding Special Obligation Revenue Bonds, Series 2011. The City refunded these Bond Series to reduce its debt service payment over 23 years by \$8,389,554 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$6,745,135. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2040 with interest paid semiannually at rates ranging from 3.00% to 5.00%. 42,455,000

73,585,000

Plus unamortized premium 7,284,937

\$ 80,869,937

Notes from Direct Borrowings

\$30,760,000 Special Obligation Refunding Revenue Note, Series 2020 was issued to refund the City's outstanding Gas Tax Revenue Bonds, Series 2010B. The City refunded these Bond Series to reduce its debt service payment over 11 years by \$9,189,373 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$7,990,874. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid quarterly through 2030 with interest paid quarterly at 1.99%. 20,385,000

\$15,128,990 Special Obligation Refunding Revenue Note, Series 2020A was issued to finance the acquisition and construction of fire station #2 & #12 and to refinance the Special Obligation Revenue Note, Series 2018. The City refunded the note to reduce its debt service payment over 8 years by \$401,475 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$377,248. Principal and interest on the obligation is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid quarterly through 2028 with interest paid quarterly at 1.51%. 6,352,278

\$3,520,000 Special Obligation Refunding Revenue Note, Series 2022 was issued to finance the acquisition of various vehicles and equipment for the City's Fire and Police Departments. Principal and interest on the obligation is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid quarterly through 2027 with interest paid quarterly at 2.63%. 1,280,000

\$8,000,000 Special Obligation Refunding Revenue Note, Series 2023 was issued to finance the acquisition and construction of fire station #13. Principal is paid annually from February 2024 to February 2043 and interest is paid semiannually at 3.99%. 7,490,000
\$ 35,507,278

Commercial Paper

\$46,000,000 Commercial Paper (Taxable), Series 2024, was issued to finance the acquisition and construction of certain parcels of real property for redevelopment. Principal and interest on the obligation is secured by non-ad valorem funds budgeted and appropriated by City Council. Under the terms of the Commercial Paper Program, the maturity of an obligation may not be greater than 270 days. Interest rates vary due to market conditions. \$ 46,000,000

\$6,186,720 Commercial Paper (Tax-Exempt), Series 2024, was issued to finance the acquisition and construction of various parks and other facilities. Principal and interest on the obligation is secured by non-ad valorem funds budgeted and appropriated by City Council. Under the terms of the Commercial Paper Program, the maturity of an obligation may not be greater than 270 days. Interest rates vary due to market conditions. 6,186,720
\$ 52,186,720

Lease Payable

On April 28, 2023, the City entered into a 60 month lease for the use of seven buses. An initial lease liability was recorded in the amount of \$858,245. As of September 30, 2025, the value of the lease liability is \$489,344. The value of the short-term liability is \$172,496. The lease has an interest rate of 3.53%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of September 30, 2025 was \$822,745 with accumulated amortization of \$399,031. \$ 489,344

On September 27, 2024 the City entered into a 61 month lease for the use of six buses. An initial lease liability was recorded in the amount of \$836,820. As of September 30, 2025, the value of the lease liability is \$721,070. The value of the short-term liability is \$159,786. The lease has an interest rate of 3.65%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of September 30, 2025 was \$836,820 with accumulated amortization of \$169,224. 721,070

On August 01, 2024, the City entered into a 36 month lease for the use of Faith Presbyterian Church. An initial lease liability was recorded in the amount of \$619,527. As of September 30, 2025, the value of the lease liability is \$384,438, and the value of the short-term lease liability is \$206,978. The lease has an interest rate of 3.11%. The estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of September 30, 2025 is \$619,527 with accumulated amortization of \$240,927. 384,438

On October 01, 2024, the City entered into three 28 month leases for the use of three Harley-Davidson motorcycles. An initial lease liability was recorded in the amount of \$66,510. As of September 30, 2025, the value of the lease liability is \$38,088, and the value of the short-term liability is \$28,542. The leases have an interest rate of 0.53%. The vehicle's estimated useful life was 28 months as of the contract commencement. The value of the right to use assets as of September 30, 2025 is \$68,035 with accumulated amortization of \$28,503. The leases have a guaranteed residual value payment of \$24,600. 38,088

On October 01, 2024, the City entered into a 28 month lease for the use of a Harley-Davidson motorcycle. An initial lease liability was recorded in the amount of \$23,695. As of September 30, 2025, the value of the lease liability is \$13,570, and the value of the short-term liability is \$10,168. The lease has an interest rate of 0.53%. The vehicle's estimated useful life was 28 months as of the contract commencement. The value of the right to use asset as of September 30, 2025 is \$23,695 with accumulated amortization of \$10,155. The lease has a guaranteed residual value payment of \$8,200. 13,570

On September 01, 2025, the City entered into two 36 month leases for the use of two Harley-Davidson motorcycle. An initial lease liability was recorded in the amount of \$83,610. As of September 30, 2025, the value of the lease liability is \$81,198, and the value of the short-term liability is \$27,146. The leases have an interest rate of 2.61%. The vehicle's estimated useful life was 36 months as of the contract commencement. The value of the right to use assets as of September 30, 2025 is \$83,610 with accumulated amortization of \$2,322. The leases have a guaranteed residual value payment totaling \$19,000. 81,198

On September 01, 2025, the City entered into a 36 month lease for the use of a Harley-Davidson motorcycle. An initial lease liability was recorded in the amount of \$26,970. As of September 30, 2025, the value of the lease liability is \$26,192, and the value of the short-term liability is \$8,757. The lease has an interest rate of 2.61%. The vehicle's estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of September 30, 2025 is \$26,970 with accumulated amortization of \$749. The lease has a guaranteed residual value payment of \$9,500. 26,192



On September 01, 2025, the City entered into a 36 month lease for the use of a Harley-Davidson motorcycle. An initial lease liability was recorded in the amount of \$25,140. As of September 30, 2025, the value of the lease liability is \$24,415, and the value of the short-term liability is \$8,162. The lease has an interest rate of 2.61%. The vehicle's estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of September 30, 2025 is \$25,140, with accumulated amortization of \$698. The lease has a guaranteed residual value payment of \$9,500.

24,415

On April 12, 2023, the City entered into a 36 month lease for the use of a modular building. An initial lease liability was recorded in the amount of \$163,915. As of September 30, 2025, the value of the lease liability is \$26,867. The value of the short-term liability is \$26,867. The lease has an interest rate of 2.36%. The estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of September 30, 2025 is \$186,491 with accumulated amortization of \$154,000.

26,867

\$ 1,805,182

SBITA Payable

On October 01, 2022, the City entered into a 54 month subscription for the use of IWT Software. An initial subscription liability was recorded in the amount of \$73,270. As of September 30, 2025, the value of the subscription liability is \$28,130. The subscription has an interest rate of 3.305%. The value of the right to use asset as of September 30, 2025 is \$99,998 with accumulated amortization of \$61,445.

\$ 28,130

On October 01, 2023, the City entered into a 120 month subscription for the use of Axon Enterprise Software. An initial subscription liability was recorded in the amount of \$10,383,651. As of September 30, 2025, the value of the subscription liability is \$8,332,406, and the value of the short-term subscription liability is \$892,877. The subscription has an interest rate of 3.61%. The value of the right to use asset as of September 30, 2025 is \$10,383,651 with accumulated amortization of \$2,076,730.

8,332,406

On September 28, 2024 the City entered into a 36 month subscription for the use of BOX.com. An initial subscription liability was recorded in the amount of \$137,510. As of September 30, 2025 the value of the subscription liability is \$45,934, and the value of the short-term subscription liability is \$45,934. The City is required to make annual fixed payments of \$90,589. The subscription has an interest rate of 2.865%. The value of the right to use asset as of September 30, 2025 is \$137,510 with accumulated amortization of \$57,678.

45,934

On December 01, 2023, the City entered into a 36 month subscription for the use of Microsoft Office software. An initial subscription liability was recorded in the amount of \$2,069,214. As of September 30, 2025, the value of the subscription liability is \$683,644, and the value of the short-term subscription liability is \$683,644. The subscription has an interest rate of 3.63%. The value of the right to use asset as of September 30, 2025 is \$2,051,802 with accumulated amortization of \$1,253,879.

683,644

On October 01, 2023, the City entered into a 36 month subscription for the use of OPEN GOV (Cartegraph). An initial subscription liability was recorded in the amount of \$305,932. As of September 30, 2025, the value of the subscription liability is \$166,251 and the value of the short-term subscription liability is \$166,251. The subscription has an interest rate of 2.36%. The value of the right to use asset as of September 30, 2025 is \$474,203 with accumulated amortization of \$316,135.

166,251

On April 15, 2025, the City entered into a 103 month subscription for the use of Axon Evidence.com. An initial subscription liability was recorded in the amount of \$58,463. As of September 30, 2025, the value of the subscription liability is \$52,965 and the value of the short-term subscription liability is \$3,911. The subscription has an interest rate of 2.99%. The value of the right to use asset as of September 30, 2025 is \$58,463 with accumulated amortization of \$3,141.

52,965

On October 01, 2024, the City entered into a 36 month subscription for the use of Cornerstone - SABA. An initial subscription liability was recorded in the amount of \$449,132. As of September 30, 2025, the value of the subscription liability is \$341,116 and the value of the short-term subscription liability is \$106,580. The subscription has an interest rate of 2.32%. The value of the right to use asset as of September 30, 2025 is \$449,132 with accumulated amortization of \$147,660. 341,116

On June 21, 2025, the City entered into a 36 month subscription for the use of SHI - DUO. An initial subscription liability was recorded in the amount of \$401,513. As of September 30, 2025, the value of the subscription liability is \$264,444 and the value of the short-term subscription liability is \$130,446. The subscription has an interest rate of 2.72%. The value of the right to use asset as of September 30, 2025 is \$401,513 with accumulated amortization of \$37,177. 264,444

\$ 9,914,890

Enterprise Long-term Debt

Revenue Bonds

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

\$248,355,000 Water and Sewer Refunding Revenue Bond, Series 2017, issued to refund a portion of the Series 2011 and Series 2011A Water and Sewer Refunding Revenue Bonds. The bonds are secured by a pledge of and lien upon the water and sewer system’s net revenues as defined by the Bond Resolution. The City refunded the 2011 Series to reduce its debt service payment over 24 years by \$16,014,455 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$11,220,371. Principal and interest is paid semiannually through 2041. Interest rates range from 4.00% to 5.00%. The City refunded the 2011A Series to reduce its debt service payment over 25 years by \$10,842,239 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$7,519,161. Principal is paid annually and interest is paid semiannually through 2042. Interest rates range from 4.00% to 5.00%.The Series 2017 Bonds are issued in parity with the City’s Water and Sewer Refunding Revenue Bonds, Series 2011, and Water and Sewer Refunding Revenue Bonds, Series 2011A, and Water and Sewer Refunding Revenue Bonds, Series 2015 and Water and Sewer Refunding Revenue Bonds, Series 2015A. 228,825,000

\$100,000,000 Water and Sewer Revenue Bonds, Series 2023, issued to refund a portion of the Series 2020 Water and Sewer Revenue Bonds, \$1,719,293. The Bonds are secured by a pledge of and lien upon the water and sewer system’s net revenues as defined by the Bond Resolution. Principal is paid annually and interest is paid semiannually through 2053. Interest rates range from 5.00% to 5.25%. 97,160,000



\$11,365,000 Stormwater Utility Bonds, Series 2023, issued for the purpose of financing cost of the acquisition, construction and equipping of various capital improvements to the City's stormwater utility system and refunding a portion of the City's outstanding Water and Sewer Revenue Bonds, series 2020, \$293,600. The Bonds are secured by a pledge of and lien upon the water and sewer system's net revenues as defined by the Bond Resolution. Principal is paid annually and interest is paid semiannually through 2043. Interest rate is at 5.00%

10,730,000

\$58,145,000 Water and Sewer Refunding Revenue Bond, Series 2025, issued to finance and reimburse costs of the acquisition, construction and equipping of various capital improvements to the City's Water and Sewer Utility System. The bonds are secured by a pledge of and lien upon the water and sewer system's net revenues as defined by the Bond Resolution. Principal is paid annually and interest is paid semiannually through 2055. Interest rate range is at 5.00% to 5.25%.

58,145,000

467,275,000

Plus unamortized premium

30,309,119

\$ 497,584,119

Notes from Direct Borrowings

\$94,740,000 Water and Sewer Refunding Revenue Bonds (Notes-Direct Borrowing), Series 2015A, issued to refund a portion of the Series 2006 Water and Sewer Refunding Revenue Bonds. The bonds are secured by a pledge of and lien upon the water and sewer system's net revenues as defined by the Bond Resolution. The City refunded the 2006 Series to reduce its debt service payment over 21 years by \$15,191,723 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$10,103,869. Principal and interest is paid quarterly through 2029. Interest rates range from 2.21% to 3.0%. The Series 2015A Bonds are issued in parity with the City's Water and Sewer Refunding Revenue Bonds, Series 2011, and Water and Sewer Refunding Revenue Bonds, Series 2011A, and Water and Sewer Refunding Revenue Bonds, Series 2015, and Water and Sewer Refunding Revenue Bonds, Series 2017.

\$ 33,680,000

\$12,878,096 State Revolving Fund Loan Agreement DW#360103 (Southwest 6 & 7 Drinking Water) payable to the State with principal and interest payable semiannually at 2.12% through 2036. The current principal amount includes actual draws and a 2% loan service fee. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges, and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.

7,616,512

\$54,662,273 State Revolving Fund Loan Agreement WW#360100 (Southwest 6 & 7 Clean Water) payable to the State with principal and interest payable semiannually at rates ranging from 1.93% to 2.42% through 2036. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges, and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.

33,081,231

\$97,720,276 State Revolving Fund Loan Agreement WW#360120 (North 2 Clean Water) was awarded. A payable to the State with principal and interest payable semiannually at rates ranging from 0.00% to 0.72% through 2041. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges, and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.

80,351,772

\$124,436,105 State Revolving Fund Loan Agreement DW#360130 (North 2 Drinking Water) was awarded. A payable to the State with principal and interest payable semiannually at rates ranging from 0.30% to 1.48% through 2041. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges, and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.

61,600,088
\$ 216,329,603

Special Assessment Debt with Government Commitment

In order to fund construction of the City’s water and wastewater utility expansion in certain areas of the City, the City has issued Special Assessment Improvement Debt. The City is acting as agent in the collection of the special assessments levied and in the payment of the Special Assessment Bonds outstanding. Such bonds are collateralized by special assessments levied against the benefited property owners. The City will assume responsibility in the event of default on the outstanding Special Assessment Bonds. Current year special assessment collections were sufficient to meet fiscal year 2024 debt service requirements.

\$101,155,000 Utility Improvement Refunding Assessment Bonds, Series 2017 was issued to refund all of the City’s outstanding utility improvement special assessment debt. The City refunded the bonds to reduce its debt service payment over 20 years by \$10,850,993 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$9,939,840. Principal and interest on these bonds are secured by special assessment proceeds and used to pay any deficiencies from the net revenue of its water and sewer system. Principal is paid annually through September 2028 with interest paid semiannually at rates ranging from 1.40% to 3.00%.

\$ 10,140,000

\$138,040,000 Utility Improvement Assessment Bonds, Series 2023 was issued for the purpose of financing the development, construction and installation of certain potable water, wastewater and irrigation water utility capital improvements within the North 1 West area and refund a portion of the City’s outstanding Water and Sewer Bonds, Series 2020, \$3,794,527. Principal and interest on these bonds are secured by special assessment proceeds and used to pay any deficiencies from the net revenue of its water and sewer system. Principal is paid annually through September 2054 with interest paid semiannually at rates ranging from 4.62% to 5.65%.

134,820,000
 144,960,000
(152,177)

Less unamortized discount

Total Special Assessment Debt

\$ 144,807,823

Commercial Paper

\$18,563,280 Commercial Paper (Non-Taxable), Series 2024, was issued to finance the design costs for the utility expansion program within various areas. Principal and interest on the obligation is secured by non-ad valorem funds budgeted and appropriated by City Council. Under the terms of the Commercial Paper Program, the maturity of an obligation may not be greater than 270 days. Interest rates vary due to market conditions.

\$ 18,563,280

Lease Payable

On May 15, 2023, the City entered into a 36-month lease for the use of office space located at 1031 SE 9th Place. An initial lease liability was recorded in the amount of \$257,410. As of September 30, 2025, the value of the lease liability is \$61,746. The City is required to make monthly fixed payments of \$6,048. Additionally, there are other reasonably certain monthly payments of \$1,980. The lease has an interest rate of 2.363%. The estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of September 30, 2025 is \$268,397 with accumulated amortization of \$210,264.

\$ 61,746



Long-Term Debt, Governmental Activities

Year Ending September 30,	General Obligation Debt		Revenue Bonds		Notes from Direct Borrowings		Commercial Paper		Lease Payable		SBITA Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 3,135,000	\$ 1,800,370	\$ 7,515,000	\$ 3,111,731	\$ 6,659,363	\$ 782,187	\$ 52,186,720	\$ 2,029,480	\$ 648,902	\$ 51,458	\$ 2,057,774	\$ 348,335
2027	3,265,000	1,671,987	7,890,000	2,735,981	6,600,822	646,139	-	-	580,004	31,378	1,180,593	\$ 278,980
2028	3,390,000	1,529,550	8,290,000	2,341,481	5,706,650	520,951	-	-	352,520	15,108	1,083,112	\$ 239,096
2029	3,545,000	1,384,108	4,785,000	1,926,981	5,381,584	410,480	-	-	178,188	5,747	1,040,352	\$ 201,581
2030	3,680,000	1,231,868	4,965,000	1,740,431	5,253,859	300,167	-	-	45,568	416	1,078,153	\$ 164,085
2031-2035	20,115,000	3,612,143	27,700,000	5,825,426	1,925,000	992,014	-	-	-	-	3,474,906	\$ 253,422
2036-2040	6,050,000	623,250	12,440,000	1,034,963	2,340,000	567,978	-	-	-	-	-	-
2041-2045	-	-	-	-	1,640,000	99,950	-	-	-	-	-	-
2046-2050	-	-	-	-	-	-	-	-	-	-	-	-
2051-2052	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 43,180,000</u>	<u>\$ 11,853,276</u>	<u>\$ 73,585,000</u>	<u>\$ 18,716,994</u>	<u>\$ 35,507,278</u>	<u>\$ 4,319,866</u>	<u>\$ 52,186,720</u>	<u>\$ 2,029,480</u>	<u>\$ 1,805,182</u>	<u>\$104,107</u>	<u>\$ 9,914,890</u>	<u>\$ 1,485,499</u>
Unamortized premium	5,660,650	-	7,284,937	-	-	-	-	-	-	-	-	-
Total	<u>\$ 48,840,650</u>	<u>\$ 11,853,276</u>	<u>\$ 80,869,937</u>	<u>\$ 18,716,994</u>	<u>\$ 35,507,278</u>	<u>\$ 4,319,866</u>	<u>\$ 52,186,720</u>	<u>\$ 2,029,480</u>	<u>\$ 1,805,182</u>	<u>\$104,107</u>	<u>\$ 9,914,890</u>	<u>\$ 1,485,499</u>

Long-Term Debt, Business-type Activities

Year Ending September 30,	Revenue Bonds		Notes from Direct Borrowings		Special Assessment Debt		Commercial Paper		Lease Payable		SBITA Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 8,320,000	\$ 22,086,604	\$ 19,867,943	\$ 2,836,693	\$ 8,425,000	\$ 7,531,140	\$ 18,563,280	\$ 360,738	\$ 61,746	\$ 491	\$ -	\$ -
2027	8,840,000	21,562,964	20,247,903	2,457,683	5,480,000	7,265,699	-	-	-	-	-	-
2028	9,285,000	21,120,964	20,640,047	2,068,802	2,765,000	7,068,735	-	-	-	-	-	-
2029	9,740,000	20,656,714	21,034,416	1,670,269	2,380,000	6,949,232	-	-	-	-	-	-
2030	19,155,000	20,169,714	12,376,050	1,363,636	2,490,000	6,837,195	-	-	-	-	-	-
2031-2035	110,850,000	85,741,632	64,087,006	4,611,427	14,430,000	32,207,508	-	-	-	-	-	-
2036-2040	142,535,000	58,057,530	50,722,586	1,329,481	18,660,000	27,982,920	-	-	-	-	-	-
2041-2045	86,650,000	27,057,130	7,353,652	29,410	24,510,000	22,109,797	-	-	-	-	-	-
2045-2049	37,330,000	15,153,603	-	-	32,440,000	14,203,548	-	-	-	-	-	-
2050-2054	34,570,000	4,621,302	-	-	33,380,000	3,905,279	-	-	-	-	-	-
	<u>\$467,275,000</u>	<u>\$296,228,157</u>	<u>\$ 216,329,603</u>	<u>\$ 16,367,401</u>	<u>\$ 144,960,000</u>	<u>\$ 136,061,053</u>	<u>\$ 18,563,280</u>	<u>\$ 360,738</u>	<u>\$ 61,746</u>	<u>\$ 491</u>	<u>\$ -</u>	<u>\$ -</u>
Unamortized discount	-	-	-	-	(152,177)	-	-	-	-	-	-	-
Unamortized premium	30,309,119	-	-	-	-	-	-	-	-	-	-	-
Total	<u>\$497,584,119</u>	<u>\$296,228,157</u>	<u>\$ 216,329,603</u>	<u>\$ 16,367,401</u>	<u>\$ 144,807,823</u>	<u>\$ 136,061,053</u>	<u>\$ 18,563,280</u>	<u>\$ 360,738</u>	<u>\$ 61,746</u>	<u>\$ 491</u>	<u>\$ -</u>	<u>\$ -</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Revenue bonds payable	\$ 80,740,000	\$ -	\$ (7,155,000)	\$ 73,585,000	\$ 7,515,000
Bond discount and premium	7,823,646	-	(538,709)	7,284,937	-
Total revenue bonds payable	88,563,646	-	(7,693,709)	80,869,937	7,515,000
General Obligation-note from direct borrowing	46,055,000	-	(2,875,000)	43,180,000	3,135,000
General Obligation Bond discount and premium	6,196,451	-	(535,801)	5,660,650	-
Total General Obligation bonds payable	52,251,451	-	(3,410,801)	48,840,650	3,135,000
Notes from direct borrowings	42,040,995	-	(6,533,717)	35,507,278	6,659,363
Commercial paper	41,000,000	11,186,720	-	52,186,720	52,186,720
Leases payable	1,339,786	1,062,741	(597,345)	1,805,182	648,902
SBITA payable	11,158,406	1,236,081	(2,479,597)	9,914,890	2,057,774
Claims liability	13,668,515	5,366,171	(4,594,125)	14,440,561	5,730,834
Compensated absences	15,505,469	5,734,251	(2,758,639)	18,481,081	2,758,643
Total Governmental Activities	<u>\$265,528,268</u>	<u>\$ 24,585,964</u>	<u>\$(28,067,933)</u>	<u>\$262,046,299</u>	<u>\$ 80,692,236</u>
Business-type activities:					
Water and Sewer					
Revenue bonds payable	\$405,215,000	58,145,000	(6,815,000)	\$456,545,000	7,935,000
Bond discount and premium	28,673,682	2,556,940	(1,483,941)	29,746,681	-
Total revenue bonds payable	433,888,682	60,701,940	(8,298,941)	486,291,681	7,935,000
Notes from direct borrowings	240,256,419	-	(23,926,816)	216,329,603	19,867,943
Commercial paper	10,000,000	4,000,000	-	14,000,000	14,000,000
Special Assessment Bonds	158,030,000	-	(13,070,000)	144,960,000	8,425,000
Assessment bond discount and premium	(204,352)	-	52,175	(152,177)	-
Total assessment bonds payable	157,825,648	-	(13,017,825)	144,807,823	8,425,000
Compensated absences	2,680,827	871,862	(362,436)	3,190,253	466,428
Total Water and Sewer	<u>844,651,576</u>	<u>65,573,802</u>	<u>(45,606,018)</u>	<u>864,619,360</u>	<u>50,694,371</u>
Stormwater					
Revenue bonds payable	11,100,000	-	(370,000)	10,730,000	385,000
Bond discount and premium	593,825	-	(31,387)	562,438	-
Total revenue bonds payable	11,693,825	-	(401,387)	11,292,438	385,000
Leases payable	148,213	3,930	(90,397)	61,746	61,746
SBITA payable	113,817	-	(113,817)	-	-
Compensated absences	858,865	329,195	(144,775)	1,043,285	154,299
Total Stormwater	<u>12,814,720</u>	<u>333,125</u>	<u>(750,376)</u>	<u>12,397,469</u>	<u>601,045</u>
Yacht Basin					
Commercial paper	-	4,563,280	-	4,563,280	4,563,280
Total Yacht Basin	-	4,563,280	-	4,563,280	4,563,280
Total Business-type					
Long-term debt	814,601,419	58,145,000	(44,181,816)	828,564,603	36,612,943
Bond discount, premium and deferred amount on refunds	29,063,155	2,556,940	(1,463,153)	30,156,942	-
Total bonds and notes payable	843,664,574	60,701,940	(45,644,969)	858,721,545	36,612,943
Commercial paper	10,000,000	8,563,280	-	18,563,280	18,563,280
Leases Payable	148,213	3,930	(90,397)	61,746	61,746
SBITA Payable	113,817	-	(113,817)	-	-
Compensated absences	3,539,692	1,201,057	(507,211)	4,233,538	620,727
Total Business-type	<u>\$857,466,296</u>	<u>\$ 70,470,207</u>	<u>\$(46,356,394)</u>	<u>\$881,580,109</u>	<u>\$ 55,858,696</u>

Compensated absences will be liquidated as follows: General Fund 88%, Special Revenue Funds 8%, and Internal Service Funds 4%.

Governmental Notes-Direct Borrowings:

The City's total outstanding notes from direct borrowings related to governmental activities of \$35,507,278 contain the following provisions in an event of default:

Special Obligation Refunding Revenue (Note), Series 2020

The holder of the Note, except to the extent the rights herein given may be restricted by the Resolution, may, whether at law or in equity, by suit, action, mandamus, or other proceeding, protect and enforce and compel the performance of all duties required hereby, or by such Resolution, to be performed by the City.

Special Obligation Refunding Revenue (Note), Series 2020A

The holder of the Note, except to the extent the rights herein given may be restricted by the Resolution, may, whether at law or in equity, by suit, action, mandamus, or other proceeding, protect and enforce and compel the performance of all duties required hereby, or by such Resolution, to be performed by the City.

Special Obligation Refunding Revenue (Note), Series 2022

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

Special Obligation Refunding Revenue (Note), Series 2023

If any additional indebtedness of the City that is secured by a covenant to budget and appropriate Non-Ad Valorem Revenues is accelerated upon an event of default, the Noteholder shall have the same right to accelerate the payments. If any payment required to be made by the City hereunder or under the Series 2023 Note is more than fifteen (15) days past due, the City will pay to the Noteholder a late charge equal to six percent (6%) of the payment amount which is past due.

Business-Type Notes-Direct Borrowings:

The City's total outstanding notes from direct borrowings related to business-type activities of \$216,329,603 contains event of default provisions:

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

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

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

1. State Revolving Fund Loan Agreement DW#360103
2. State Revolving Fund Loan Agreement WW#360100
3. State Revolving Fund Loan Agreement WW#360120
4. State Revolving Fund Loan Agreement DW#360130

The provisions that the SRF has at its disposal in the event of default: (1) By mandamus or other proceeding at law or in equity, cause to establish rates and collect fees and charges for use of the Water and Sewer Systems, and to require the Local Government to fulfill this Agreement. (2) By action or suit in equity, require the Local Government to account for all moneys received from the Department or from the ownership of the Water and Sewer Systems and to account for the receipt, use, application, or disposition of the Pledged Revenues. (3) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the

Department. (4) By applying to a court of competent jurisdiction, cause to appoint a receiver to manage the Water and Sewer Systems, establish and collect fees and charges, and apply the revenues to the reduction of the obligations under this Agreement. (5) By certifying to the Auditor General and the Chief Financial Officer delinquency on loan repayments, the Department may intercept the delinquent amount plus a penalty from any unobligated funds due to the Local Government under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution. The Department may impose a penalty in an amount not to exceed an interest rate of 18 percent per annum on the amount due in addition to charging the cost to handle and process the debt. Penalty interest shall accrue on any amount due and payable beginning on the 30th day following the date upon which payment is due. (6) By notifying financial market credit rating agencies and potential creditors. (7) By suing for payment of amounts due, or becoming due, with interest on overdue payments together with all costs of collection, including attorneys' fees. (8) By accelerating the repayment schedule or increasing the Financing Rate on the unpaid principal of the Loan to as much as 1.667 times the Financing Rate.

9. Conduit Debt Obligation

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The Health Facility Authority is an agency established by the City in 1979 under the authority of Chapter 154, Florida Statutes and City Resolution No.65-15 to serve as a conduit to issue revenue bonds. Within section E-20 of the Bond Agreement states so long as the bonds are outstanding the bonds under law are required to be exempt from federal income taxation under Section 103(A) of the Code.

To finance construction of a new building with 80 residential-style assisted living suites and 48 memory support assisted living suites, and to convert existing space to add a skilled nursing dining area, 24 rental independent living units, and 20 skilled nursing beds within the City, the City of Cape Coral Health Facilities Authority issued Senior Housing Revenue Bonds, Series 2015. These bonds are not a debt of, nor a pledge of the full faith and credit of, the City and therefore are not reported in the accompanying financial statements. On September 30, 2025, the Health Facility Revenue Bonds outstanding aggregated was \$71,450,000.

10. Construction and Other Significant Commitments

Construction Commitments - As of September 30, 2025, major outstanding construction commitments (in excess of \$1 million) were as follows:

	<u>Spent To Date</u>	<u>Remaining Commitment</u>
Governmental activities:		
Other Governmental Funds:		
Fire - Aerial Ladder Truck	\$ 494,173	\$ 1,449,161
Jaycee Park Improvements ⁸	7,167,292	12,146,998
Transportation Fund:		
Road Improvements ²	536,530	1,654,503
Debt Service Fund:		
Park Improvements ³	71,990,662	11,893,721
Total governmental activities	<u>80,188,657</u>	<u>27,144,383</u>
Business-type activities:		
Fleet Capital Project Fund:		
Fleet Building ¹	\$ 1,195,597	\$ 1,786,852
Water & Sewer Fund:		
Utility Extension Program - North 1 West ⁶	216,752,892	20,804,859
Utility Extension Program - North 1 East ⁶	7,209,653	10,571,237
Utility Extension Program - North 3 ⁶	8,647,044	8,150,304
US 41 Conveyance ⁷	42,892,888	1,605,913
Raw Water Well ⁵	12,525,557	2,953,985
North Deep Injection Well ⁵	212,407	1,171,389
Master Pump Station 100 ⁷	11,797,911	1,287,689
Pine Island Corridor ⁵	773,996	1,623,404
Lift Station Rehab ⁵	846,592	2,379,309
Everest Headworks Rebuild ⁸	524,161	2,390,930
SW Water Reclamation Facility Limited Rehabilitation ⁸	2,368,655	3,589,595
North RO Wellfield Expansion Phase II ⁸	905,771	3,820,496
North RO WTP Expansion Phase II 12 MG PW ⁸	382,219	5,143,308
North Water Reclamation Facility 8 MGD Phase I ⁸	322,733	2,557,603
Weir 7 - Grant ⁷	219,867	1,649,361
Stormwater Utility Fund:		
Weir 16 & 17 ⁴	454,430	1,435,220
Total business-type activities	<u>308,032,373</u>	<u>72,921,454</u>
Total	<u>\$ 388,221,030</u>	<u>\$ 100,065,837</u>

¹ Project is being funded by an allocation from all operating departments.
² Projects are being funded by the appropriation of General Fund reserves and gas taxes.
³ Projects are being funded by General Obligation debt proceeds.
⁴ Projects are being funded by water and sewer, and stormwater user fees.
⁵ Projects are being funded by water and sewer user fees.
⁶ Projects are being funded by water and sewer debt, special assessments, and stormwater debt.
⁷ Projects are being funded by water and sewer user fees and federal grants.
⁸ Projects are being funded by Debt Proceeds.
⁹ Projects are being funded by Fire Impact fees.

11. Fund Balances

Fund balances for governmental funds at September 30, 2025 are as follows:

	<u>General</u>	<u>Fire</u>	<u>Building</u>	<u>Solid Waste</u>	<u>General Obligation Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:							
Inventory	\$ 154,926	\$ -	\$ -	\$ -	\$ -	93,360	\$ 248,286
Prepaid Items	1,940,298	67,973	2,314	-	-	107,731	2,118,316
Advances to other funds	7,405,134	-	-	-	-	-	7,405,134
Restricted:							
Public safety	-	9,263,350	7,110,043	-	-	6,160,654	22,534,047
Public works	-	-	-	18,591,111	-	15,640,886	34,231,997
Parks and recreation	-	-	-	-	18,652,665	2,477,374	21,130,039
Community development	-	-	-	-	-	9,502,339	9,502,339
Capital outlay	-	-	-	-	-	45,953,067	45,953,067
Debt service	-	-	-	-	-	1,927,401	1,927,401
Committed:							
General government	-	-	-	-	-	2,436,669	2,436,669
Public works	-	-	-	-	-	5,408,413	5,408,413
Parks and recreation	-	-	-	-	-	1,525,606	1,525,606
Capital outlay	-	-	-	-	-	65,995,532	65,995,532
Land acquisition	1,167,894	-	-	-	-	-	1,167,894
Economic incentives	3,000,000	-	-	-	-	-	3,000,000
Disaster reserve	8,000,000	-	-	-	-	-	8,000,000
Budget stabilization reserve	60,278,482	-	-	-	-	-	60,278,482
Assigned:							
General government	7,333,784	-	-	-	-	-	7,333,784
Subsequent year's budget appropriations of fund balance	-	-	3,870,427	-	-	24,987,035	28,857,462
Unassigned							
	29,935,656	-	-	-	-	(6,050,477)	23,885,179
Total fund balances	<u>\$ 119,216,174</u>	<u>\$ 9,331,323</u>	<u>\$ 10,982,784</u>	<u>\$ 18,591,111</u>	<u>\$ 18,652,665</u>	<u>\$ 176,165,590</u>	<u>\$ 352,939,647</u>

12. Segment Information

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

STATEMENT OF NET POSITION

ASSETS	
Current assets:	
Cash and investments	\$ 35,732,836
Interest receivable	270,304
Accounts receivable, net	13,523,455
Inventories	7,948,977
Prepaid items	127,451
Restricted:	
Cash and investments	125,819,796
Interest receivable	81,946
Intergovernmental receivable	2,203,589
Total restricted assets	128,105,331
Total current assets	185,708,354
Non-current assets:	
Unamortized bond insurance costs	597,238
Advances to other funds	1,232,716
Total restricted assets	1,829,954
Capital assets:	
Land and construction in progress	161,299,484
Other capital assets, net of depreciation	417,687,576
Capital assets, net	578,987,060
Total noncurrent assets	580,817,014
Total assets	766,525,368
Deferred Outflows of Resources	
Loss on refunding	16,263,891
Pension related	1,919,329
OPEB related	16,464,054
Total deferred outflows of resources	34,647,274
LIABILITIES	
Current liabilities:	
Accounts payable and other accrued liabilities	6,682,633
Accrued retainage	1,170,000
Accrued payroll	1,401,019
Accrued interest payable	118,503
Deposits	3,130,242
Unearned revenue	2,287,593
Compensated absences	466,428
Total OPEB Liability	1,974,704
Debt:	
Revenue bonds	7,935,000
Notes	8,045,000
Total debt	15,980,000
Total current liabilities	33,211,122
Non-current liabilities:	
Compensated absences	2,723,825
Total OPEB Liability	55,139,278
Net pension liability	14,373,099
Debt:	
Revenue bonds	478,356,681
Notes	25,635,000
Commercial Paper	14,000,000
Total debt	517,991,681
Total non-current liabilities	590,227,883
Total liabilities	623,439,005
Deferred Inflows of Resources	
OPEB related	7,823,326
Deferred inflows of pension assumptions	5,716,616
Total deferred inflows of resources	13,539,942
NET POSITION	
Net investment in capital assets	107,788,267
Restricted for:	
Capital improvement	56,446,266
Debt service	5,011,838
Deposits	3,111,693
Renewal and replacement	6,718,276
Operation and maintenance	4,232,268
Unrestricted	(19,114,913)
Total net position	\$ 164,193,695

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

OPERATING REVENUES	
Charges for services	\$ 128,037,638
Other revenue	1,508,508
Total operating revenues	<u>129,546,146</u>
OPERATING EXPENSES	
Salaries, wages and employee benefits	35,961,285
Contractual services, materials and supplies	46,391,114
Depreciation	26,091,108
Total operating expenses	<u>108,443,507</u>
Operating income	<u>21,102,639</u>
NON-OPERATING REVENUES (EXPENSES)	
Non-capital federal & state grants	479,619
Investment earnings	5,286,402
Interest expense	(20,118,550)
Debt service costs	(382,859)
Gain on sale of capital assets	160,656
Total nonoperating revenues (expenses)	<u>(14,574,732)</u>
Income before contributions and transfers	<u>6,527,907</u>
Capital Contributions	
Developer contributions	28,821
Capital Grants	9,579,988
Total capital contributions	<u>9,608,809</u>
Transfers	
Transfers in	595,751
Transfers out	<u>(5,872,559)</u>
Total transfers	<u>(5,276,808)</u>
Change in net assets	10,859,908
Total net position - beginning	<u>153,333,787</u>
Total net position - ending	<u>\$ 164,193,695</u>
Condensed Statement of Cash Flows	
New cash provided (used) by:	
Operating activities	\$ 40,725,706
Non capital financing activities	(4,797,189)
Capital and related financing activities	(33,761,836)
Investing activities	5,132,934
Net increase	7,299,615
Beginning cash and investments	<u>154,253,017</u>
Ending cash and investments	<u>\$ 161,552,632</u>
Classified as:	
Cash and investments	\$ 35,732,836
Restricted cash and investments	125,819,796
	<u>\$ 161,552,632</u>

13. Future Pledged Revenue

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

Pledged Revenue	Total Principal Debt Service Outstanding	Current Year Debt Service Paid	Current Year Tax Collection Revenue	Prior Year Tax Collection Revenue for Current Year Debt Service	Coverage
Special Assessment ¹	\$ 327,609,605	\$ 32,871,580	\$ 31,881,993	\$ 989,587	100%

¹ Includes collections for the (6) SRF loans that are funded by special assessment proceeds but have a pledge of water and sewer net revenues and CFEC fees.

Debt Coverages

Historical Non Ad-Valorem Revenue Debt (000)	\$ 199,655				
Legally Available Non-Ad Valorem Revenues (000)		\$ 115,267			
Average of current and prior year		\$ 131,097	(A)		
Maximum Annual Debt Service (MADS)		\$ 18,068	(B)		
MADS coverage (A ÷ B)			7.26		
MADS required coverage			1.5		
Governmental Revenues		\$ 430,262	(C)		
Governmental Revenues percentage (B ÷ C)			4.20%		
Required Coverage			not to exceed 20%		
Water & Sewer Debt (000)	\$ 490,225				
Operating Revenue (000)		\$ 134,597			
Operating Expenses (net of depreciation) (000)		(81,760)			
Net Revenues Available for Debt Service (000)		\$ 52,837			
Capital Expansion Fees (000)		4,879			
Net Revenues and Expansion Fees Available for Debt Service (000)		\$ 57,716			
Test 1					
Net Revenues Available for Debt Service (000)		\$ 52,837			
Annual Debt Service (Senior Lien) (000)		\$ 39,068			
Calculated Coverage Factor			1.35		
Required Coverage			1.00		
Test 2					
Net Revenues & Expansion Fees (000)		\$ 57,716			
Annual Debt Service (Senior Lien) (000)		\$ 39,068			
Calculated Coverage Factor			1.48		
Required Coverage			1.00		
Test 3					
Net Revenues after Senior Lien Debt Service (000)		\$ 18,648			
Annual Debt Service (Subordinate) (000)		\$ 4,535			
Calculated Coverage Factor			4.11		

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

14. Tax Revenue

As of September 30, 2025 tax revenue is as follows:

	<u>General</u>	<u>Fire</u>	<u>Other Governmental</u>	<u>Total</u>
Taxes:				
Property	\$149,304,699	\$ 1,787,223	\$ 9,933,195	\$161,025,117
Public service	14,054,746	-	2,640,000	16,694,746
Sales	30,753,460	-	-	30,753,460
Fuel	2,100,862	-	12,074,582	14,175,444
Alcohol and beverage	91,191	-	-	91,191
Communication	6,183,371	-	-	6,183,371
Total	<u>\$202,488,329</u>	<u>\$ 1,787,223</u>	<u>\$ 24,647,777</u>	<u>\$228,923,329</u>

15. Intergovernmental Revenue

As of September 30, 2025 intergovernmental revenue is as follows:

Governmental activities:	<u>General</u>	<u>Fire</u>	<u>Building</u>	<u>Other Governmental</u>	<u>Total</u>
Operating Grants and State Shared Revenues					
Parks and Recreation	\$ 971,467	\$ -	\$ -	\$ -	\$ 971,467
Public Safety: Police	127,207	-	-	895,084	1,022,291
Public Safety: Fire	-	252,987	-	250,060	503,047
Federal disaster relief	6,696,634	-	230,943	1,837,119	8,764,696
State disaster relief	188,825	-	25,536	-	214,361
On-Behalf Police Pension	3,170,196	-	-	-	3,170,196
On-Behalf Fire Pension	3,285,363	-	-	-	3,285,363
Capital Grants					
Community Development	-	-	-	2,205,112	2,205,112
Public Safety: Police	16,824	-	-	-	16,824
Public Safety: Fire	-	88,088	-	-	88,088
Public Works	-	-	-	324,637	324,637
Total	<u>\$14,456,516</u>	<u>\$ 341,075</u>	<u>\$ 256,479</u>	<u>\$ 5,512,012</u>	<u>\$20,566,082</u>

16. Investment Earnings

As of September 30, 2025 investment earnings is as follows:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Investment income	\$ 17,538,877	\$ 18,078,863	\$ 2,120,335	\$ 37,738,075
Interest on Advances/Loans Receivable	203,642	64,920	-	268,562
Interest billed on assessment, contribution in aid of construction, impact fee, CFEC and UCEF loans	-	9,798,902	-	9,798,902
Interest received from tax collector	495,256	118,660	-	613,916
Total	<u>\$ 18,237,775</u>	<u>\$ 28,061,345</u>	<u>\$ 2,120,335</u>	<u>\$ 48,419,455</u>

17. Other Revenue

As of September 30, 2025 other revenue is as follows:

	General	Fire	Building Fund	Solid Waste	Other Governmental Funds	Total
State Housing Program Income (SHIP)	\$ -	\$ -	\$ -	\$ -	\$ 30,212	\$ 30,212
CDBG Program Income	-	-	-	-	16,821	16,821
Lee County Tax Collector Refund of Estimated Fee	-	50,248	-	32,896	11,164	94,308
Sales of surplus material	9,097	-	-	-	-	9,097
Purchase card rebate	25,218	6,166	-	96,000	-	127,384
Police confiscation	-	-	-	-	213,998	213,998
Insurance recovery	3,139	1,122	2,070	-	6,832	13,163
Reimbursements - General Government	4,465	-	-	-	-	4,465
Reimbursements - Public Works	11,502	-	-	-	-	11,502
Reimbursements - Public Safety	188,663	-	-	-	-	188,663
Vendor rebate	1,096	-	-	-	-	1,096
Hurricane Ian Related	334,812	-	-	-	-	334,812
Other Miscellaneous Revenue	304,309	-	-	-	228,776	533,085
	<u>\$ 882,301</u>	<u>\$ 57,536</u>	<u>\$ 2,070</u>	<u>\$ 128,896</u>	<u>\$ 507,803</u>	<u>\$ 1,578,606</u>

NOTE V. OTHER INFORMATION

1. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City operates a Risk Management fund to account for and finance its uninsured risks of loss related to workers compensation and property and liability claims. The fund provides coverage to a maximum of \$350,000 for each worker’s compensation claim, \$100,000 for each general liability claim, and \$25,000 for each property damage claim. The City purchases commercial insurance for claims in excess of coverage provided by the Risk Management fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in this fiscal year, nor has the City had any settlements in excess of insurance coverage in the past three years.

The workers compensation division allocates the cost of providing claims service and claims payment by charging a premium to each applicable fund based on the state mandated rate per \$100 rate of salary by employee classification. The property and liability division charges a premium to the applicable funds based on the value of capital assets in each fund.

The self-funded health insurance plan was implemented on January 1, 2016 and is administered by Blue Cross and Blue Shield of Florida. Coverage under the plan is available to employees and retirees of the City of Cape Coral and provides comprehensive medical benefits to employees and their dependents. The plan is funded through contributions from the City, employees, and retirees with specific and aggregate reinsurance coverages underwritten by Blue Cross and Blue Shield of Florida.

The claims liabilities reported in the risk management and self-funded health insurance funds on September 30, 2025, are based on requirements of Governmental Accounting Standards Board (GASB) Statement No. 30, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be estimated. This includes claims that have been incurred but not reported (IBNR) and allocated loss adjustment expenses.

Changes in the funds' claims liability amounts in fiscal years 2024 and 2025 were:

	Beginning-of-Fiscal-Year Claims Liability	Current-Year Claims and Changes in Estimates	Claims Payments	End-of-Fiscal Year Claims Liability
Workers Compensation				
2024 - 2025	\$ 5,331,995	\$ 2,734,881	\$ (3,196,445)	\$ 4,870,431
2023 - 2024	5,533,124	1,899,164	(2,100,293)	5,331,995
Property and Casualty				
2024 - 2025	\$ 6,428,520	\$ 1,392,726	\$ (936,116)	\$ 6,885,130
2023 - 2024	5,844,514	2,164,306	(1,580,300)	6,428,520
Self-funded Health Insurance				
2024 - 2025	\$ 1,908,000	\$ 41,246,104	\$ (40,469,104)	\$ 2,685,000
2023 - 2024	1,547,000	33,093,815	(32,732,815)	1,908,000

2. Pension Plans

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

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

Assets are held separately and may be used only for the payment of benefits to the members of the respective plans. The General Employees' Pension Restoration Plan does not hold assets. Each plan's financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee contributions are due and a formal commitment has been made by the employer. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. All plans except for the General Employees' Pension Restoration Plan issue financial reports that include financial statements and required supplementary information. The reports may be obtained from the City of Cape Coral.

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

	Municipal General Employees'	Municipal Police Officers'	Municipal Firefighters'	Restoration General Employees'	Total
Net pension liability	\$ 55,709,685	\$ 22,555,689	\$ 17,390,111	\$ -	\$ 95,655,485
Total pension liability	-	-	-	2,710,057	2,710,057
Deferred outflows of resources related to pensions	7,439,257	11,423,157	10,870,163	2,530,281	32,262,858
Deferred inflows of resources related to pensions	22,157,425	17,882,067	28,542,866	3,391,934	71,974,292
Pension expense	11,197,479	8,887,013	8,459,599	(25,716)	28,518,375

A. Defined Benefit Plans

a. Municipal General Employees' Pension Plan

At September 30, 2025 the Plan's membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	839
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	358
Active Plan Members	1,016
Total	2,213

Plan Description – General Employees' Pension Plan

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

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

The Plan's financial statements and related notes to the financial statements were audited in accordance with auditing standards generally accepted in the United States of America by Mauldin & Jenkins, LLC. It was their opinion that the financial statements were presented fairly in all material respects as of September 30, 2025. As the plan administrator, Christine Stoker at Foster and Foster can provide a copy of the financial statements upon request. She can be contacted at Christine.Stoker@foster-foster.com.

Benefits Provided - General Employees' Pension Plan

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

1. For members with less than 20 years credited service – 2.50% of average final compensation, for each year of credited services.
2. For members with 20 or more years of credited service – 2.60% of average final compensation on the first 20 years of credited service, and 2.75% of average final compensation on each year of credited over beyond 20 years.

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

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

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

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

as of October 1, 2013, the maximum benefit is 80% of average compensation. In these instances, the maximum benefit is exclusive of the COLA increase.

Normal retirement age – normal retirement age is defined as:

1. If hired prior to October 1, 2013 – The earlier of attaining age 60, regardless of the number of years of credited service, or the completion of 25 years of credited service, regardless of age.
2. If hired on or after October 1, 2013 – The earlier of attaining age 62 and the completion of 10 years of credited service, or the completion of 27 years of credited service, regardless of age.

Early retirement age - Members become eligible for early retirement upon reaching age 50 and having 10 years of credited service. With early retirement, the beneficiary can elect to receive a lump-sum payment of the actuarially determined benefit or receive the member’s monthly accrued benefit for 10 years certain and life, thereafter, beginning at the members normal retirement date. Upon the death of a non-vested member prior to retirement, the beneficiary will receive the member’s accumulated contributions (including interest at 3.50%, compounded annually) in lieu of any other benefits payable under the Plan.

Forfeiture of benefits - If convicted of certain crimes, as identified in the Plan document, members forfeit all of their vested benefits, and their personal contributions are refunded to them.

Vesting – General Employees’ Pension Plan

Members are fully vested in their contributions.

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

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

For members hired after October 1, 2013, there is no vesting until the member has accrued 10 years of credited service. Additionally, for members who have more than 5 years of credited service, but less than 10 as of October 1, 2013, those members’ vesting is frozen at the percentage above, until such time the member has 10 years of credited service.

Deferred Retirement Option Plan (Drop)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employees for up to five years. Upon enrollment, members’ monthly benefits accrue until such time that they leave the DROP program. At termination of employment, at the end of the DROP period, the member will begin receiving the monthly retirement benefit, and within 120 months of termination of employment the member will receive the account balance in a lump sum or in another optional form. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2025, the Plan had 76 active members enrolled in DROP, and the total amount of accrued benefits was \$33,720,190.

Investments – General Employees’ Pension Plan

Rate of Return: For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.46%.



Investment Policy and Concentrations: Detailed information can be found in Note IV Detailed Notes 1. Cash and Investments.

Contributions and Funding

Covered general employees are required to contribute 9.90% of their salary to the Plan. The City makes contributions based on actuarially determined minimum funding requirements.

Additionally, members hired prior to October 1, 2013 may make an irrevocable election to contribute an additional 1.60% in exchange for keeping the cost-of-living increase at 3.00%, and reversion of the monthly benefit to the normal form of benefit in the event the retiree is predeceased by the joint pensioner. The election must have been made by September 30, 2013.

Net Pension Liability of the City - General Employees' Pension Plan

The City's net pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

	<u>9/30/2025</u>
Total pension liability	\$557,801,989
Plan fiduciary net position	(502,092,304)
Net pension liability	<u>\$ 55,709,685</u>
Net position as a percentage of the total pension liability	90.01%

Actuarial Assumptions - General Employees' Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2024 updated to September 30, 2025 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary Increases	Service based
Discount Rate	6.85%
Investment Rate of Return	6.85%

Mortality rates were based on the following:

Mortality Rate Healthy Active Lives:

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

Mortality Rate Healthy Retiree Lives:

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

Mortality Rate Beneficiary Lives:

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

Mortality Rate Disabled Lives:

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

All rates are projected generationally with Mortality Improvement Scale MP-2021.

The actuarial assumptions used in the October 1, 2024 valuation were based on Milliman’s July 1, 2024 FRS valuation report for non-special-risk employees, with appropriate adjustments based on plan demographics.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2025 the inflation rate assumption of the investment advisor was 2.40%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2025 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
U.S. Equities	7.07%
International Equity	7.06%
Emerging Market Equity	7.49%
US Core plus Fixed Income	4.33%
Real Estate	5.17%
Private Equity	9.67%
Infrastructure	7.67%
Farmland	7.97%
Private Credit	8.03%

Discount Rate - General Employees’ Pension Plan

The discount rate used to measure the total pension liability remained unchanged at 6.85%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - General Employees’ Pension Plan

The following presents the net pension liability of the City, calculated using the discount rate of 6.85%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Increase 7.85%
Net pension liability	<u>\$122,915,021</u>	<u>\$ 55,709,685</u>	<u>\$ 346,529</u>



Changes in the Net Pension Liability - General Employees' Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2024	\$ 541,160,686	\$ 457,600,618	\$ 83,560,068
Changes for the year:			
Service cost	13,038,337	-	13,038,337
Interest	37,094,116	-	37,094,116
Differences between expected and actual experience	(4,485,455)	-	(4,485,455)
Changes of Assumptions	(3,781,544)	-	(3,781,544)
Contributions - Employer	-	19,091,310	(19,091,310)
Contributions - Employee	-	7,718,757	(7,718,757)
Contributions - Buy Back	134,002	134,002	-
Net Investment Income	-	43,325,139	(43,325,139)
Benefit payments, including refunds of employee contributions	(25,358,153)	(25,358,153)	-
Administrative Expenses	-	(419,369)	419,369
Net changes	<u>16,641,303</u>	<u>44,491,686</u>	<u>(27,850,383)</u>
Balances at September 30, 2025	<u>\$ 557,801,989</u>	<u>\$ 502,092,304</u>	<u>\$ 55,709,685</u>

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

For the year ended September 30, 2025, the City recognized pension expense of \$11,197,479. On September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,439,257	\$ 3,364,092
Changes in assumptions	-	2,836,158
Net Difference between projected and actual earnings on investments	-	15,957,175
Total	<u>\$ 7,439,257</u>	<u>\$ 22,157,425</u>

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

Year ended September 30,

2026	\$ 6,984,968
2027	(8,761,232)
2028	(10,553,993)
2029	(2,387,911)
2030	-

b. Municipal Police Officers’ Pension Plan

At October 1, 2025 the Plan’s membership consisted of the following:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	192
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	58
Active Plan Members	267
Total	517

Plan Description – Police Officers’ Pension Plan

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

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

The Plan’s financial statements and related notes to the financial statements were audited in accordance with auditing standards generally accepted in the United States of America by Mauldin & Jenkins, LLC. It was their opinion that the financial statements were presented fairly in all material respects as of September 30, 2025. As the plan administrator, Christine Stoker at Foster and Foster can provide a copy of the financial statements upon request. She can be contacted Christine.Stoker@foster-foster.com.

Benefits Provided - Police Officers’ Pension Plan

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

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

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

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

Payment Options - the Plan offers a variety of payment options including, partial lump-sum payouts, 10-year certain and life annuity, joint and survivor annuities, and social security options. For members who have not reached normal retirement age by October 1, 2013, the maximum benefit per year shall not exceed \$105,000, exclusive of any cost-of-living increases. Ordinance 98-22 adopted December 7, 2022 provides for an increase in the annual maximum benefit from \$95,000 to \$105,000, incrementally phased in by automatic 1% increases effective October 1, 2022.



Normal Retirement Age - normal retirement age is defined as:

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

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

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

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

1. Greater than 10 years – 66.67% of average final compensation.
2. Between 5 and 10 years – 50% of average final compensation.
3. Less than 5 years – 25% of average final compensation.

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

Vesting

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

Years of Service	Vested %
Less than 5	0
5	50
6	60
7	70
8	80
9	90
10 or more	100

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

Deferred Retirement Option Plan (DROP)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employees for up to seven years. Upon enrollment, members’ monthly benefits accrue until such time that they leave the DROP program. At the time of the termination of employment at the end of the DROP period, the member will be receiving the monthly benefit, and within 120 months

of termination, will receive the account balance in a lump sum or in another option form. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2025, the Plan had 24 active members enrolled in DROP, and the total amount of accrued benefits was \$35,185,296.

Investments – Police Officers’ Pension Plan

Rate of Return: For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.26%.

Investment Policy and Concentrations: Detailed information can be found in Note IV Detailed Notes 1. Cash and Investments.

Contributions - Police Officers’ Pension Plan

Covered employees are required to contribute 10% of their salary to the Plan. The City makes contributions based on actuarially determined minimum funding requirements. Additionally, the state of Florida contributes insurance premium taxes, which are used to help reduce the City’s portion of its minimum funding requirement.

Net Pension Liability of the City - Police Officers’ Pension Plan

The City’s net pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

	<u>9/30/2025</u>
Total pension liability	\$ 348,648,319
Plan fiduciary net position	<u>(326,092,630)</u>
Net pension liability	\$ <u>22,555,689</u>
Net position as a percentage of the total pension liability	93.53%

Actuarial Assumptions – Police Officers’ Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2024 updated to September 30, 2025 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary Increases	Service Based
Discount Rate	6.95%
Investment Rate of Return	6.95%

Mortality rates were based on the following:

Mortality Rate Healthy Active Lives:

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

Mortality Rate Healthy Retiree Lives:

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

Mortality Rate Beneficiary Lives:

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



Mortality Rate Disabled Lives:

- ◆ Female: PubG.H-2010 for Disabled Retirees, set forward one year.
- ◆ Male: PubG.H-2010 for Disabled Retirees.

All rates are projected generationally with the Mortality Improvement Scale MP-2021.

The above rates are those outlined in Milliman’s July 1, 2024 FRS valuation report for special risk employees.

The Long-Term Rate of Return on Pension Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. For 2025 the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2025 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Large Cap Domestic Stocks	7.50%
Domestic Equity Smid Cap	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Private Equity	8.50%
Hedge Funds	3.50%
Private Fixed Income	2.50%
Real Estate	4.50%

The discount rate used to measure the total pension liability was 6.95% and did not change from the previous period. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the City, calculated using the discount rate of 6.95%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 5.95%	Discount Rate 6.95%	1% Increase 7.95%
Net pension liability	<u>\$ 65,304,360</u>	<u>\$ 22,555,689</u>	<u>\$(12,095,054)</u>

Changes in the Net Pension Liability - Police Officers' Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2024	\$ 323,205,633	\$ 288,603,007	\$ 34,602,626
Changes for the year:			
Service cost	7,861,176	-	7,861,176
Interest	22,700,132	-	22,700,132
Share Plan Allocation	1,918,355	-	1,918,355
Experience Gains/Losses	87,293	-	87,293
Changes of Assumptions	6,329,434	-	6,329,434
Contributions - Employer	-	12,113,459	(12,113,459)
Contributions - State	-	3,170,196	(3,170,196)
Contributions - Employee	-	3,160,951	(3,160,951)
Contributions - Buy Back	104,700	104,700	-
Net Investment Income	-	32,683,028	(32,683,028)
Benefit payments, including refunds of employee contributions	(13,558,404)	(13,558,404)	-
Administrative Expenses	-	(184,307)	184,307
Net changes	<u>25,442,686</u>	<u>37,489,623</u>	<u>(12,046,937)</u>
Balances at September 30, 2025	<u>\$ 348,648,319</u>	<u>\$ 326,092,630</u>	<u>\$ 22,555,689</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Police Officers' Pension Plan

For the year ended September 30, 2025, the City recognized pension expense of \$8,887,013. On September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,128,878	\$ -
Changes in Assumptions	6,294,279	-
Net Difference between projected and actual earnings on investments	-	17,882,067
Total	<u>\$ 11,423,157</u>	<u>\$ 17,882,067</u>

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

Year ended September 30,	
2026	5,757,175
2027	(5,691,564)
2028	(5,345,350)
2029	(1,179,171)
2030	-
thereafter	-

c. Municipal Firefighters’ Pension Plan

At October 1, 2024 the Plan’s membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	157
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	24
Active Plan Members	251
Total	432

Plan Description – Firefighters’ Pension Plan

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

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

The Plan’s financial statements and related notes to the financial statements were audited in accordance with auditing standards generally accepted in the United States of America by Mauldin & Jenkins, LLC. It was their opinion that the financial statements were presented fairly in all material respects as of September 30, 2025. As the plan administrator, Chrissy Stoker at Foster and Foster can provide a copy of the financial statements upon request. She can be contacted at Christine.Stoker@foster-foster.com.

Benefits Provided - Firefighters’ Pension Plan

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

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

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

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

Payment options - the Plan offers a variety of payment options including the following: partial lump sum payouts, 10 certain and year life annuities, joint and survivor annuities, and social security options. For members who have not reached normal retirement age as of June 16, 2014, the maximum benefit is capped at \$95,000 per year, exclusive of any cost-of-living increases.

Normal retirement age - normal retirement ages is defined as:

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

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

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

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

1. Greater than 10 years – 66.67% of average final compensation.
2. Between 5 and 10 years – 50% of average final compensation.
3. Less than 5 years – 25% of average final compensation.

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

Vesting

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

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

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

Deferred Retirement Option Plan (DROP)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employees for up to five years. Upon enrollment, members’ monthly benefits accrue until such time that they leave the DROP program. Payment shall be made from the DROP account within 120 months after termination of employment. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2025, the Plan had 2 active members enrolled in DROP, and the total amount of accrued benefits was \$20,869,920.

Investments – Firefighters’ Pension Plan

Rate of Return: For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investments expense, was 9.89%.

Investment Policy and Concentrations: Detailed information can be found in Note IV Detailed Notes 1. Cash and Investments.



Contributions – Firefighters’ Pension Plan

Employees contribute 10% of salary. The effective Member Contribution rate will vary each year as new members enter and members electing the buy up leave the plan. The City contributes the remaining amounts at actuarially determined rates that are designated to accumulate sufficient assets to pay benefits when due.

Net Pension Liability of the City - Firefighters’ Pension Plan

The City’s net pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

Actuarial Assumptions - Firefighters’ Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2024 updated to September 30, 2025 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary Increases	Service based
Discount Rate	6.75%
Investment Rate of Return	6.75%

Mortality rates were based on the following:

Mortality Rate Healthy Active Lives:

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

Mortality Rate Healthy Retiree Lives:

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

Mortality Rate Beneficiary Lives:

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

Mortality Rate Disabled Lives:

- ◆ Female: PubG.H-2010 for Disabled Retirees, set forward one year.
- ◆ Male: PubG.H-2010 for Disabled Retirees.

All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2021.

The actuarial assumptions used in the October 1, 2024 valuation were based on Milliman’s July 1, 2024 FRS valuation report for special-risk employees.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2025 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2025 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Large Cap Domestic Stock	7.50%
Domestic Equity Large Cap Value	7.50%
International Equity	8.50%
Real Estate	4.50%
Private Equity	8.50%
Private Fixed Income	2.50%
Broad Market Fixed Income	2.50%
Hedge Funds	3.50%

Discount Rate - Firefighters’ Pension Plan

The discount rate used to measure the total pension liability remained unchanged at 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – Firefighters’ Pension Plan

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current	1% Increase
	5.75%	Discount Rate	7.75%
		6.75%	
Net pension liability	<u>\$ 59,856,139</u>	<u>\$ 17,390,111</u>	<u>\$ (24,881,282)</u>



Changes in the Total Pension Liability – Firefighters’ Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2024	\$ 338,406,428	\$ 295,683,754	\$ 42,722,674
Changes for the year:			
Service cost	8,769,545	-	8,769,545
Interest	22,779,502	-	22,779,502
Change in Excess State Money	1,047,452	-	1,047,452
Differences between expected and actual experience	(2,457,834)	-	(2,457,834)
Changes of Assumptions	(7,736,018)	-	(7,736,018)
Contributions - Employer	-	12,145,126	(12,145,126)
Contributions - State	-	3,409,847	(3,409,847)
Contributions - Employee	-	3,072,101	(3,072,101)
Contributions - Buy Back	149,424	149,424	-
Net Investment Income	-	29,294,133	(29,294,133)
Benefit payments, including refunds of employees contributions	(15,081,065)	(15,081,065)	-
Administrative Expenses	-	(185,997)	185,997
Net changes	<u>7,471,006</u>	<u>32,803,569</u>	<u>(25,332,563)</u>
Balances at September 30, 2025	<u>\$ 345,877,434</u>	<u>\$ 328,487,323</u>	<u>\$ 17,390,111</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Firefighters’ Pension Plan

For the year ended September 30, 2025, the City recognized pension expense of \$8,459,599. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,343,981	\$ 3,358,386
Changes in Assumptions	7,526,182	6,630,870
Net Difference between projected and actual earnings on investments	-	18,553,610
Total	<u>\$10,870,163</u>	<u>\$28,542,866</u>

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

Year ended September 30,	
2026	\$ 2,695,372
2027	(7,577,854)
2028	(7,680,653)
2029	(2,589,803)
2030	(1,063,501)
thereafter	(1,456,264)

d. Restoration General Employees’ Pension Plan

At October 1, 2025, the Plan’s membership consisted of the following:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	839
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	358
Active Plan Members	1016
Total	2,213

Plan Description – Restoration General Employees’ Pension Plan

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

Benefits Provided – Restoration General Employees’ Pension Plan

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

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

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

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

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

The City’s total pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the total pension was determined by an actuarial valuation as of October 1, 2024.

Actuarial Assumptions - Restoration General Employees’ Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2024 updated to October 1, 2025 using the following actuarial assumptions.

Inflation	2.50%
Salary Increases	Service based
Discount Rate	4.50%

Discount Rate – 4.50% determined annually based on the rate published in the S&P Municipal Bond 20 Year High Grade Index based on the weekly rate closest to but no later than the measurement date.

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

Section 415 Limit – Members receiving benefits from the City of Cape Coral Municipal General Employees’ Retirement Plan (“Qualified Plan”) are entitled to benefits from this plan if their benefits are restricted



by Section 415 of the Internal Revenue Code. Their benefits under this plan are determined as lesser of the following:

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

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

The following presents the total pension liability of the City, calculated using the discount rate of 4.50%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 3.50%	Current Discount Rate 4.50%	1% Increase 5.50%
Total pension liability	\$ 3,319,176	\$ 2,710,057	\$ 2,246,764

Contributions may not be accumulated under this plan to pay future retirement benefits. The plan is funded by the City on a pay-as-you-go-basis. The plan is not prefunded, so no assets are available to offset the Total Pension Liability. Therefore, there is no net pension liability.

Changes in the Net Pension Liability – Restoration General Employees’ Pension Plan

	Increase (Decrease)
	Total Pension Liability
Balances at September 30, 2024	\$ 3,017,560
Changes for the year:	
Service cost	1,884
Interest	122,589
Differences between expected and actual experience	(110,707)
Changes of Assumptions	(296,954)
Benefit payments, including refunds of employees contributions	(24,315)
Net changes	(307,503)
Balances at September 30, 2025	\$ 2,710,057

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

For the year ended September 30, 2025, the City recognized pension expense of negative \$25,716. At September 30, 2025, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,171,608	\$ 2,093,694
Changes in Assumptions	<u>358,673</u>	<u>1,298,240</u>
Total	<u>\$ 2,530,281</u>	<u>\$ 3,391,934</u>

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

Year ended September 30,

2026	(150,192)
2027	(150,192)
2028	(150,192)
2029	(150,192)
2030	(397,409)
thereafter	136,524

B. Defined Contribution Plan

a. General Employees Defined Contribution Pension Plan

The City established a single employer defined contribution pension plan for department heads and administrative management general employees on April 23, 1997. Eligible members who were current members of the Municipal General Employees' Pension Plan were given the irrevocable election to opt out of the old plan, and their accumulated contributions or future benefits, if vested, were rolled over into the new defined contribution pension plan. The employee chooses to directly manage his/her funds or to delegate the management via a preferred fund selection.

The City contracted with ICMA-RC to provide a 401(a) plan to all positions Grade 22 or higher as an alternative "opt-out" to the defined benefit retirement plan per City Code of Ordinances 2-123.2(a)(2). Terms of the plan are identified in the ICMA Retirement Corporation Governmental Money Purchase Plan & Trust Adoption Agreement approved by council and requires council approval for all changes.

Normal retirement is age 55 (not to exceed age 65). The adoption agreement has the following provisions: immediate 100% vesting, requires contributions equal to 8% of earnings from the employee and contributions of 12% of earnings from the employer. During FY2025, the City contributed \$300,191 and the employees contributed \$200,758.

3. Other Postemployment Benefits (OPEB)

Plan Description – City of Cape Coral OPEB Plan

Certain OPEB benefits are available to employees with at least 10 years of service and qualify for disability or retirement benefits under the applicable pension plan. The OPEB benefits include lifetime coverage for the retiree and dependents (for the life of the retiree) in the medical and prescription plans as well as participation in the dental and vision group plans sponsored by the City for employees. Retiring employees are eligible to continue the City-paid life insurance plan.



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

Health-Related Benefits

All retiring employees of the City may continue their participation in the group health insurance plan sponsored by the City and may choose among the same medical plan options available for active employees of the City, as required by State law, but may be subject to a premium payment depending on their date of employment with the City.

Tier 1 - Employees hired October 1, 2003 and prior:

- Retirees receive single coverage for life at no premium contribution.
- The City reimburses retirees for the Part B Premium, spouses/dependents pay a percentage of the group plan premium that varies by coverage tier.
- Spouses pay the full plan premium when a City Medicare plan is elected.
- An opt-out benefit is available for those not electing a City plan for up to \$200 per month when proof of coverage is supplied.
- Life insurance is available at no premium contribution for retirees.

Tier 2 - Employees hired after October 1, 2003 but before February 1, 2022:

- Retirees are charged the full plan premium for retiree and spouse/dependent coverage.
- Retirees are eligible to receive a health insurance subsidy to assist in offsetting the cost of health insurance for the retiree (whether through the City's group policy or another group health policy).
- The subsidy is based on the retiree's years of service multiplied by the current multiplier (\$15.10) which is updated annually based on any percentage increase of the City's group health benefit cost.
- The subsidy is available for the life of the retiree.

Tier 3 - Employees hired after February 1, 2022:

- Retirees are charged the full plan premium for retiree and spouse/dependent coverage.
- Retirees are eligible to receive a health insurance subsidy to assist in offsetting the cost of health insurance for the retiree (whether through the City's group policy or another group health policy).
- The subsidy is based on the retiree's years of service multiplied by a percentage of the City's base medical plan employee-only rate (Blue Care HMO plan). The percentage varies from 16% to a maximum of 30%.
- The subsidy is available until the retiree becomes Medicare eligible.

Dependents of retirees may be covered at the retirees' option at the same rate as dependents of active employees, subject to premium payment. Prescription drug coverage is automatically included in all the medical plan options. Covered retirees and their dependents are subject to all the same medical and prescription benefits and rules for coverage as are active employees.

Medical and prescription coverage is self-funded for three group plans with stop-loss coverage for claims above \$300,000. The group plans are Blue Care HMO, High PPO and Low PPO. Retirees eligible for Medicare may elect City sponsored Medicare plans or remain on one of the three group plans. When the retiree is eligible for Medicare, the City group plan is secondary to Medicare for medical coverage. All plans renew on a calendar year basis.

Survivorship Benefits

Benefits for spouses / dependents end upon retiree death, only COBRA coverage is then available.

Life Insurance Benefits

Tier 1 employees may continue their participation in the group term life insurance policy into retirement with the face value equal to twice the amount of the annual base salary at retirement.

Tier 2 and 3 employees have an option of converting their coverage to individual policies. A converted policy is not considered other post-employment benefits for the purposes of GASB 75.

Retiree Contribution Premium – Tier 1 Employees: None

Duration of Retiree Coverage – Tier 1 Employees: Lifetime

Group Premium Rate: 78 cents per \$1,000 per month (good until 12/31/2027)

Participant Data

For the October 1, 2023 valuation the following employees were covered by the benefit terms:

Retirees (Medical and/or Life Insurance)	759
Active plan members	1,547
Total	<u>2,306</u>

Total OPEB Liability

	Total OPEB Liability
Balance as of September 30, 2023 for FYE 2024	\$ 346,038,941
Changes:	
Service cost	8,426,812
Interest cost	16,535,498
Experience Losses/(Gains)	(1,321,250)
Changes in assumptions	45,047,113
Benefit payments	(12,700,000)
Net Changes	<u>55,988,173</u>
Balance as of September 30, 2024 for FYE 2025	<u>\$ 402,027,114</u>

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

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

	1% Decrease	Current Discount Rate	1% Increase
	2.97%	3.97%	4.97%
Total OPEB Liability	<u>\$ 471,829,034</u>	<u>\$ 402,027,114</u>	<u>\$ 347,004,779</u>



Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the City’s total OPEB liability, as well as what the City’s total OPEB liability would be if it were calculated using a healthcare cost trend rate one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Assumption</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 350,665,349	\$ 402,027,114	\$ 467,425,925

Deferred Inflows/Outflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized OPEB expense was \$22,738,616. In addition, the City has deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 12,401,167	\$ 1,101,042
Changes of assumptions	89,589,829	53,967,594
Benefit payments subsequent to measurement date	13,900,000	-
Total	<u>\$ 115,890,996</u>	<u>\$ 55,068,636</u>

Employer contribution subsequent to measurement date will be reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to measurement date and will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2025.

As of September 30, 2025, amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended September 30,</u>	
2026	6,894,328
2027	6,894,327
2028	3,928,433
2029	21,917,629
2030	7,287,643
2031 & thereafter	-
Total	<u>\$ 46,922,360</u>

The total OPEB liability at September 30, 2025 was based on October 1, 2023 valuation data using the following actuarial assumptions:

Cost Method	Entry Age Normal
Discount Rate (prior year rate 4.75%) *	3.97%
Medical / Rx Claim Cost Trend & Retiree Premium Trend	7.25%
Medicare Part B Trend Rate	4.50%
Admin Fees	2.50%

Stop-Loss Premiums 10.25%
 Rate of inflation 2.5%

* Discount rate is an average of the S&P Municipal Bond 20 Year High Grade & Fidelity GO AA-20 Year published yields

Healthy Life Mortality: Society of Actuaries Pub-2016 Public Retirement Plans
 Headcount-weighted General and Public Safety Mortality Tables
 Scale MP-2021 Full Generational Improvement

Disabled Life Mortality: Society of Actuaries Pub-2016 Public Retirement Plans
 Headcount-weighted General & Public Safety Disability Mortality Tables
 Scale MP-2021 Full Generational Improvement

Spouse Age Difference: Males are assumed to be 3 years older than females for future retirees. Actual spouse age, if known, was valued for current retirees.

Future Retiree Participation in Coverage: Category & Assumed Enrollment Upon Retirement
 Tier 1 - 100%
 Tier 2 & 3 Plan Pre 65 - 50%
 Tier 2 & 3 Plan Post 65 - 0%
 Tier 2 & 3 Subsidy - 100%

Age-Adjusted Costs: The estimated age-adjusted cost for retiree insurance coverage during the next 12 months from the valuation date was projected using 2025 renewal data and trend assumptions based on analysis of the City's claim experience, claim patterns and trends, and industry cost factors.

Covered Spouses: Twenty percent (20%) of future eligible retirees are assumed to have a covered spouse. Actual Spouse elections were valued for current retirees.

Benefit Elections & Coverage Duration

Actives Waiving: assume will receive subsidy under Tier 2 for life and under Tier 3 until Medicare eligible.

Actives Not Waiving: assume will remain in same plan during retirement as currently electing; upon age 65, assume 75% will remain in same group plan and 25% will elect a Medicare plan.

Retirees in group plan: if over age 65, assume will remain in the same plan for life; if under age 65, assume 75% will remain in the same group plan and 25% will elect a Medicare plan at age 65.

Medicare Eligibility: Age 65

Timing of Claim Payments: Mid-Year

Salary Scale: Assumed salary rates are based on years of service and area (General, Fire, Police).

Disability: Assumed rates are based on those utilized for the City Fire and Police pension valuations.

Turnover Incidence: Assumed rates are based on those used for the City General, Fire and Police pension valuations.

Retirement Age: Assumed rates are based on those used for the City General, Fire and Police pension valuations.

Valuation Date: October 01, 2023

Measurement Date: September 30, 2024

Roll Forward Method: Liabilities were rolled forward from the actuarial valuation date to measurement date through use of a roll forward method. Liabilities are adjusted for passage of time by adding normal cost minus benefit payments all adjusted with interest.

Changes in assumptions and items of impact that affected the measurement of the total OPEB liability since the prior valuation are as follows:

- The discount rate was updated from 4.75% to 3.97%. The liability would have been \$358,050,192 if the discount rate had not changed.
- The projected per capita costs and retiree contribution premiums were updated and revised and the January 1, 2025 renewal was taken into account.

- The assumed mortality was revised from PUB 2010 to PUB 2016, as published by the Society of Actuaries. The mortality projection scale remains at MP-2021.

4. Contingencies

The City is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency, and which may result in disallowed expense amounts. These amounts, if any, constitute a contingent liability of the City. The City does not believe any contingent liabilities are material. Accordingly, such liabilities are not reflected within the financial statements.

The City currently prepares rebate calculations on all debt subject to arbitrage per the United States Department of the Treasury Regulations, Section 1.148, and the Internal Revenue Service Code of 1986. Rebates, if any, are paid to the Internal Revenue Service every fifth year after the year of issuance. Within the five-year period, any positive arbitrage (liability) can be offset by any negative arbitrage (non-liability). The City does not believe there are any arbitrage contingent liabilities that are material.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a material effect on the financial condition of the City.

5. Subsequent Events

In November 2025, the City issued \$63.9 million of Water & Sewer Refunding Revenue Bonds, Series 2025A, to refund the remaining balance of the Series 2015 bonds. The bonds are secured by net water and sewer system revenues, carry an all-in interest rate of 3.09%, and mature on October 1, 2036.

Required Supplementary Information



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final		Budget over (under) Actual Amounts
REVENUES				
Taxes	\$ 197,248,587	\$ 197,309,341	\$ 202,488,329	\$ 5,178,988
Licenses and permits	53,360	53,360	136,495	83,135
Franchise fees	8,900,059	8,900,059	11,048,645	2,148,586
Intergovernmental	4,660,203	4,660,203	14,456,516	9,796,313
Charges for services	25,784,796	25,701,858	26,514,221	812,363
Fines and forfeitures	606,585	606,585	1,359,231	752,646
Rent and royalties	388,481	388,481	631,133	242,652
Investment earnings	1,286,890	1,286,890	9,489,111	8,202,221
Contributions and donations	70,000	140,000	154,528	14,528
Other revenue	378,061	378,061	882,301	504,240
Total revenues	<u>239,377,022</u>	<u>239,424,838</u>	<u>267,160,510</u>	<u>27,735,672</u>
EXPENDITURES				
Current:				
General government:				
City Council	1,390,332	1,051,210	1,049,438	1,772
City Manager	3,498,749	3,560,815	3,477,096	83,719
City Auditor	1,454,530	1,403,530	1,239,850	163,680
Finance	4,810,036	5,167,383	4,634,082	533,301
City Clerk	2,048,709	2,087,980	2,030,493	57,487
Human Resources	2,581,730	2,804,307	2,396,320	407,987
City Attorney	3,369,090	3,377,104	2,691,633	685,471
ITS	12,169,664	10,672,837	9,011,885	1,660,952
Government Services	35,324,772	39,201,291	40,972,413	(1,771,122)
Total General Government	<u>66,647,612</u>	<u>69,326,457</u>	<u>67,503,210</u>	<u>1,823,247</u>
Public Safety:				
Police	71,604,529	70,969,322	72,768,569	(1,799,247)
Total Public Safety	<u>71,604,529</u>	<u>70,969,322</u>	<u>72,768,569</u>	<u>(1,799,247)</u>
Public works	19,809,340	20,536,837	18,034,647	2,502,190
Parks and recreation	27,773,377	25,514,213	23,050,951	2,463,262
Community development	7,739,720	11,047,284	7,858,466	3,188,818
Capital outlay	7,719,949	12,853,399	9,559,709	3,293,690
Debt service:				
Principal	-	2,260,792	2,545,787	(284,995)
Interest and fiscal charges	-	332,037	407,809	(75,772)
Total expenditures	<u>201,294,527</u>	<u>212,840,341</u>	<u>201,729,148</u>	<u>11,111,193</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,082,495</u>	<u>26,584,497</u>	<u>65,431,362</u>	<u>38,846,865</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,476,059	1,926,059	759,665	(1,166,394)
Transfers out	(57,190,911)	(64,423,293)	(64,362,518)	60,775
Lease issuances	-	-	135,720	135,720
SBITA issuances	-	-	1,133,664	1,133,664
Proceeds on sale of capital assets	-	-	1,162,644	1,162,644
Reserves	17,632,357	35,912,737	-	(35,912,737)
Total other financing sources (uses)	<u>(38,082,495)</u>	<u>(26,584,497)</u>	<u>(61,170,825)</u>	<u>(34,586,328)</u>
Net change in fund balance	-	-	4,260,537	4,260,537
Budgetary fund balance - beginning as originally reported	(165,206,307)	(225,240,935)	114,955,637	340,196,572
Budgetary fund balance - ending	<u>\$ (165,206,307)</u>	<u>\$ (225,240,935)</u>	<u>\$ 119,216,174</u>	<u>\$ 344,457,109</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FIRE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Taxes	\$ 1,622,614	\$ 1,622,614	\$ 1,787,223	\$ 164,609
Special assessments	50,267,518	50,267,518	51,353,680	1,086,162
Intergovernmental	50,000	(150,000)	341,075	491,075
Charges for services	563,408	563,408	1,129,979	566,571
Rent and royalties	195,924	195,924	196,250	326
Investment earnings (loss)	-	-	925,220	925,220
Other revenue	-	-	57,536	57,536
Total revenues	<u>52,699,464</u>	<u>52,499,464</u>	<u>55,790,963</u>	<u>3,291,499</u>
EXPENDITURES				
Public safety:				
Fire	65,620,431	67,456,754	68,427,839	(971,085)
Capital outlay	<u>1,158,225</u>	<u>5,094,130</u>	<u>2,907,389</u>	<u>2,186,741</u>
Total expenditures	<u>66,778,656</u>	<u>72,550,884</u>	<u>71,335,228</u>	<u>1,215,656</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,079,192)</u>	<u>(20,051,420)</u>	<u>(15,544,265)</u>	<u>4,507,155</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	21,772,562	22,840,086	22,547,193	(292,893)
Transfers out	(7,693,370)	(8,239,754)	(6,966,294)	1,273,460
Proceeds on sale of capital assets	-	-	128,500	128,500
Reserves	-	5,451,088	-	(5,451,088)
Total other financing sources (uses)	<u>14,079,192</u>	<u>20,051,420</u>	<u>15,709,399</u>	<u>(4,342,021)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>165,134</u>	<u>\$ 165,134</u>
Fund balances - beginning			<u>9,166,189</u>	
Fund balances - ending			<u>\$ 9,331,323</u>	



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
BUILDING FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Licenses and permits	\$ 11,992,550	\$ 11,992,550	\$ 8,934,411	\$ (3,058,139)
Intergovernmental	-	-	256,479	256,479
Fines and forfeitures	10,200	10,200	35,292	25,092
Rent and royalties	-	-	65,291	65,291
Investment earnings (loss)	-	-	760,361	760,361
Other revenue	750	750	2,070	1,320
Total revenues	<u>12,003,500</u>	<u>12,003,500</u>	<u>10,053,904</u>	<u>(1,949,596)</u>
EXPENDITURES				
Public safety:				
Building	16,678,438	16,803,829	15,096,272	1,707,557
Capital outlay	82,000	82,000	76,312	5,688
Principal	-	-	52,791	(52,791)
Interest and fiscal charges	-	-	1,313	(1,313)
Total expenditures	<u>16,760,438</u>	<u>16,885,829</u>	<u>15,226,688</u>	<u>1,659,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,756,938)</u>	<u>(4,882,329)</u>	<u>(5,172,784)</u>	<u>(290,455)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	11,252,503	11,304,343	51,840
Proceeds on sale of capital assets	-	-	25,250	25,250
Reserves	4,756,938	(6,370,174)	-	6,370,174
Total other financing sources (uses)	<u>4,756,938</u>	<u>4,882,329</u>	<u>11,329,593</u>	<u>6,447,264</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>6,156,809</u>	<u>\$ 6,156,809</u>
Fund balances - beginning			<u>4,825,975</u>	
Fund balances - ending			<u>\$ 10,982,784</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SOLID WASTE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Special assessments	\$ 23,870,537	\$ 29,435,230	\$ 31,480,510	\$ 2,045,280
Investment earnings (loss)	-	-	879,022	879,022
Other revenue	-	-	128,896	128,896
Total revenues	<u>23,870,537</u>	<u>29,435,230</u>	<u>32,488,428</u>	<u>3,053,198</u>
EXPENDITURES				
Public works	21,979,371	21,984,851	24,116,604	(2,131,753)
Capital outlay	62,930	62,930	62,033	897
Total expenditures	<u>22,042,301</u>	<u>22,047,781</u>	<u>24,178,637</u>	<u>(2,130,856)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,828,236</u>	<u>7,387,449</u>	<u>8,309,791</u>	<u>922,342</u>
OTHER FINANCING SOURCES (USES)				
Reserves	(1,828,236)	(7,387,449)	-	7,387,449
Total other financing sources (uses)	<u>(1,828,236)</u>	<u>(7,387,449)</u>	<u>-</u>	<u>7,387,449</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>8,309,791</u>	<u>\$ 8,309,791</u>
Fund balances - beginning			10,281,320	
Fund balances - ending			<u>\$ 18,591,111</u>	



**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULES
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
September 30, 2025**

Budgetary Basis

The City adopts annual appropriated budgets for the General Fund, Special Revenue Funds, and the Debt Service Fund. Project-length financial plans and budgets are adopted for the Capital Project Funds. Budget to actual comparisons for the General, Fire Operations, Building, and Solid Waste Funds are presented on pages 112-115 of the Required Supplementary Information. The budget to actual comparison for Other Governmental Funds are presented on pages 140-165 of the Combining Statements.

Budgetary Information

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

1. In the month of July, the City Manager submits to the City Council a Proposed Operating Budget for the fiscal year commencing the following October. The Proposed Operating Budget includes the fiscal year expenditures and the means of financing them.
2. Public hearings and budget workshops are conducted in August and September to obtain taxpayer comments, and a proposed millage rate for the city's ad valorem taxes is presented to the Property Appraiser for certification.
3. On or before September 30th, the budget is adopted by the City Council through passage of an ordinance, as required by City Charter. A final millage rate is also adopted via ordinance, as required by the State of Florida.
4. Expenditures are legally restricted from exceeding appropriations at the fund level for all funds, with the exception of the General Fund, which is governed at the department level. After the budget for the fiscal year is adopted, the City Manager can authorize changes within a fund; however, any other revisions require approval of the City Council.
5. Budgets for all funds are prepared on the modified accrual basis, meaning they conform to Generally Accepted Accounting Principles (GAAP) except for a few notable differences, listed below. These variances are necessary to comply with state regulations requiring an appropriation for all activity.
 - a. Lease and financing proceeds are included as revenue.
 - b. Principal payments on debt are included as expenditures.
 - c. Cash outlay for equipment and capital projects are included as expenditures.
 - d. Depreciation expense and other non-cash expenses such as Other Post-Employment Benefits (OPEB), amortization of bond premiums, and bond discounts, are not included.

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL GENERAL EMPLOYEES
Last 10 Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 13,038,337	\$ 12,586,687	\$ 11,471,969	\$ 11,267,191	\$ 10,641,085	\$ 9,702,591	\$ 8,754,130	\$ 8,645,641	\$ 7,581,291	\$ 6,787,332
Interest	37,094,116	34,589,674	32,995,487	31,774,326	30,358,419	28,657,931	27,287,081	25,456,382	23,613,678	21,003,661
Differences Between Expected and Actual Experience	(4,485,455)	13,943,226	1,870,570	(2,442,275)	(31,155)	5,174,809	95,516	6,086,590	4,417,837	3,893,760
Changes of Assumptions ²	(3,781,544)	-	-	9,234,795	7,514,792	10,824,849	10,496,250	-	5,853,087	14,374,009
Contributions - Buy Back	134,002	142,838	169,939	235,906	393,905	649,586	672,804	52,107	116,662	73,024
Benefit Payments, Including Refunds of Employee Contributions	(25,358,153)	(24,947,610)	(23,752,121)	(21,263,326)	(19,091,659)	(18,156,986)	(17,200,561)	(15,636,445)	(13,516,268)	(12,979,936)
Net Change in Total Pension Liability	16,641,303	36,314,815	22,755,844	28,806,617	29,785,387	36,852,780	30,105,220	24,604,275	28,066,287	33,151,850
Total Pension Liability - Beginning	541,160,686	504,845,871	482,090,027	453,283,410	423,498,023	386,645,243	356,540,023	331,935,748	303,869,461	270,717,611
Total Pension Liability - Ending (a)	\$ 557,801,989	\$ 541,160,686	\$ 504,845,871	\$ 482,090,027	\$ 453,283,410	\$ 423,498,023	\$ 386,645,243	\$ 356,540,023	\$ 331,935,748	\$ 303,869,461
Plan Fiduciary Net Position										
Contributions - Employer	\$ 19,091,310	\$ 16,637,854	\$ 16,935,472	\$ 17,419,260	\$ 17,357,852	\$ 18,959,393	\$ 22,477,239	\$ 20,688,397	\$ 18,745,018	\$ 16,703,284
Contributions - Employee	7,718,757	6,685,226	6,534,848	5,669,300	5,393,563	5,288,866	5,049,654	4,819,442	4,575,819	4,110,347
Contributions - Buy Back	134,002	142,838	169,939	235,906	393,905	649,586	672,804	52,107	116,662	73,024
Net Investment Income	43,325,139	57,936,942	33,677,071	(47,359,021)	69,178,549	22,790,668	11,709,295	17,805,569	27,633,022	17,442,740
Benefit Payments, Including Refunds of Employee Contributions	(25,358,153)	(24,947,610)	(23,752,121)	(21,263,326)	(19,091,659)	(18,156,986)	(17,200,561)	(15,636,445)	(13,516,268)	(12,979,936)
Administrative Expenses	(419,369)	(366,612)	(330,514)	(324,151)	(293,393)	(308,498)	(288,372)	(279,364)	(211,781)	(178,584)
Net Change in Plan Fiduciary Net Position	44,491,686	56,088,638	33,234,695	(45,622,032)	72,938,817	29,223,029	22,420,059	27,449,706	37,342,472	25,170,875
Plan Fiduciary Net Position - Beginning	457,600,618	401,511,980	368,277,285	413,899,317	340,960,500	311,737,471	289,317,412	261,867,706	224,525,234	199,354,359
Plan Fiduciary Net Position - Ending (b)	502,092,304	457,600,618	401,511,980	368,277,285	413,899,317	340,960,500	311,737,471	289,317,412	261,867,706	224,525,234
Net Pension Liability - Ending (a) - (b)	\$ 55,709,685	\$ 83,560,068	\$ 103,333,891	\$ 113,812,742	\$ 39,384,093	\$ 82,537,523	\$ 74,907,772	\$ 67,222,611	\$ 70,068,042	\$ 79,344,227
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.01%	84.56%	79.53%	76.39%	91.31%	80.51%	80.63%	81.15%	78.89%	73.89%
Covered Payroll ¹	\$ 76,113,453	\$ 65,610,407	\$ 63,833,134	\$ 55,123,814	\$ 52,100,221	\$ 50,759,722	\$ 48,175,089	\$ 45,670,445	\$ 43,023,377	\$ 38,839,907
Net Pension Liability as a Percentage of Covered Payroll	73.19%	127.36%	161.88%	206.47%	75.59%	162.60%	155.49%	147.19%	162.86%	204.29%

Notes to Schedule:

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

² *Changes of Assumptions:*

Total Pension Liability as of the September 30, 2025 measurement date reflects the following assumption changes:

- As mandated by Chapter 518-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2024, FRS valuation report for non-special risk employees.

**SCHEDULE OF CONTRIBUTIONS
MUNICIPAL GENERAL EMPLOYEES
Last 10 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2025	\$ 19,702,770	\$ 19,091,310	\$ 611,460	\$ 76,113,453	25.08%
2024	17,081,401	16,637,854	443,547	65,610,407	25.36%
2023	15,441,775	16,935,472	(1,493,697)	63,833,134	26.53%
2022	17,419,260	17,419,260	-	55,123,814	31.60%
2021	17,357,852	17,357,852	-	52,100,221	33.32%
2020	18,959,393	18,959,393	-	50,759,722	37.35%
2019	22,477,239	22,465,625	11,614	48,175,089	46.63%
2018	20,676,783	20,688,397	(11,614)	45,670,445	45.30%
2017	18,745,018	18,745,018	-	43,023,377	43.57%
2016	16,709,229	16,703,284	5,945	38,839,907	43.01%

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

Notes to Schedule

Valuation Date: 10/01/24

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.
The following loads are applied for determination of the Sponsor funding requirement:
Interest - 6.85% per year compounded annually, net of investment expense
Salary - 0% per year based on the September 12, 2022 experience study.

Mortality Rates: The following assumption rates were mandated by Chapter 2015-157, Laws of Florida.
This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The following rates are those outlined in Milliman's July 1, 2024 FRS valuation report for non-special risk lives.
We feel this assumption sufficiently accommodates future mortality improvements.

Healthy Active Lives:
Female: PubG.H-2010 (Above Median) for Employees.
Male: PubG.H-2010 for Employees set back one year.

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

Beneficiary Lives
Female: PubG.H-2010 (Below Median) for Healthy Retirees.
Male: PubG.H-2010 for Healthy Retirees, set back one year.

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

Disability Rates: None. Since this Plan has no explicit disability benefit, the incidence of disability is included in the withdrawal rates disclosed on the following page. Disability rates were eliminated as the result of the September 27, 2017 experience study, and the current withdrawal rates were adopted as the result of the September 12, 2022 experience study.

Withdrawal:	% Terminating During the year		
	Service	Age	Probability of Retirement
	0-1	Less than 45	13.50%
	0-1	45+	9.00%
	2-9	Less than 35	9.00%
	2-9	35+	5.00%
	10+	Any	3.00%
Retirement:	% Retiring During the Year (10-24 Years of Service)		
	Age	Probability of Retirement	
	50-59	4.00%	
	60+	40.00%	
	% Retiring During the Year (>=25 Years of Service)		
	Service	Probability of Retirement	
	25-26	75.00%	
	27+	100.00%	

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

Salary Increases:	Credited Service	Assumption
	less than 5	8.00%
	5-9	5.50%
	10-19	5.00%
	20 or more	4.50%

This assumption was adopted based on the September 12, 2022 experience study.

Asset Valuation Method:

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

**SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL GENERAL EMPLOYEES
Last 10 Fiscal Years**

Year Ended September 30,	Rate of Return
2025	9.46%
2024	14.47%
2023	9.13%
2022	(11.45%)
2021	20.23%
2020	7.27%
2019	3.99%
2018	6.72%
2017	12.13%



**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL POLICE OFFICERS
Last 10 Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 7,861,176	\$ 7,616,344	\$ 7,284,702	\$ 7,172,552	\$ 6,182,570	\$ 5,375,282	\$ 4,746,107	\$ 4,936,597	\$ 4,788,378	\$ 4,597,357
Interest	22,700,132	21,112,687	19,881,883	18,633,030	17,157,941	16,239,285	15,544,850	14,366,974	13,168,259	11,714,484
Change in Excess State Money	-	-	-	-	-	-	-	-	(1,653,314)	379,832
Share Plan Allocation	1,918,355	1,579,782	1,036,544	654,121	441,462	394,476	351,146	187,505	1,735,860	-
Changes of Benefit Terms ²	-	-	-	3,241,056	-	-	-	-	-	-
Differences Between Expected and Actual Experience	87,293	5,356,381	1,123,951	2,194,299	3,985,200	2,196,396	(2,672,118)	3,478,195	2,007,169	2,017,708
Contributions - Buy Back	104,700	58,830	196,722	194,703	208,750	28,058	25,462	99,776	190,028	105,656
Changes of Assumptions	6,329,434	-	-	-	7,384,383	4,072,864	5,410,152	-	-	6,709,188
Benefit Payments, Including Refunds of Employee Contributions	(13,558,404)	(13,023,728)	(11,521,328)	(10,718,875)	(9,414,023)	(8,538,361)	(7,641,017)	(7,719,306)	(6,783,071)	(6,370,968)
Net Change in Total Pension Liability	25,442,686	22,700,296	18,002,474	21,370,886	25,946,283	19,768,000	15,764,582	16,030,310	13,453,309	19,153,257
Total Pension Liability - Beginning	323,205,633	300,505,337	282,502,863	261,131,977	235,185,694	215,417,694	199,653,112	183,622,802	170,169,493	151,016,236
Total Pension Liability - Ending (a)	\$ 348,648,319	\$ 323,205,633	\$ 300,505,337	\$ 282,502,863	\$ 261,131,977	\$ 235,185,694	\$ 215,417,694	\$ 199,653,112	\$ 183,622,802	\$ 170,169,493
Plan Fiduciary Net Position										
Contributions - Employer	\$ 12,113,459	\$ 11,576,571	\$ 9,880,446	\$ 8,856,305	\$ 7,998,998	\$ 7,349,653	\$ 6,393,072	\$ 7,917,299	\$ 7,111,509	\$ 6,875,656
Contributions - State	3,170,196	2,830,113	2,285,409	1,901,563	1,687,523	1,639,195	1,594,562	1,429,657	1,323,470	1,256,354
Contributions - Employee	3,160,951	2,622,847	2,674,874	2,233,678	2,111,724	1,994,280	1,691,707	1,622,967	1,701,463	1,553,768
Contributions - Buy Back	104,700	58,830	196,722	194,703	208,751	28,058	25,462	99,776	190,028	105,656
Net Investment Income	32,683,028	43,227,879	20,066,612	(30,453,611)	44,544,230	13,927,953	4,770,054	11,534,774	17,760,238	10,749,925
Benefit Payments, Including Refunds of Employee Contributions	(13,558,404)	(13,023,728)	(11,521,328)	(10,718,875)	(9,419,561)	(8,532,822)	(7,651,072)	(7,719,306)	(6,783,071)	(6,370,968)
Administrative Expenses	(184,307)	(188,776)	(165,315)	(122,974)	(107,188)	(114,403)	(127,399)	(116,691)	(105,797)	(112,350)
Net Change in Plan Fiduciary Net Position	37,489,623	47,103,736	23,417,420	(28,109,211)	47,024,477	16,291,914	6,696,386	14,768,476	21,197,840	14,058,041
Plan Fiduciary Net Position - Beginning	288,603,007	241,499,271	218,081,851	246,191,062	199,166,585	182,874,671	176,178,285	161,409,809	140,211,969	126,153,928
Plan Fiduciary Net Position - Ending (b)	326,092,630	288,603,007	241,499,271	218,081,851	246,191,062	199,166,585	182,874,671	176,178,285	161,409,809	140,211,969
Net Pension Liability - Ending (a) - (b)	\$ 22,555,689	\$ 34,602,626	\$ 59,006,066	\$ 64,421,012	\$ 14,940,915	\$ 36,019,109	\$ 32,543,023	\$ 23,474,827	\$ 22,212,993	\$ 29,957,524
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.53%	89.29%	80.36%	77.20%	94.28%	84.68%	84.89%	88.24%	87.90%	82.40%
Covered Payroll ¹	\$ 31,609,490	\$ 26,228,429	\$ 26,748,696	\$ 22,319,733	\$ 21,135,358	\$ 19,936,330	\$ 16,920,926	\$ 16,230,230	\$ 17,014,603	\$ 15,813,229
Net Pension Liability as a Percentage of Covered Payroll	71.36%	131.93%	220.59%	288.63%	70.69%	180.67%	192.32%	144.64%	130.55%	189.45%

Notes to Schedule:

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

² Changes of benefit terms:

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

**SCHEDULE OF CONTRIBUTIONS
MUNICIPAL POLICE OFFICERS
Last 10 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2025	\$ 12,817,356	\$ 13,365,300	\$ (547,944)	\$ 31,609,490	42.28%
2024	12,048,482	12,826,902	(778,420)	26,228,429	48.90%
2023	11,129,311	11,129,311	-	26,748,696	41.61%
2022	10,187,698	10,103,747	83,951	22,319,733	45.27%
2021	9,161,107	9,245,058	(83,951)	21,135,358	43.74%
2020	8,773,241	8,594,372	178,869	19,936,330	43.11%
2019	9,307,391	7,636,488	1,670,903	16,920,926	45.13%
2018	8,656,859	9,159,451	(502,592)	16,230,230	56.43%
2017	7,582,575	8,352,433	(769,858)	17,014,603	49.09%
2016	7,433,901	7,752,178	(318,277)	15,813,229	49.02%

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

Notes to Schedule

Valuation Date: 10/1/2024

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.
The following loads are applied for determination of the Sponsor funding requirement:
Interest - A half year, based on current 7.00% assumption.
Salary - A full year, based on current 7.83% assumption.

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

Early Retirement: % Retiring During the Year
10-24 Years of Service

Age	Rate
40-44	2.00%
45-49	5.00%
50	50.00%
51-54	25.00%
55+	100.00%

Normal Retirement: % Retiring During the Year
>= 25 Years of Service

Age	Rate
25	50.00%
26	100.00%
27+	100.00%

Termination Rates:

Credited Service	Termination Probability
0	15.00%
1-4	5.00%
5-14	3.00%

Disability Rates:	Age	% Becoming Disabled During the Year
	20	0.31%
	25	0.31%
	30	0.35%
	35	0.39%
	40	0.73%
	45	1.30%
	50	2.57%
	55	5.35%
	60	9.67%
	65	16.79%

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

Interest Rate: 7.00% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.

Asset Smoothing Methodology: The actuarial value of assets is brought forward using the historical four-year geometric average of Fair Value Returns (net-of-fees) Over time, this may result in an insignificant bias that is above or below the fair value of assets.

Termination Rates:	Credited Service	Termination Probability
	0	15.00%
	1 - 4	5.00%
	5 - 14	3.00%

The above rates are based on results of the November, 2019 experience study.

Salary Increases:	Credited Service	Assumption
	less than 5 years	10.00%
	5-15 years	7.00%
	more than 15 years	6.00%

The above rates were reviewed and confirmed by the Board of Trustees as part of the November, 2019 experience study.

Final Year Salary Load:	Years of Credited Service as of February 7, 2012	Assumption
	Less than 10 years	5.00%
	10 or more years	10.00%

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

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

**SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL POLICE OFFICERS
Last 10 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution
9/30/2025	11.26%
9/30/2024	17.86%
9/30/2023	9.16%
9/30/2022	(12.37%)
9/30/2021	22.35%
9/30/2020	7.62%
9/30/2019	2.69%
9/30/2018	7.10%
9/30/2017	12.59%
9/30/2016	8.47%

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL FIREFIGHTERS'
Last 10 Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 8,769,545	\$ 8,564,330	\$ 7,764,764	\$ 7,458,923	\$ 6,390,591	\$ 5,758,437	\$ 4,820,664	\$ 4,578,362	\$ 4,266,311	\$ 4,009,132
Interest	22,779,502	21,574,634	20,436,609	19,626,774	18,670,799	17,469,387	16,655,584	15,851,720	15,178,381	13,798,633
Change in Excess State Money ²	1,047,452	807,956	484,270	286,716	213,807	166,023	131,691	70,874	-	-
Changes of Benefit Terms	-	-	-	-	-	-	(52,873)	-	-	-
Differences Between Expected and Actual Experience	(2,457,834)	2,749,343	2,219,734	(2,550,003)	391,112	(1,111,697)	734,135	201,394	1,557,771	(260,997)
Changes of Assumptions ³	(7,736,018)	-	-	10,208,423	8,344,442	5,369,128	12,355,862	-	(3,502,874)	8,638,016
Contributions - Buy Back	149,424	26,405	20,470	107,038	36,121	29,976	163,001	83,609	-	179,583
Benefit Payments, Including Refunds of Employee Contributions	(15,081,065)	(15,458,996)	(13,304,028)	(12,245,769)	(11,848,601)	(11,303,750)	(10,728,745)	(10,200,707)	(7,933,230)	(7,159,967)
Net Change in Total Pension Liability	7,471,006	18,263,672	17,621,819	22,892,102	22,198,271	16,377,504	24,079,319	10,585,252	9,566,359	19,204,400
Total Pension Liability - Beginning	338,406,428	320,142,756	302,520,937	279,628,835	257,430,564	241,053,060	216,973,741	206,388,489	196,822,130	177,617,730
Total Pension Liability - Ending (a)	\$ 345,877,434	\$ 338,406,428	\$ 320,142,756	\$ 302,520,937	\$ 279,628,835	\$ 257,430,564	\$ 241,053,060	\$ 216,973,741	\$ 206,388,489	\$ 196,822,130
Plan Fiduciary Net Position										
Contributions - Employer	\$ 12,145,126	\$ 12,374,438	\$ 9,798,159	\$ 9,585,536	\$ 8,850,286	\$ 9,833,400	\$ 10,249,919	\$ 10,095,728	\$ 8,759,719	\$ 8,424,472
Contributions - State	3,409,847	2,930,853	2,283,482	1,888,374	1,742,556	1,646,987	1,578,326	1,456,689	1,445,431	1,449,699
Contributions - Member Repayments	-	-	228	-	-	-	-	-	-	-
Contributions - Employee	3,072,101	2,528,762	2,485,907	2,137,414	1,952,919	1,781,178	1,655,650	1,523,514	1,450,606	1,292,651
Contributions - Buy Back	149,424	26,405	20,470	107,038	36,121	29,976	163,001	83,609	-	179,583
Net Investment Income	29,294,133	47,595,484	20,875,015	(30,558,751)	43,850,239	13,999,209	5,963,226	12,332,387	17,336,661	13,139,913
Benefit Payments, Including Refunds of Employee Contributions	(15,081,065)	(15,458,996)	(13,304,028)	(12,245,769)	(11,848,601)	(11,303,750)	(10,728,745)	(10,200,707)	(7,933,230)	(7,159,967)
Administrative Expenses	(185,997)	(178,596)	(172,422)	(208,161)	(154,589)	(140,915)	(130,419)	(145,017)	(161,973)	(152,949)
Net Change in Plan Fiduciary Net Position	32,803,569	49,818,350	21,986,811	(29,294,319)	44,428,931	15,846,085	8,750,958	15,146,203	20,897,214	17,173,402
Plan Fiduciary Net Position - Beginning	295,683,754	245,865,404	223,878,593	253,172,912	208,743,981	192,897,896	184,146,938	169,000,735	148,103,521	130,930,119
Plan Fiduciary Net Position - Ending (b)	328,487,323	295,683,754	245,865,404	223,878,593	253,172,912	208,743,981	192,897,896	184,146,938	169,000,735	148,103,521
Net Pension Liability - Ending (a) - (b)	\$ 17,390,111	\$ 42,722,674	\$ 74,277,352	\$ 78,642,344	\$ 26,455,923	\$ 48,686,583	\$ 48,155,164	\$ 32,826,803	\$ 37,387,754	\$ 48,718,609
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.97%	87.38%	76.80%	74.00%	90.54%	81.09%	80.02%	84.87%	81.88%	75.25%
Covered Payroll ¹	\$ 30,720,977	\$ 25,287,614	\$ 24,859,064	\$ 21,374,150	\$ 19,529,190	\$ 17,816,392	\$ 16,556,504	\$ 15,235,145	\$ 14,509,395	\$ 13,056,409
Net Pension Liability as a Percentage of Covered Payroll	56.61%	168.95%	298.79%	367.93%	135.47%	273.27%	290.85%	215.47%	257.68%	373.14%

Notes to Schedule:

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

² *Changes in Excess State Money:*

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

- For valuation dates on and after October 1, 2013 and until such time that the Retirement Plan reaches 80% funded (based on the ratio of the Actuarial Value of Assets to Actuarial Accrued Liability) all future State Monies in excess of the current \$1,314,942 frozen amount will be split as follows:

- 50% will be available to defray the City's contribution requirement
- 50% will go towards accelerating the pay down of the Unfunded Actuarial Accrued Liability (UAAL)

³ *Changes of Assumptions:*

Total Pension Liability as of the September 30, 2025 measurement date reflects the following assumption changes:

- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2024, FRS valuation report for special risk employees

**SCHEDULE OF CONTRIBUTIONS
MUNICIPAL FIRE EMPLOYEES
Last 10 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions ¹	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2025	\$ 13,716,528	\$ 14,507,521	\$ (790,993)	\$ 30,720,977	47.22%
2024	12,663,265	14,497,335	(1,834,070)	25,287,614	57.33%
2023	10,665,913	11,597,371	(931,458)	24,859,064	46.65%
2022	11,010,833	11,187,194	(176,361)	21,374,150	52.34%
2021	10,310,977	10,379,035	(68,058)	19,529,190	53.15%
2020	11,254,948	11,314,365	(59,417)	17,816,392	63.51%
2019	11,697,566	11,564,864	132,702	16,556,504	69.85%
2018	11,496,375	11,481,544	14,831	15,235,145	75.36%
2017	10,015,294	10,139,905	(124,611)	14,509,395	69.89%
2016	9,655,384	9,806,793	(151,409)	13,056,409	75.11%

¹ Including amounts from Excess State Money Reserve.

Notes to Schedule

Valuation Date: 10/1/2024

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

Methods and assumptions used to determine contribution rates:

- Funding Method: Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor funding requirement:
Interest - half a year based on the 7.25% assumption.
Salary - a full year, based on the current 7.50% assumption.
- Mortality: Active and retiree lives use PubS.H-210 set forward one year, beneficiary lives use PubG.H-2010 except males set back one year. Disabled lives are 80% PubG.H-210/20% PubS.H-210.
- Interest Rate: 6.75% per year, compounded annually, net of investment related expenses. We will continue to monitor this assumption against the expected asset allocation and future returns by asset class.
- Normal Retirement: For Members with less than 25 years of Credited Service: 2% for ages 40-49, 40% for ages 50-51, 15% for ages 52-55, 25% for ages 56-59 and 100% for ages 60 and above. For Members with at least 25 years of Credited Service: 100%.
- Early Retirement: Age 40 and completion of 10 years of credited service.
- Disability: See table below. It is assumed that 75% of Disability Retirements are service-related. This assumption is based on the experience study dated November 21, 2022.
- Termination: 4.00% for Members with less than 5 years of Credited Service; 1.00% for Members with at least 5 years of Credited Service. The assumption is based on the experience study dated November 21, 2022.
- Benefit Cap Index: 1.00% assumption each year beginning in 2018.
- Asset Smoothing Methodology: The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Fair Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the fair value of assets.
- Salary Increases: 7.50% per year. We will continue to monitor this assumption to ensure it is in line with actual plan experience.

Final Year Salary Load:	Years of Credited Service as of February 7, 2012	Assumption
	0	No load
	Less than 10 years	5.00%
	10 or more years	10.00%
Payroll Growth:	1.41% per year.	
Disability Rate Table:	Age	% Becoming Disabled During the Year
	20	0.08%
	25	0.08%
	30	0.09%
	35	0.10%
	40	0.18%
	45	0.33%
	50	0.64%
	55	1.34%
	60	2.42%
65	4.20%	

**SCHEDULE OF INVESTMENT RETURNS
MUNCIPAL FIRE EMPLOYEES
Last 10 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution
9/30/2025	9.89%
9/30/2024	19.35%
9/30/2023	9.33%
9/30/2022	(12.10%)
9/30/2021	21.11%
9/30/2020	7.26%
9/30/2019	3.23%
9/30/2018	7.28%
9/30/2017	11.64%
9/30/2016	9.99%



SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES PENSION RESTORATION
Last 5 Fiscal Years

	2025	2024	2023	2022	2021	2020
Total Pension Liability						
Service Cost	\$ 1,884	\$ 1,868	\$ -	\$ -	\$ -	\$ -
Interest	122,589	60,485	104,688	144,991	79,957	-
Changes of Benefit Terms	-	-	-	-	-	3,736,313
Differences Between Expected and Actual Experience	(110,707)	1,277,282	(1,002,651)	(2,388,326)	2,650,881	-
Changes of Assumptions	(296,954)	461,154	(22,500)	(1,493,967)	(425,922)	-
Benefits Paid by Employer	(24,315)	(23,343)	(34,135)	(34,713)	(74,502)	-
Net Change in Total Pension Liability	(307,503)	1,777,446	(954,598)	(3,772,015)	2,230,414	3,736,313
Total Pension Liability - Beginning	3,017,560	1,240,114	2,194,712	5,966,727	3,736,313	-
Total Pension Liability - Ending	2,710,057	3,017,560	1,240,114	2,194,712	5,966,727	3,736,313
Covered Employee Payroll	\$69,416,260	\$66,852,523	\$59,395,612	\$54,275,577	\$52,632,964	\$50,097,008
Total Pension Liability as a Percentage of Covered Payroll	3.90%	4.51%	2.09%	4.04%	11.34%	7.46%

Notes to Schedule:

Plan became effective as of April 20, 2020.

Changes of Assumptions:

For measurement date 9/30/2024, amounts reported as changes of assumptions resulted from:

- The Discount Rate decreased from 4.87% to 4.06%

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

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
Fiscal Year 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability								
Service cost	\$8,426,812	\$6,879,290	\$11,185,690	\$10,871,523	\$9,623,726	\$7,695,292	\$8,055,888	\$8,600,831
Interest	16,535,498	11,155,525	7,626,859	7,798,633	8,260,798	10,458,834	9,731,792	8,916,244
Changes in assumptions	45,047,113	70,299,893	(107,935,188)	15,551,925	16,476,563	66,958,465	(13,273,023)	(18,105,757)
Experience Losses/(Gains)	(1,321,250)	17,480,027	-	2,243,449	-	(46,888,614)	-	-
Benefit payments	(12,700,000)	(12,862,315)	(12,098,514)	(11,505,202)	(10,812,769)	(10,246,178)	(9,489,255)	(8,472,549)
Net Changes	55,988,173	92,952,420	(101,221,153)	24,960,328	23,548,318	27,977,799	(4,974,598)	(9,061,231)
Total OPEB Liability, beginning	346,038,941	253,086,521	354,307,674	329,347,346	305,799,028	277,821,229	282,795,827	291,857,058
Total OPEB Liability, ending	<u>\$402,027,114</u>	<u>\$346,038,941</u>	<u>\$253,086,521</u>	<u>\$354,307,674</u>	<u>\$329,347,346</u>	<u>\$305,799,028</u>	<u>\$277,821,229</u>	<u>\$282,795,827</u>
Covered employee payroll	\$109,389,224	\$109,389,224	\$113,353,508	\$113,353,508	\$105,707,947	\$101,978,134	\$94,597,857	\$282,795,827
Total OPEB liability as a percentage of covered employee payroll	367.52%	316.34%	223.27%	312.57%	311.56%	299.87%	293.69%	316.08%

Other items:

This information is required for 10 years, however, only 8 years of information is available as GASB Statement 75 was implemented beginning in Fiscal Year 2018, limiting the data available.

Notes to Schedule:

Benefit changes: None

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

Discount Rate:	
9/30/2018	3.50%
9/30/2019	3.83%
9/30/2020	2.75%
9/30/2021	2.41%
9/30/2022	2.19%
9/30/2023	4.40%
9/30/2024	4.75%
9/30/2025	3.97%

There are no assets accumulated or earmarked for a separate trust for retiree benefits.

Combining Statements & Schedules



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

- Gas Tax Fund – used to account for the Local Option (6¢) and New Local Option (5¢) Taxes which are used for construction of new roads, reconstruction or resurfacing of existing paved roads, and related items.
- Road Impact Fee Fund – used to account for the impact fees that are used to provide new roads.
- Public Safety Impact Fee Fund – used to account for Police Protection, Advanced Life Support, and Fire & Rescue impact fees which are used for the purchase of capital improvements consisting of land, buildings, vehicles, and equipment for police protection services, advanced life support program and fire public safety facilities.
- Do The Right Thing Fund – this program is sponsored by the Police Department and rewards the youth population in the community for “doing the right thing”. This fund was established to account for the program donations that are used to offset the operating expenses of the program to include prizes and rewards for the program recipients.
- Opioid Settlement Fund - accounts for revenues and expenses related to the National Opioid Settlement agreements which are restricted to funding future prevention, treatment, and recovery efforts in response to the opioid epidemic.
- Speed Zone Cameras Fund - accounts for revenues and expenses related to RedSpeed camera systems in 17 school zones to enhance safety.
- Police Confiscation-Federal Fund – used to account for monies received from federal confiscation cases and used to purchase equipment for the Police Department.
- Police Confiscation-State Fund – used to account for monies received from the sale of confiscated items in nonfederal cases and used to purchase equipment for the Police Department. This also includes the Police Evidence Fund.
- Police Grants Fund - used to account for multiyear Police Department grants.
- Criminal Justice Education Fund – used to account for monies received from the assessment of mandatory court costs and used for criminal justice education and training.
- Park Recreational Facilities Impact Fee Fund – used to account for impact fees which are used to provide recreational park facilities.
- All Hazards Fund – used to account for monies collected by Lee County in the All Hazards Protection District for the funding of shelters, emergency preparedness, and hazardous material response programs.
- Del Prado Mall Parking Lot Fund – used to account for collection of special assessments for the Del Prado Mall parking lot.
- Lot Mowing Fund – used to account for the mowing of vacant unimproved property.
- Tree Fund - used to account for contributions for citywide reforestation.
- Public Works Grants - used to account for multiyear Public Works Department grants.
- Economic Development Fund – used to support the Office of Economic & Business Development of the City of Cape Coral.
- Community Redevelopment Agency (CRA) Fund – used to account for the activities of the Community Redevelopment Agency.
- Golf Course Fund - used to account for the operations of the year-round municipal golf facility which includes the clubhouse, greens, and restaurant operations.
- The Courts Racquet Center - used to account for the operations of a racquet sports facility.

- Community Development Block Grant (CDBG) Fund – accounts for monies received from the U.S. Department of Housing and Urban Development and used for community development projects aligned with national CDBG goals that benefit low-to-moderate-income residents of the City.
- Community Development Block Grant Disaster Recovery (CDBG-DR) Fund – accounts for federal monies passed through Lee County and used for disaster relief, long-term recovery, restoration of infrastructure and housing, mitigation, and planning in areas aligned with national CDBG objectives.
- Neighborhood Stabilization Program (NSP) Fund – accounts for monies received from the U.S. Department of Housing and Urban Development to provide emergency assistance to the City to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within the community
- State Housing Initiative Partnership (SHIP) Fund – accounts for monies received from the State Housing Initiatives Partnership Program to provide assistance to low-to-moderate-income residents in obtaining affordable housing in the City.
- Development Services Grants Fund - accounts for multiyear Development Services Department grants.
- Charter School Building Maintenance Fund - used to account for a portion of Public Service Tax collections as well as City funding used to maintain and repair City-owned Charter School facilities.

DEBT SERVICE FUND

Used to account for the City's debt service.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

- Charter School Capital Project Fund – used to account for capital projects at City-owned Charter School buildings.
- Transportation Capital Improvements Fund – used to account for transportation related capital projects
- Parks Capital Improvements Fund - used to account for the improvements at various parks.
- Building Capital Improvements Fund – used to account for improvements at various City buildings.
- Government Services Improvements - used to account for projects that will benefit the general government.
- Other Capital Improvements Fund - used to account for the following projects:
 - Fire Station Construction – used to account for the design and construction of fire stations and a training facility.
 - Public Works Improvements Fund – used to account for public works related capital projects
 - CRA – used to account for capital improvements in the CRA district including replacement of walking paths, landscaping, Lafayette Street lights and Vincennes Boulevard parking lot.
 - Bridge Fund - used to account for the design and construction of bridges into the City of Cape Coral.
 - Academic Village – used to account for the improvement of the Academic Village.
 - Computer System – used to account for enhancements and upgrades to various computer systems.
 - Police Training Facility – used to help train and prepare the police department for real world situations.
 - Disaster Improvements - accounts for the recovery and resiliency measures put in place as a result of and in preparation for future local disasters.



**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025**

	Special Revenue							
	Gas Tax	Road Impact Fee	Public Safety Impact Fee	Do the Right Thing	Opioid Settlement	Speed Zone Cameras	Police Confiscation Federal	Police Confiscation State
ASSETS								
Cash and investments	\$21,530,438	\$18,511,791	\$ 2,741,229	\$ 26,073	\$ 530,374	\$ 398,245	\$ 332,811	\$ 928,982
Interest receivable	59,411	135,993	18,889	-	-	-	-	-
Accounts receivable, net	-	13,388	4,826	-	-	254,041	-	-
Intergovernmental receivable	1,888,674	-	-	-	2,474,591	-	-	13,500
Notes receivable	-	-	-	-	-	-	-	-
Lease receivable	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid items	26,184	-	-	-	-	-	-	-
Total assets	<u>23,504,707</u>	<u>18,661,172</u>	<u>2,764,944</u>	<u>26,073</u>	<u>3,004,965</u>	<u>652,286</u>	<u>332,811</u>	<u>942,482</u>
LIABILITIES								
Accounts payable and other accrued liabilities	3,971,569	-	-	1,026	4,440	1,000	4,135	14,950
Accrued retainage	211,380	-	-	-	-	-	-	-
Accrued payroll	26,697	-	-	-	-	5,266	-	-
Due to other funds	-	-	-	-	-	-	-	-
Intergovernmental payables	-	-	-	-	-	101,522	-	-
Unearned revenue	-	-	-	-	-	-	-	267,865
Advances from other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>4,209,646</u>	<u>-</u>	<u>-</u>	<u>1,026</u>	<u>4,440</u>	<u>107,788</u>	<u>4,135</u>	<u>282,815</u>
DEFERRED INFLOW OF RESOURCES								
Unavailable revenue - grant reimbursements	-	-	-	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	2,474,591	-	-	-
Deferred Inflow - lease	-	-	-	-	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,474,591</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	26,184	-	-	-	-	-	-	-
Restricted								
Public safety	-	-	2,764,944	25,047	525,934	544,498	307,562	659,667
Public works	12,883,678	2,757,208	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Committed								
General government	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Subsequent year's budget appropriations of fund balance	6,385,199	15,903,964	-	-	-	-	21,114	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>19,295,061</u>	<u>18,661,172</u>	<u>2,764,944</u>	<u>25,047</u>	<u>525,934</u>	<u>544,498</u>	<u>328,676</u>	<u>659,667</u>
Total liabilities and fund balances	<u>\$23,504,707</u>	<u>\$18,661,172</u>	<u>\$ 2,764,944</u>	<u>\$ 26,073</u>	<u>\$ 3,004,965</u>	<u>\$ 652,286</u>	<u>\$ 332,811</u>	<u>\$ 942,482</u>

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025**

Special Revenue

Police Grants	Criminal Justice Education	Park Recreational Facilities Impact Fee	All Hazards	Del Prado Mall Parking Lot	Lot Mowing	Tree Fund	Public Works Grants	Economic Development
\$ -	\$ 123,606	\$ 4,637,613	\$ 1,288,970	\$ 147,603	\$ 6,846,361	\$ 25,279	\$ 28,514	\$ 2,317,702
-	-	33,226	9,050	-	-	174	-	-
-	-	4,460	-	-	-	-	-	24,884
419,973	-	-	18	93	22,615	-	9,321	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	10,934	-	-	-	-	8,200
<u>419,973</u>	<u>123,606</u>	<u>4,675,299</u>	<u>1,308,972</u>	<u>147,696</u>	<u>6,868,976</u>	<u>25,453</u>	<u>37,835</u>	<u>2,350,786</u>
-	-	16,550	11,748	4,477	236,066	-	9,321	20,973
-	-	-	-	-	16,208	-	-	-
312	-	-	76,894	-	21,091	-	-	21,465
433,494	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,342,924	-	3,514	499,158
-	-	-	-	-	-	-	-	-
<u>433,806</u>	<u>-</u>	<u>16,550</u>	<u>88,642</u>	<u>4,477</u>	<u>1,616,289</u>	<u>-</u>	<u>12,835</u>	<u>541,596</u>
60,139	-	-	-	-	-	-	9,321	-
-	-	-	-	2	1,940	-	-	-
-	-	-	-	-	-	-	-	-
<u>60,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>1,940</u>	<u>-</u>	<u>9,321</u>	<u>-</u>
-	-	-	10,934	-	-	-	-	8,200
-	123,606	-	1,209,396	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	2,477,374	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	1,415,920
-	-	-	-	116,534	5,250,747	25,453	15,679	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	2,181,375	-	26,683	-	-	-	385,070
(73,972)	-	-	-	-	-	-	-	-
<u>(73,972)</u>	<u>123,606</u>	<u>4,658,749</u>	<u>1,220,330</u>	<u>143,217</u>	<u>5,250,747</u>	<u>25,453</u>	<u>15,679</u>	<u>1,809,190</u>
<u>\$ 419,973</u>	<u>\$ 123,606</u>	<u>\$ 4,675,299</u>	<u>\$ 1,308,972</u>	<u>\$ 147,696</u>	<u>\$ 6,868,976</u>	<u>\$ 25,453</u>	<u>\$ 37,835</u>	<u>\$ 2,350,786</u>

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2025**

	Community Redevelopment Agency	Golf Course	The Courts Racquet Center	Community Development Block Grant (CDBG)	CDBG Disaster Recovery	HUD Neighborhood Stabilization	State Housing Initiative Partnership
ASSETS							
Cash and investments	\$ 2,241,428	\$ 1,243,084	\$ -	\$ 43,331	\$ -	\$ -	\$ 9,503,596
Interest receivable	28,128	-	-	-	-	-	-
Accounts receivable, net	-	670,095	103,362	-	-	-	-
Intergovernmental receivable	-	-	-	39,841	28,120	-	-
Notes receivable	527,207	-	-	-	-	-	-
Lease receivable	-	-	-	-	-	-	-
Inventories	-	61,731	31,629	-	-	-	-
Prepaid items	10,088	31,068	1,185	4,267	-	-	4,267
Total assets	<u>2,806,851</u>	<u>2,005,978</u>	<u>136,176</u>	<u>87,439</u>	<u>28,120</u>	<u>-</u>	<u>9,507,863</u>
LIABILITIES							
Accounts payable and other accrued liabilities	44,212	252,075	30,027	13,517	28,120	-	1,257
Accrued retainage	-	-	-	-	-	-	-
Accrued payroll	11,171	-	-	6,941	-	-	-
Due to other funds	-	-	457,244	511,106	-	94,460	-
Intergovernmental payables	-	-	-	-	-	-	-
Unearned revenue	-	51,868	133,088	-	-	-	-
Advances from other funds	7,405,134	-	-	-	-	-	-
Total liabilities	<u>7,460,517</u>	<u>303,943</u>	<u>620,359</u>	<u>531,564</u>	<u>28,120</u>	<u>94,460</u>	<u>1,257</u>
DEFERRED INFLOW OF RESOURCES							
Unavailable revenue - grant reimbursements	-	-	-	-	28,120	-	-
Unavailable revenue - other	-	-	-	-	-	-	-
Deferred Inflow - lease	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,120</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	10,088	92,799	32,814	4,267	-	-	4,267
Restricted							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	9,502,339
Capital outlay	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Committed							
General government	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	1,525,606	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Subsequent year's budget appropriations of fund balance	-	83,630	-	-	-	-	-
Unassigned	(4,663,754)	-	(516,997)	(448,392)	(28,120)	(94,460)	-
Total fund balances (deficit)	<u>(4,653,666)</u>	<u>1,702,035</u>	<u>(484,183)</u>	<u>(444,125)</u>	<u>(28,120)</u>	<u>(94,460)</u>	<u>9,506,606</u>
Total liabilities and fund balances	<u>\$ 2,806,851</u>	<u>\$ 2,005,978</u>	<u>\$ 136,176</u>	<u>\$ 87,439</u>	<u>\$ 28,120</u>	<u>\$ -</u>	<u>\$ 9,507,863</u>

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2025**

Development Services Grants	Charter School Building Maintenance	Debt Service	Charter School Capital Project	Transportation Capital Improvements	Parks Capital Improvements	Building Capital Improvements	Government Services Improvements	Other Capital Improvements	Total Nonmajor Governmental Funds
\$ -	\$ 1,136,521	\$ 1,904,001	\$ 473,334	\$ 66,467,168	\$ 26,275,970	\$ -	\$ 861,355	\$ 25,911,494	\$196,476,873
-	-	12,854	-	-	-	-	-	29,420	327,145
-	-	-	-	-	38,814	-	-	-	1,113,870
224,782	-	10,546	-	253,250	-	-	-	707,661	6,092,985
-	-	-	-	-	-	-	-	-	527,207
-	1,120,052	-	-	-	1,058,972	-	-	-	2,179,024
-	-	-	-	-	-	-	-	-	93,360
-	-	-	-	-	-	-	-	11,538	107,731
<u>224,782</u>	<u>2,256,573</u>	<u>1,927,401</u>	<u>473,334</u>	<u>66,720,418</u>	<u>27,373,756</u>	<u>-</u>	<u>861,355</u>	<u>26,660,113</u>	<u>206,918,195</u>
-	138,155	-	169,854	3,895,241	1,260,322	-	34,056	1,398,012	11,561,103
-	-	-	-	493,674	298,946	-	-	577,200	1,597,408
-	-	-	-	-	-	-	-	-	169,837
224,782	-	-	-	-	-	-	-	-	1,721,086
-	-	-	-	-	-	-	-	-	101,522
-	-	-	-	-	-	-	-	-	2,298,417
-	-	-	-	-	-	-	-	-	7,405,134
<u>224,782</u>	<u>138,155</u>	<u>-</u>	<u>169,854</u>	<u>4,388,915</u>	<u>1,559,268</u>	<u>-</u>	<u>34,056</u>	<u>1,975,212</u>	<u>24,854,507</u>
224,782	-	-	-	253,184	-	-	-	707,661	1,283,207
-	-	-	-	-	-	-	-	-	2,476,533
-	1,097,669	-	-	-	1,040,689	-	-	-	2,138,358
<u>224,782</u>	<u>1,097,669</u>	<u>-</u>	<u>-</u>	<u>253,184</u>	<u>1,040,689</u>	<u>-</u>	<u>-</u>	<u>707,661</u>	<u>5,898,098</u>
-	-	-	-	-	-	-	-	11,538	201,091
-	-	-	-	-	-	-	-	-	6,160,654
-	-	-	-	-	-	-	-	-	15,640,886
-	-	-	-	-	-	-	-	-	2,477,374
-	-	-	-	-	-	-	-	-	9,502,339
-	-	-	-	40,958,710	-	-	-	4,994,357	45,953,067
-	-	1,927,401	-	-	-	-	-	-	1,927,401
-	1,020,749	-	-	-	-	-	-	-	2,436,669
-	-	-	-	-	-	-	-	-	5,408,413
-	-	-	-	-	-	-	-	-	1,525,606
-	-	-	303,480	21,119,609	24,773,799	-	827,299	18,971,345	65,995,532
-	-	-	-	-	-	-	-	-	24,987,035
(224,782)	-	-	-	-	-	-	-	-	(6,050,477)
<u>(224,782)</u>	<u>1,020,749</u>	<u>1,927,401</u>	<u>303,480</u>	<u>62,078,319</u>	<u>24,773,799</u>	<u>-</u>	<u>827,299</u>	<u>23,977,240</u>	<u>176,165,590</u>
<u>\$ 224,782</u>	<u>\$ 2,256,573</u>	<u>\$ 1,927,401</u>	<u>\$ 473,334</u>	<u>\$ 66,720,418</u>	<u>\$ 27,373,756</u>	<u>\$ -</u>	<u>\$ 861,355</u>	<u>\$ 26,660,113</u>	<u>\$206,918,195</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025**

	Special Revenue							
	Gas Tax	Road Impact Fee	Public Safety Impact Fee	Do the Right Thing	Opioid Settlement	Speed Zone Cameras	Police Confiscation Federal	Police Confiscation State
REVENUES								
Taxes	\$12,074,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	688,850	-	199,663
Impact fees	-	9,356,344	2,973,773	-	-	-	-	-
Rent and royalties	-	-	-	-	-	-	-	-
Investment earnings	912,617	1,144,603	141,756	961	15,533	5,980	13,076	32,094
Contributions and donations	-	-	-	15,334	-	-	-	-
Other revenue	-	-	-	-	210,549	-	213,998	-
Total revenues	<u>12,987,199</u>	<u>10,500,947</u>	<u>3,115,529</u>	<u>16,295</u>	<u>226,082</u>	<u>694,830</u>	<u>227,074</u>	<u>231,757</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	33,039	15,346	16,820	72,157	22,095	198,463
Fire	-	-	30,014	-	-	-	-	-
Public works	19,733,977	442,643	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Capital outlay	293,544	71,983	1,492,067	-	20,798	-	266,338	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>20,027,521</u>	<u>514,626</u>	<u>1,555,120</u>	<u>15,346</u>	<u>37,618</u>	<u>72,157</u>	<u>288,433</u>	<u>198,463</u>
Excess revenues over (under) expenditures	<u>(7,040,322)</u>	<u>9,986,321</u>	<u>1,560,409</u>	<u>949</u>	<u>188,464</u>	<u>622,673</u>	<u>(61,359)</u>	<u>33,294</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(1,430,000)	(6,632,491)	(480,450)	-	-	(78,175)	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-	-	-	13,500
Total other financing sources (uses)	<u>(1,430,000)</u>	<u>(6,632,491)</u>	<u>(480,450)</u>	<u>-</u>	<u>-</u>	<u>(78,175)</u>	<u>-</u>	<u>13,500</u>
Net change in fund balances	<u>(8,470,322)</u>	<u>3,353,830</u>	<u>1,079,959</u>	<u>949</u>	<u>188,464</u>	<u>544,498</u>	<u>(61,359)</u>	<u>46,794</u>
Fund balances (deficit) - As originally reported	27,765,383	15,307,342	1,684,985	24,098	337,470	-	390,035	612,873
Adjustment - change to reporting entity (Note 18)	-	-	-	-	-	-	-	-
Fund balances (deficit) - beginning	<u>27,765,383</u>	<u>15,307,342</u>	<u>1,684,985</u>	<u>24,098</u>	<u>337,470</u>	<u>-</u>	<u>390,035</u>	<u>612,873</u>
Fund balances (deficit) - ending	<u>\$19,295,061</u>	<u>\$18,661,172</u>	<u>\$2,764,944</u>	<u>\$ 25,047</u>	<u>\$ 525,934</u>	<u>\$ 544,498</u>	<u>\$ 328,676</u>	<u>\$ 659,667</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025**

Special Revenue

Police Grants	Criminal Justice Education	Park Recreational Facilities Impact Fee	All Hazards	Del Prado Mall Parking Lot	Lot Mowing	Tree Fund	Public Works Grants	Economic Development
\$ -	\$ -	\$ -	\$ 1,883,722	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	40,876	3,443,104	-	-	-
-	-	-	-	-	-	-	-	856,187
895,084	-	-	-	-	-	-	250,060	-
-	41,400	-	-	35	17,846	-	-	-
-	-	2,882,275	-	-	-	-	-	-
-	4,088	301,052	124,599	6,067	476,290	1,091	-	70,417
-	-	-	-	-	-	-	-	-
-	-	-	-	10	17,879	17,956	-	-
<u>895,084</u>	<u>45,488</u>	<u>3,183,327</u>	<u>2,008,321</u>	<u>46,988</u>	<u>3,955,119</u>	<u>19,047</u>	<u>250,060</u>	<u>926,604</u>
-	-	-	-	-	-	-	-	863,185
842,327	43,880	-	-	-	-	-	-	-
-	-	-	1,568,124	-	-	-	-	-
-	-	-	-	76,830	2,899,951	-	259,381	-
-	-	54,379	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
92,852	-	201,362	1,522,419	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>935,179</u>	<u>43,880</u>	<u>255,741</u>	<u>3,090,543</u>	<u>76,830</u>	<u>2,899,951</u>	<u>-</u>	<u>259,381</u>	<u>863,185</u>
<u>(40,095)</u>	<u>1,608</u>	<u>2,927,586</u>	<u>(1,082,222)</u>	<u>(29,842)</u>	<u>1,055,168</u>	<u>19,047</u>	<u>(9,321)</u>	<u>63,419</u>
-	-	-	60,000	-	-	-	25,000	-
-	-	(3,454,171)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	(3,454,171)	60,000	-	-	-	25,000	-
<u>(40,095)</u>	<u>1,608</u>	<u>(526,585)</u>	<u>(1,022,222)</u>	<u>(29,842)</u>	<u>1,055,168</u>	<u>19,047</u>	<u>15,679</u>	<u>63,419</u>
(33,877)	121,998	5,185,334	2,242,552	173,059	4,195,579	6,406	-	1,745,771
-	-	-	-	-	-	-	-	-
<u>(33,877)</u>	<u>121,998</u>	<u>5,185,334</u>	<u>2,242,552</u>	<u>173,059</u>	<u>4,195,579</u>	<u>6,406</u>	<u>-</u>	<u>1,745,771</u>
<u>\$ (73,972)</u>	<u>\$ 123,606</u>	<u>\$ 4,658,749</u>	<u>\$ 1,220,330</u>	<u>\$ 143,217</u>	<u>\$ 5,250,747</u>	<u>\$ 25,453</u>	<u>\$ 15,679</u>	<u>\$ 1,809,190</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2025**

	Special Revenue							
	Building	Community Redevelopment Agency	Golf Course	The Courts Racquet Center	Community Development Block Grant (CDBG)	CDBG Disaster Recovery	HUD Neighborhood Stabilization	State Housing Initiative Partnership
REVENUES								
Taxes	\$ -	\$ 2,925,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	604,732	-	-	1,600,382
Charges for services	-	62	3,278,517	1,003,934	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-
Rent and royalties	-	66,845	-	-	-	-	-	-
Investment earnings (loss)	-	606,232	-	-	(23)	-	-	344,538
Contributions and donations	-	-	-	-	-	-	-	-
Other revenue	-	-	-	43	16,821	-	-	30,212
Total revenues	-	3,598,773	3,278,517	1,003,977	621,530	-	-	1,975,132
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	28,120	-	-
Public works	-	-	-	-	-	-	-	-
Parks and recreation	-	-	2,559,423	1,210,517	-	-	-	-
Community development	-	1,396,020	-	-	659,834	-	-	3,357,171
Capital outlay	-	47,909	1,989,849	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	126,021	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	-	1,569,950	4,549,272	1,210,517	659,834	28,120	-	3,357,171
Excess revenues over (under) expenditures	-	2,028,823	(1,270,755)	(206,540)	(38,304)	(28,120)	-	(1,382,039)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	4,058,235	335,144	-	-	-	-	-
Transfers out	-	(3,995,086)	-	-	-	-	-	-
Issuance of debt	-	-	1,943,599	-	-	-	-	-
Proceeds on sale of capital assets	-	-	6,150	-	-	-	-	-
Total other financing sources (uses)	-	63,149	2,284,893	-	-	-	-	-
Net change in fund balances	-	2,091,972	1,014,138	(206,540)	(38,304)	(28,120)	-	(1,382,039)
Fund balances (deficit) - As originally reported	4,825,975	(6,745,638)	687,897	(277,643)	(405,821)	-	(94,460)	10,888,645
Adjustment - change to reporting entity (Note 18)	(4,825,975)	-	-	-	-	-	-	-
Fund balances (deficit) - beginning	-	(6,745,638)	687,897	(277,643)	(405,821)	-	(94,460)	10,888,645
Fund balances (deficit) - ending	\$ -	\$ (4,653,666)	\$1,702,035	\$ (484,183)	\$ (444,125)	\$ (28,120)	\$ (94,460)	\$ 9,506,606

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2025**

Development Services Grants	Charter School Building Maintenance	Debt Service	Special Revenue						Total Nonmajor Governmental Funds
			Charter School Capital Project	Transportation Capital Improvements	Parks Capital Improvements	Building Capital Improvements	Government Services Improvements	Other Capital Improvements	
\$ -	\$ 2,640,000	\$ 5,123,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,647,777
-	-	-	-	-	-	-	-	-	3,483,980
-	-	-	-	-	-	-	-	-	856,187
-	-	-	-	324,637	-	-	-	1,837,117	5,512,012
-	-	-	-	-	-	-	-	23,153	4,305,666
-	-	8,093	-	-	-	-	-	-	955,887
-	-	-	-	-	-	-	-	-	15,212,392
-	2,330,597	-	-	-	589,702	-	-	-	2,987,144
-	20,363	389,650	27,593	-	577,919	-	116	526,929	5,743,541
-	-	-	-	100,000	-	-	-	-	115,334
-	-	434	-	-	-	-	-	-	507,902
-	4,990,960	5,522,016	27,593	424,637	1,167,621	-	116	2,387,199	64,327,822
-	928,731	37,675	134,425	-	-	-	38,530	4,139,983	6,142,529
-	-	-	-	-	-	-	-	-	1,244,127
-	-	-	-	-	-	-	-	-	1,626,258
-	-	-	-	230,953	-	-	-	40,442	23,684,177
-	-	-	-	-	1,179,490	-	-	-	5,003,809
119,956	-	-	-	-	-	-	-	86,916	5,619,897
-	-	-	537,428	15,217,443	12,473,091	1,773	45,125,047	13,337,442	92,691,345
-	-	16,563,717	-	-	-	-	-	31,750	16,595,467
-	-	8,639,118	-	-	-	-	-	750	8,765,889
-	-	14,285	-	-	-	-	-	-	14,285
119,956	928,731	25,254,795	671,853	15,448,396	13,652,581	1,773	45,163,577	17,637,283	161,387,783
(119,956)	4,062,229	(19,732,779)	(644,260)	(15,023,759)	(12,484,960)	(1,773)	(45,163,461)	(15,250,084)	(97,059,961)
-	-	20,302,745	-	8,369,259	21,600,058	-	497,298	10,655,227	65,902,966
-	(3,151,203)	(497,298)	-	-	(400,000)	(9,068,681)	-	-	(29,187,555)
-	-	-	-	-	3,986,868	-	5,256,253	-	11,186,720
-	-	-	-	-	-	-	-	-	19,650
-	(3,151,203)	19,805,447	-	8,369,259	25,186,926	(9,068,681)	5,753,551	10,655,227	47,921,781
(119,956)	911,026	72,668	(644,260)	(6,654,500)	12,701,966	(9,070,454)	(39,409,910)	(4,594,857)	(49,138,180)
(104,826)	109,723	1,854,733	947,740	68,732,819	12,071,833	9,070,454	40,237,209	28,572,097	230,129,745
-	-	-	-	-	-	-	-	-	(4,825,975)
(104,826)	109,723	1,854,733	947,740	68,732,819	12,071,833	9,070,454	40,237,209	28,572,097	225,303,770
\$ (224,782)	\$ 1,020,749	\$ 1,927,401	\$ 303,480	\$ 62,078,319	\$ 24,773,799	\$ -	\$ 827,299	\$ 23,977,240	\$ 176,165,590

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Fuel taxes	\$ 11,182,762	\$ 11,182,762	\$ 12,074,582	\$ 891,820
Investment earnings (loss)	-	-	912,617	912,617
Total revenues	<u>11,182,762</u>	<u>11,182,762</u>	<u>12,987,199</u>	<u>1,804,437</u>
EXPENDITURES				
Public works	12,688,603	25,324,062	19,733,977	5,590,085
Capital Outlay	400,000	293,544	293,544	-
Total expenditures	<u>13,088,603</u>	<u>25,617,606</u>	<u>20,027,521</u>	<u>5,590,085</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,905,841)</u>	<u>(14,434,844)</u>	<u>(7,040,322)</u>	<u>7,394,522</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,394,558)	(2,794,558)	(1,430,000)	1,364,558
Reserves	4,300,399	17,229,402	-	(17,229,402)
Total other financing sources (uses)	<u>1,905,841</u>	<u>14,434,844</u>	<u>(1,430,000)</u>	<u>(15,864,844)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(8,470,322)</u>	<u>\$ (8,470,322)</u>
Fund balances - beginning			<u>27,765,383</u>	
Fund balances - ending			<u>\$ 19,295,061</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ROAD IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Impact fees	\$ 11,792,150	\$ 11,792,150	\$ 9,356,344	\$ (2,435,806)
Investment earnings (loss)	-	-	1,144,603	1,144,603
Total revenues	<u>11,792,150</u>	<u>11,792,150</u>	<u>10,500,947</u>	<u>(1,291,203)</u>
EXPENDITURES				
Public works	176,883	520,233	442,643	77,590
Capital outlay	-	123,690	71,983	51,707
Total expenditures	<u>176,883</u>	<u>643,923</u>	<u>514,626</u>	<u>129,297</u>
Excess of revenues over expenditures	<u>11,615,267</u>	<u>11,148,227</u>	<u>9,986,321</u>	<u>(1,161,906)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,658,384)	(6,728,483)	(6,632,491)	95,992
Reserves	(5,956,883)	(4,419,744)	-	4,419,744
Total other financing sources (uses)	<u>(11,615,267)</u>	<u>(11,148,227)</u>	<u>(6,632,491)</u>	<u>4,515,736</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>3,353,830</u>	<u>\$ 3,353,830</u>
Fund balances - beginning			15,307,342	
Fund balances - ending			<u>\$ 18,661,172</u>	



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PUBLIC SAFETY IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Impact fees	\$ 3,698,955	\$ 3,698,955	\$ 2,973,773	\$ (725,182)
Investment earnings (loss)	-	-	141,756	141,756
Total revenues	<u>3,698,955</u>	<u>3,698,955</u>	<u>3,115,529</u>	<u>(583,426)</u>
EXPENDITURES				
Public safety:				
Police	36,572	36,572	33,039	3,533
Fire	29,056	29,056	30,014	(958)
Capital outlay	1,298,230	1,776,983	1,492,067	284,916
Total expenditures	<u>1,363,858</u>	<u>1,842,611</u>	<u>1,555,120</u>	<u>287,491</u>
Excess of revenues over expenditures	<u>2,335,097</u>	<u>1,856,344</u>	<u>1,560,409</u>	<u>(295,935)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(480,450)	(480,450)	-
Reserves	(2,335,097)	(1,375,894)	-	1,375,894
Total other financing sources	<u>(2,335,097)</u>	<u>(1,856,344)</u>	<u>(480,450)</u>	<u>1,375,894</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,079,959</u>	<u>\$ 1,079,959</u>
Fund balances - beginning			1,684,985	
Fund balances - ending			<u>\$ 2,764,944</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DO THE RIGHT THING SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 961	\$ 961
Contributions and donations	8,490	16,218	15,334	(884)
Total revenues	<u>8,490</u>	<u>16,218</u>	<u>16,295</u>	<u>77</u>
EXPENDITURES				
Public safety: Police	8,490	16,218	15,346	872
Excess of revenues over expenditures	-	-	949	949
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>949</u>	<u>\$ 949</u>
Fund balances - beginning			24,098	
Fund balances - ending			<u>\$ 25,047</u>	



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
OPIOID SETTLEMENT SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Investment earnings (loss)	\$ -	\$ -	\$ 15,533	\$ 15,533
Other Revenue	-	100,000	210,549	110,549
Total revenues	-	100,000	226,082	126,082
EXPENDITURES				
Public safety: police	-	68,000	16,820	51,180
Capital outlay	-	32,000	20,798	11,202
Total expenditures	-	100,000	37,618	62,382
Net change in fund balances	\$ -	\$ -	188,464	\$ 188,464
Fund balances - beginning			337,470	
Fund balances - ending			\$ 525,934	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SPEED ZONE CAMERAS SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ 480,000	\$ 688,850	\$ 208,850
Investment earnings (loss)	-	-	5,980	5,980
Total revenues	-	480,000	694,830	214,830
EXPENDITURES				
Public safety: police	-	74,000	72,157	1,843
Excess of revenues over expenditures	-	406,000	622,673	216,673
Reserves	-	(356,000)	-	356,000
Transfers out	-	(50,000)	(78,175)	(28,175)
Total other financing sources (uses)	-	(406,000)	(78,175)	327,825
Net change in fund balances	\$ -	\$ -	544,498	\$ 544,498
Fund balances - beginning			-	
Fund balances - ending			\$ 544,498	



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
POLICE CONFISCATION - FEDERAL SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 13,076	\$ 13,076
Other revenue	-	-	213,998	213,998
Total revenues	-	-	227,074	227,074
EXPENDITURES				
Public safety: Police	28,418	294,756	22,095	272,661
Capital outlay	-	-	266,338	(266,338)
Total expenditures	28,418	294,756	288,433	6,323
Deficiency of revenues under expenditures	(28,418)	(294,756)	(61,359)	220,751
OTHER FINANCING SOURCES (USES)				
Reserves	28,418	294,756	-	(294,756)
Net change in fund balances	\$ -	\$ -	(61,359)	\$ (74,005)
Fund balances - beginning			390,035	
Fund balances - ending			\$ 328,676	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
POLICE CONFISCATION - STATE SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 199,663	\$ 199,663
Investment earnings	-	-	32,094	32,094
Total revenues	-	-	231,757	231,757
EXPENDITURES				
Public safety: Police	-	271,798	198,463	73,335
Capital outlay	-	125,000	-	125,000
Total expenditures	-	396,798	198,463	198,335
Excess (deficiency) of revenues over (under) expenditures	-	(396,798)	33,294	430,092
OTHER FINANCING SOURCES				
Proceeds on sale of capital assets	-	-	13,500	13,500
Reserves	-	396,798	-	(396,798)
Net change in fund balances	\$ -	\$ -	46,794	\$ 46,794
Fund balances - beginning			612,873	
Fund balances - ending			\$ 659,667	



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
POLICE GRANTS SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 1,016,060	\$ 895,084	\$ (120,976)
Total revenues	-	1,016,060	895,084	(120,976)
EXPENDITURES				
Community development	-	858,141	842,327	15,814
Capital outlay	-	157,919	92,852	65,067
Total expenditures	-	1,016,060	935,179	80,881
Excess of revenues over expenditures	-	-	(40,095)	(40,095)
Net change in fund balances	\$ -	\$ -	(40,095)	\$ (40,095)
Fund deficit - beginning			(33,877)	
Fund deficit - ending ¹			\$ (73,972)	

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CRIMINAL JUSTICE EDUCATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 21,000	\$ 21,000	\$ 41,400	\$ 20,400
Investment earnings (loss)	-	-	4,088	4,088
Total revenues	<u>21,000</u>	<u>21,000</u>	<u>45,488</u>	<u>24,488</u>
EXPENDITURES				
Public safety: Police	<u>26,758</u>	<u>48,758</u>	<u>43,880</u>	<u>4,878</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,758)</u>	<u>(27,758)</u>	<u>1,608</u>	<u>29,366</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>5,758</u>	<u>27,758</u>	<u>-</u>	<u>(27,758)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,608</u>	<u>\$ 1,608</u>
Fund balances - beginning			<u>121,998</u>	
Fund balances - ending			<u>\$ 123,606</u>	



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PARK RECREATIONAL FACILITIES IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Impact fees	\$ 3,273,640	\$ 3,273,640	\$ 2,882,275	\$ (391,365)
Investment earnings	-	-	301,052	301,052
Total revenues	<u>3,273,640</u>	<u>3,273,640</u>	<u>3,183,327</u>	<u>(90,313)</u>
EXPENDITURES				
Parks and recreation	49,105	49,105	54,379	(5,274)
Capital outlay	-	-	201,362	(201,362)
Total expenditures	<u>49,105</u>	<u>49,105</u>	<u>255,741</u>	<u>(206,636)</u>
Excess of revenues over expenditures	<u>3,224,535</u>	<u>3,224,535</u>	<u>2,927,586</u>	<u>(296,949)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,841,657)	(3,480,657)	(3,454,171)	26,486
Reserves	(382,878)	256,122	-	(256,122)
Total other financing sources (uses)	<u>(3,224,535)</u>	<u>(3,224,535)</u>	<u>(3,454,171)</u>	<u>(229,636)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(526,585)</u>	<u>\$ (526,585)</u>
Fund balances - beginning			<u>5,185,334</u>	
Fund balances - ending			<u>\$ 4,658,749</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL HAZARDS SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Property taxes	\$ 1,908,607	\$ 1,908,607	\$ 1,883,722	\$ (24,885)
Investment earnings (loss)	-	-	124,599	124,599
Total revenues	<u>1,908,607</u>	<u>1,908,607</u>	<u>2,008,321</u>	<u>99,714</u>
EXPENDITURES				
Public safety: Fire	1,618,997	1,724,526	1,568,124	156,402
Capital outlay	59,662	1,544,612	1,522,419	22,193
Total expenditures	<u>1,678,659</u>	<u>3,269,138</u>	<u>3,090,543</u>	<u>178,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>229,948</u>	<u>(1,360,531)</u>	<u>(1,082,222)</u>	<u>278,309</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	40,000	60,000	20,000
Reserves	(229,948)	1,320,531	-	(1,320,531)
Total other financing sources (uses)	<u>(229,948)</u>	<u>1,360,531</u>	<u>60,000</u>	<u>(1,300,531)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(1,022,222)</u>	<u>\$ (1,022,222)</u>
Fund balances - beginning			2,242,552	
Fund balances - ending			<u>\$ 1,220,330</u>	



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEL PRADO MALL PARKING LOT SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Special assessments	\$ 40,709	\$ 40,709	\$ 40,876	\$ 167
Fines and forfeitures	-	-	35	35
Investment earnings	-	-	6,067	6,067
Other revenue	-	-	10	10
Total revenues	<u>40,709</u>	<u>40,709</u>	<u>46,988</u>	<u>6,279</u>
EXPENDITURES				
Public works	<u>40,709</u>	<u>80,709</u>	<u>76,830</u>	<u>3,879</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(40,000)</u>	<u>(29,842)</u>	<u>10,158</u>
OTHER FINANCING SOURCES				
Reserves	-	<u>40,000</u>	-	<u>(40,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(29,842)</u>	<u>\$ (29,842)</u>
Fund balances - beginning			<u>173,059</u>	
Fund balances - ending			<u>\$ 143,217</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
LOT MOWING SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Special assessments	\$ 4,994,813	\$ 4,994,813	\$ 3,443,104	\$ (1,551,709)
Fines and forfeitures	-	-	17,846	17,846
Investment earnings	-	-	476,290	476,290
Other revenue	-	-	17,879	17,879
Total revenues	<u>4,994,813</u>	<u>4,994,813</u>	<u>3,955,119</u>	<u>(1,039,694)</u>
EXPENDITURES				
Public works	<u>4,770,424</u>	<u>4,770,424</u>	<u>2,899,951</u>	<u>1,870,473</u>
Excess (deficiency) of revenues over (under) expenditures	<u>224,389</u>	<u>224,389</u>	<u>1,055,168</u>	<u>830,779</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>(224,389)</u>	<u>(224,389)</u>	<u>-</u>	<u>224,389</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,055,168</u>	<u>\$ 1,055,168</u>
Fund balances - beginning			<u>4,195,579</u>	
Fund balances - ending			<u>\$ 5,250,747</u>	



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PUBLIC WORKS GRANTS SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Intergovernmental	\$ 936,910	\$ 466,074	\$ 250,060	\$ (216,014)
EXPENDITURES				
Public works	936,910	491,074	259,381	231,693
Excess (deficiency) of revenues over (under) expenditures	-	(25,000)	(9,321)	15,679
OTHER FINANCING SOURCES (USES)				
Transfers in	-	25,000	25,000	-
Net change in fund balances	\$ -	\$ -	15,679	\$ 15,679
Fund balances - beginning			-	
Fund balances - ending			\$ 15,679	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Licenses and permits	\$ 679,766	\$ 679,766	\$ 856,187	\$ 176,421
Investment earnings	-	-	70,417	70,417
Total revenues	<u>679,766</u>	<u>679,766</u>	<u>926,604</u>	<u>246,838</u>
EXPENDITURES				
General government	902,477	943,723	863,185	80,538
Excess (deficiency) of revenues over (under) expenditures	<u>(222,711)</u>	<u>(263,957)</u>	<u>63,419</u>	<u>327,376</u>
OTHER FINANCING SOURCES (USES)				
Reserves	222,711	263,957	-	(263,957)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	63,419	<u>\$ 63,419</u>
Fund balances - beginning			1,745,771	
Fund balances - ending			<u>\$ 1,809,190</u>	



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Property taxes	\$ 2,737,743	\$ 2,925,634	\$ 2,925,634	\$ -
Charges for services	-	-	62	62
Rent and royalties	15,300	15,300	66,845	51,545
Investment earnings	26,500	26,500	606,232	579,732
Total revenues	<u>2,779,543</u>	<u>2,967,434</u>	<u>3,598,773</u>	<u>631,339</u>
EXPENDITURES				
Community development	2,225,937	1,915,276	1,396,020	519,256
Capital outlay	-	47,909	47,909	-
Interest and fiscal charges	-	-	126,021	(126,021)
Total expenditures	<u>2,225,937</u>	<u>1,963,185</u>	<u>1,569,950</u>	<u>393,235</u>
Excess (deficiency) of revenues over (under) expenditures	<u>553,606</u>	<u>1,004,249</u>	<u>2,028,823</u>	<u>1,024,574</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,865,862	4,058,234	4,058,235	1
Transfers out	(4,419,468)	(5,509,502)	(3,995,086)	1,514,416
Reserves	-	447,019	-	(447,019)
Total other financing sources (uses)	<u>(553,606)</u>	<u>(1,004,249)</u>	<u>63,149</u>	<u>1,067,398</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>2,091,972</u>	<u>\$ 2,091,972</u>
Fund deficit - beginning			(6,745,638)	
Fund deficit - ending			<u>\$ (4,653,666)</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GOLF COURSE SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Charges for services	\$ 3,082,211	\$ 3,082,211	\$ 3,278,517	\$ 196,306
Contributions and donations	6,466	6,466	-	(6,466)
Other revenue	256	256	-	(256)
Total revenues	<u>3,088,933</u>	<u>3,088,933</u>	<u>3,278,517</u>	<u>189,584</u>
EXPENDITURES				
Parks and recreation	2,663,325	2,663,325	2,559,423	103,902
Capital outlay	-	2,000,000	1,989,849	10,151
Debt service:				
Principal	760,752	760,752	-	-
Total expenditures	<u>3,424,077</u>	<u>5,424,077</u>	<u>4,549,272</u>	<u>114,053</u>
Excess of revenues over expenditures	<u>(335,144)</u>	<u>(2,335,144)</u>	<u>(1,270,755)</u>	<u>1,064,389</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	335,144	335,144	335,144	-
Issuance of debt	-	2,000,000	1,943,599	(56,401)
Proceeds on sale of capital assets	-	-	6,150	6,150
Total other financing sources (uses)	<u>335,144</u>	<u>2,335,144</u>	<u>2,284,893</u>	<u>(50,251)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,014,138</u>	<u>\$ 1,014,138</u>
Fund balances - beginning			687,897	
Fund balances - ending			<u>\$ 1,702,035</u>	



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
THE COURTS RACQUET CENTER SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Charges for services	\$ 1,941,080	\$ 1,941,080	\$ 1,003,934	\$ (937,146)
Other revenue	-	-	43	43
Total revenues	<u>1,941,080</u>	<u>1,941,080</u>	<u>1,003,977</u>	<u>(937,103)</u>
EXPENDITURES				
Parks and recreation	1,864,871	1,864,871	1,210,517	654,354
Capital outlay	-	-	-	-
Total expenditures	<u>1,864,871</u>	<u>1,864,871</u>	<u>1,210,517</u>	<u>654,354</u>
Excess (deficiency) of revenues over (under) expenditures	<u>76,209</u>	<u>76,209</u>	<u>(206,540)</u>	<u>(282,749)</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>(76,209)</u>	<u>(76,209)</u>	-	76,209
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(206,540)</u>	<u>\$ (206,540)</u>
Fund balances - beginning			<u>(277,643)</u>	
Fund deficit - ending			<u>\$ (484,183)</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,089,925	\$ 1,089,925	\$ 604,732	\$ (485,193)
Investment earnings (loss)	-	-	(23)	(23)
Other revenue	-	16,821	16,821	-
Total revenues	<u>1,089,925</u>	<u>1,106,746</u>	<u>621,530</u>	<u>(485,216)</u>
EXPENDITURES				
Community development	<u>1,089,925</u>	<u>1,106,746</u>	<u>659,834</u>	<u>446,912</u>
Excess of revenues over expenditures	-	-	(38,304)	(38,304)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(38,304)</u>	<u>\$ (38,304)</u>
Fund deficit - beginning			(405,821)	
Fund deficit - ending ¹			<u>\$ (444,125)</u>	

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



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
STATE HOUSING INITIATIVE PARTNERSHIP SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget over (under) Actual Amounts</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,616,742	\$ 1,668,042	\$ 1,600,382	\$ (67,660)
Investment earnings	-	-	344,538	344,538
Other revenue	-	30,212	30,212	-
Total revenues	<u>1,616,742</u>	<u>1,698,254</u>	<u>1,975,132</u>	<u>276,878</u>
EXPENDITURES				
Community development	<u>1,616,742</u>	<u>1,698,254</u>	<u>3,357,171</u>	<u>(1,658,917)</u>
Excess of revenues over expenditures	-	-	<u>(1,382,039)</u>	<u>(1,382,039)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(1,382,039)</u>	<u>\$ (1,382,039)</u>
Fund balances - beginning			<u>10,888,645</u>	
Fund balances - ending			<u>\$ 9,506,606</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEVELOPMENT SERVICES GRANTS SPECIAL REVENUE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 125,000	\$ -	\$ (125,000)
Total revenues	-	125,000	-	(125,000)
EXPENDITURES				
Community development	-	125,000	119,956	5,044
Excess of revenues over expenditures	-	-	(119,956)	(119,956)
Net change in fund balances	\$ -	\$ -	(119,956)	\$ (119,956)
Fund deficit - beginning			(104,826)	
Fund deficit - ending ¹			\$ (224,782)	

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



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CHARTER SCHOOL BUILDING MAINTENANCE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Property taxes	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ -
Rent and royalties	1,500,000	1,784,274	2,330,597	546,323
Investment earnings	-	-	20,363	20,363
Total revenues	<u>4,140,000</u>	<u>4,424,274</u>	<u>4,990,960</u>	<u>566,686</u>
EXPENDITURES				
General government	952,625	1,114,719	928,731	185,988
Excess of revenues over expenditures	<u>3,187,375</u>	<u>3,309,555</u>	<u>4,062,229</u>	<u>752,674</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,187,375)	(3,187,375)	(3,151,203)	36,172
Reserves	-	(122,180)	-	122,180
Total other financing sources (uses)	<u>(3,187,375)</u>	<u>(3,309,555)</u>	<u>(3,151,203)</u>	<u>158,352</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>911,026</u>	<u>\$ 911,026</u>
Fund balances - beginning			109,723	
Fund balances - ending			<u>\$ 1,020,749</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget over (under) Actual Amounts
	Original	Final		
REVENUES				
Property taxes	\$ 5,085,415	\$ 5,085,415	\$ 5,123,839	\$ 38,424
Fines and forfeitures	-	-	8,093	8,093
Investment earnings	-	-	389,650	389,650
Other revenue	-	-	434	434
Total revenues	<u>5,085,415</u>	<u>5,085,415</u>	<u>5,522,016</u>	<u>436,601</u>
EXPENDITURES				
General government	900	900	37,675	(36,775)
Debt service:				
Principal	20,384,007	20,384,007	16,563,717	3,820,290
Interest and fiscal charges	7,961,691	7,961,691	8,639,118	(677,427)
Bond issuance costs	-	-	14,285	(14,285)
Total expenditures	<u>28,346,598</u>	<u>28,346,598</u>	<u>25,254,795</u>	<u>3,091,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,261,183)</u>	<u>(23,261,183)</u>	<u>(19,732,779)</u>	<u>3,528,404</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	23,261,183	23,261,183	20,302,745	(2,958,438)
Transfers out	-	-	(497,298)	(497,298)
Total other financing sources (uses)	<u>23,261,183</u>	<u>23,261,183</u>	<u>19,805,447</u>	<u>(3,455,736)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>72,668</u>	<u>\$ 72,668</u>
Fund balances - beginning			<u>1,854,733</u>	
Fund balances - ending			<u>\$ 1,927,401</u>	



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CHARTER SCHOOL CAPITAL PROJECT FUND
From Inception and For the Year Ended September 30, 2025**

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
REVENUES				
Electric utility taxes	\$ 1,320,000	\$ -	\$ 1,320,000	\$ -
Intergovernmental	-	-	-	1,476,800
Charges for services	-	-	-	56,275
Rents and royalties	-	-	-	1,500,000
Investment earnings	182,932	27,593	210,525	-
Contributions and donations	2,233,844	-	2,233,844	2,509,811
Total revenues	<u>3,736,776</u>	<u>27,593</u>	<u>3,764,369</u>	<u>5,542,886</u>
EXPENDITURES				
General government	278,178	134,425	412,603	1,320,000
Capital outlay	2,099,417	537,428	2,636,845	4,123,682
Total expenditures	<u>2,377,595</u>	<u>671,853</u>	<u>3,049,448</u>	<u>5,443,682</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,359,181</u>	<u>(644,260)</u>	<u>714,921</u>	<u>99,204</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,875,000)	-	(1,875,000)	(1,500,000)
Leases	1,463,559	-	1,463,559	-
Issuance of debt	-	-	-	1,400,796
Total other financing sources (uses)	<u>(411,441)</u>	<u>-</u>	<u>(411,441)</u>	<u>(99,204)</u>
Net change in fund balances	<u>\$ 947,740</u>	<u>(644,260)</u>	<u>\$ 303,480</u>	<u>\$ -</u>
Fund balances - beginning		<u>947,740</u>		
Fund balances - ending		<u>\$ 303,480</u>		

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION CAPITAL IMPROVEMENTS FUND
From Inception and For the Year Ended September 30, 2025**

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
REVENUES				
Intergovernmental	\$ 24,019,169	\$ 324,637	\$ 24,343,806	\$ 36,182,059
Rent and royalties	4,367	-	4,367	-
Investment earnings	8,505,757	-	8,505,757	116,231
Contributions and donations	1,946,898	100,000	2,046,898	2,821,723
Other revenue	4,848,500	-	4,848,500	16,633,536
Unassigned balance	-	-	-	1,562,535
Total revenues	<u>39,324,691</u>	<u>424,637</u>	<u>39,749,328</u>	<u>57,316,084</u>
EXPENDITURES				
General government	583	-	583	-
Public works	5,291,383	230,953	5,522,336	7,527,923
Capital outlay	288,396,601	15,217,443	303,614,044	506,586,839
Debt Service: interest and fiscal charges	805,049	-	805,049	-
Total expenditures	<u>294,493,616</u>	<u>15,448,396</u>	<u>309,942,012</u>	<u>514,114,762</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(255,168,925)</u>	<u>(15,023,759)</u>	<u>(270,192,684)</u>	<u>(456,798,678)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	262,907,036	8,369,259	271,276,295	281,382,416
Transfers out	(24,278,005)	-	(24,278,005)	(15,833,482)
Issuance of debt	84,987,594	-	84,987,594	191,167,660
Proceeds on sale of capital assets	285,119	-	285,119	82,084
Total other financing sources (uses)	<u>323,901,744</u>	<u>8,369,259</u>	<u>332,271,003</u>	<u>456,798,678</u>
Net change in fund balances	<u>\$ 68,732,819</u>	<u>(6,654,500)</u>	<u>\$ 62,078,319</u>	<u>\$ -</u>
Fund balances - beginning		68,732,819		
Fund balances - ending		<u>\$ 62,078,319</u>		



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PARKS CAPITAL IMPROVEMENTS FUND
From Inception and For the Year Ended September 30, 2025**

	Prior Years Actual	Current Year Actual	Total Actual to Date	Project Authorization
REVENUES				
Intergovernmental	\$ 2,364,543	\$ -	\$ 2,364,543	\$ 33,867,731
Rent and royalties	1,049,688	589,702	1,639,390	684,817
Investment earnings	2,505,722	577,919	3,083,641	617,770
Contributions and donations	45,037	-	45,037	1,458,437
Other revenue	128,182	-	128,182	86,268
Unassigned balance	-	-	-	2,785,395
Total revenues	<u>6,093,172</u>	<u>1,167,621</u>	<u>7,260,793</u>	<u>39,500,418</u>
EXPENDITURES				
Parks and recreation	2,199,315	1,179,490	3,378,805	37,618,801
Capital outlay	53,451,452	12,473,091	65,924,543	105,992,128
Total expenditures	<u>55,650,767</u>	<u>13,652,581</u>	<u>69,303,348</u>	<u>143,610,929</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,557,595)</u>	<u>(12,484,960)</u>	<u>(62,042,555)</u>	<u>(104,110,511)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	36,877,773	21,600,058	58,477,831	53,120,112
Transfers out	(12,055,693)	(400,000)	(12,455,693)	(7,170,650)
Issuance of debt	36,735,161	3,986,868	40,722,029	58,161,049
Proceeds on sale of capital assets	72,187	-	72,187	-
Total other financing sources (uses)	<u>61,629,428</u>	<u>25,186,926</u>	<u>86,816,354</u>	<u>104,110,511</u>
Net change in fund balances	<u>\$ 12,071,833</u>	<u>12,701,966</u>	<u>\$ 24,773,799</u>	<u>\$ -</u>
Fund balances - beginning		12,071,833		
Fund balances - ending		<u>\$ 24,773,799</u>		

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
BUILDING CAPITAL IMPROVEMENTS FUND
From Inception and For the Year Ended September 30, 2025**

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
REVENUES				
Investment earnings (loss)	\$ 88,504	\$ -	\$ 88,504	\$ 86,731
EXPENDITURES				
Capital outlay	1,018,050	1,773	1,019,823	1,018,050
Excess (deficiency) of revenues over (under) expenditures	<u>(929,546)</u>	<u>(1,773)</u>	<u>(931,319)</u>	<u>(931,319)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000,000	-	10,000,000	10,000,000
Transfers out	-	(9,068,681)	(9,068,681)	(9,068,681)
Total other financing sources (uses)	<u>10,000,000</u>	<u>(9,068,681)</u>	<u>931,319</u>	<u>931,319</u>
Net change in fund balances	<u>\$ 9,070,454</u>	<u>(9,070,454)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances - beginning		9,070,454		
Fund balances - ending		<u>\$ -</u>		



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GOVERNMENT SERVICES IMPROVEMENTS FUND
From Inception and For the Year Ended September 30, 2025**

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
REVENUES				
Investment earnings (loss)	\$ -	\$ 116	\$ 116	\$ -
EXPENDITURES				
General government	8,000	38,530	46,530	-
Capital outlay	<u>2,725,322</u>	<u>45,125,047</u>	<u>47,850,369</u>	<u>48,171,484</u>
Total Expenditures	<u>2,733,322</u>	<u>45,163,577</u>	<u>47,896,899</u>	<u>48,171,484</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,733,322)</u>	<u>(45,163,461)</u>	<u>(47,896,783)</u>	<u>(48,171,484)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,697,471	497,298	3,194,769	2,697,471
Issuance of debt	<u>40,273,060</u>	<u>5,256,253</u>	<u>45,529,313</u>	<u>45,474,013</u>
Total other financing sources (uses)	<u>42,970,531</u>	<u>5,753,551</u>	<u>48,724,082</u>	<u>48,171,484</u>
Net change in fund balances	<u>\$ 40,237,209</u>	<u>(39,409,910)</u>	<u>\$ 827,299</u>	<u>\$ -</u>
Fund balances - beginning		<u>40,237,209</u>		
Fund balances - ending		<u>\$ 827,299</u>		

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
OTHER CAPITAL IMPROVEMENTS FUND
From Inception and For the Year Ended September 30, 2025**

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
REVENUES				
Intergovernmental	\$ 8,159,828	\$ 1,837,117	\$ 9,996,945	\$ 34,351,490
Charges for services	191,861	23,153	215,014	-
Investment earnings	3,399,487	526,929	3,926,416	42,680
Contributions and Donations	-	-	-	951,927
Other revenue (loss)	1,748,548	-	1,748,548	1,347,806
Unassigned balance	-	-	-	913,659
Total revenues	<u>13,499,724</u>	<u>2,387,199</u>	<u>15,886,923</u>	<u>37,607,562</u>
EXPENDITURES				
General government	1,247,570	4,139,983	5,387,553	10,982,806
Public safety: Police	8,021,478	-	8,021,478	5,605,574
Public safety: Fire	-	-	-	5,926,858
Public safety: Building	-	-	-	750,000
Public works	100,799	40,442	141,241	3,660,454
Parks and recreation	557,541	-	557,541	19,375
Community development	248,864	86,916	335,780	662,349
Transportation	1,826,826	-	1,826,826	6,052,693
Capital outlay	187,202,679	13,337,442	200,540,121	273,753,107
Debt Service: principal	63,517	31,750	95,267	-
Debt Service: interest and fiscal charges	1,586,954	750	1,587,704	628,994
Total expenditures	<u>200,856,228</u>	<u>17,637,283</u>	<u>218,493,511</u>	<u>308,042,210</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(187,356,504)</u>	<u>(15,250,084)</u>	<u>(202,606,588)</u>	<u>(270,434,648)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	120,587,777	10,655,227	131,243,004	158,955,632
Transfers out	(5,395,214)	-	(5,395,214)	(7,191,138)
Issuance of debt	100,640,772	-	100,640,772	118,670,154
Proceeds from SBITA	95,266	-	95,266	-
Total other financing sources (uses)	<u>215,928,601</u>	<u>10,655,227</u>	<u>226,583,828</u>	<u>270,434,648</u>
Net change in fund balances	<u>\$ 28,572,097</u>	<u>(4,594,857)</u>	<u>\$ 23,977,240</u>	<u>\$ -</u>
Fund balances - beginning		28,572,097		
Fund balances - ending		<u>\$ 23,977,240</u>		



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL OBLIGATION FUND
From Inception and For the Year Ended September 30, 2025**

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
REVENUES				
Investment earnings	\$ 1,720,401	\$ 440,520	\$ 2,160,921	\$ 974,589
EXPENDITURES				
Parks and recreation	124,217	-	124,217	11,070,713
Capital outlay	53,762,841	18,318,544	72,081,385	84,029,210
Total expenditures	<u>53,887,058</u>	<u>18,318,544</u>	<u>72,205,602</u>	<u>95,099,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,166,657)</u>	<u>(17,878,024)</u>	<u>(70,044,681)</u>	<u>(94,125,334)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	39,299,715	-	39,299,715	44,163,474
Issuance of debt	47,161,737	-	47,161,737	38,718,829
Premium	2,235,894	-	2,235,894	-
Debt Proceeds	-	-	-	11,243,031
Total other financing sources (uses)	<u>88,697,346</u>	<u>-</u>	<u>88,697,346</u>	<u>94,125,334</u>
Net change in fund balances	<u>\$ 36,530,689</u>	<u>(17,878,024)</u>	<u>\$ 18,652,665</u>	<u>\$ -</u>
Fund balances - beginning		<u>36,530,689</u>		
Fund balances - ending		<u>\$ 18,652,665</u>		

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

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

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



**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2025**

	Risk Management	Facilities Management	Fleet Management	Project Management	Self-funded Health Insurance	Total
ASSETS						
Current assets:						
Cash and investments	\$ 35,900,553	\$ 4,310,140	\$ 4,957,218	\$ 795,021	\$ 18,141,946	\$ 64,104,878
Accounts receivable, net	-	-	-	-	60,063	60,063
Prepaid items	982,783	-	109,921	-	-	1,092,704
Total current assets	<u>36,883,336</u>	<u>4,310,140</u>	<u>5,067,139</u>	<u>795,021</u>	<u>18,202,009</u>	<u>65,257,645</u>
Noncurrent assets:						
Capital assets (net of accumulated depreciation)						
Buildings	4,115	261,388	642,121	-	-	907,624
Improvements other than buildings	-	-	63,796	-	-	63,796
Equipment	56,469	1,561,535	1,411,966	425,855	-	3,455,825
Right to use - equipment	-	-	1,659,565	-	-	1,659,565
SBITA	-	474,203	-	-	-	474,203
Intangible computer software	-	-	705,245	-	-	705,245
Construction in progress	-	820,523	1,195,597	-	-	2,016,120
Less accumulated depreciation	<u>(60,584)</u>	<u>(1,460,055)</u>	<u>(3,004,575)</u>	<u>(207,937)</u>	<u>-</u>	<u>(4,733,151)</u>
Total capital assets, net	<u>-</u>	<u>1,657,594</u>	<u>2,673,715</u>	<u>217,918</u>	<u>-</u>	<u>4,549,227</u>
Total noncurrent assets	<u>-</u>	<u>1,657,594</u>	<u>2,673,715</u>	<u>217,918</u>	<u>-</u>	<u>4,549,227</u>
Total assets	<u>36,883,336</u>	<u>5,967,734</u>	<u>7,740,854</u>	<u>1,012,939</u>	<u>18,202,009</u>	<u>69,806,872</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	20,086	406,927	102,662	164,408	21,574	715,657
OPEB related	332,375	3,491,680	1,143,612	1,585,621	135,245	6,688,533
Total deferred outflows of resources	<u>352,461</u>	<u>3,898,607</u>	<u>1,246,274</u>	<u>1,750,029</u>	<u>156,819</u>	<u>7,404,190</u>
LIABILITIES						
Current liabilities:						
Accounts payable and other accrued liabilities	69,820	1,094,001	694,849	2,625	3,102,907	4,964,202
Accrued payroll	23,279	277,309	92,399	148,748	8,158	549,893
Accrued retainage	-	5,272	-	-	-	5,272
Compensated absences	6,999	60,408	7,695	53,867	4,945	133,914
Total OPEB liability current	39,865	418,793	137,165	190,180	16,221	802,224
Lease Payable	-	-	332,282	-	-	332,282
SBITA Payable	-	166,252	-	-	-	166,252
Claims liability	3,045,834	-	-	-	2,685,000	5,730,834
Total current liabilities	<u>3,185,797</u>	<u>2,022,035</u>	<u>1,264,390</u>	<u>395,420</u>	<u>5,817,231</u>	<u>12,684,873</u>
Noncurrent liabilities:						
Compensated absences	51,723	413,652	147,224	255,526	20,535	888,660
Total OPEB liability	1,113,149	11,693,882	3,830,038	5,310,355	452,944	22,400,368
Claims liability	8,709,727	-	-	-	-	8,709,727
Lease Payable	-	-	878,132	-	-	878,132
Net pension liability	150,416	3,047,320	768,794	1,231,184	161,558	5,359,272
Total noncurrent liabilities	<u>10,025,015</u>	<u>15,154,854</u>	<u>5,624,188</u>	<u>6,797,065</u>	<u>635,037</u>	<u>38,236,159</u>
Total liabilities	<u>13,210,812</u>	<u>17,176,889</u>	<u>6,888,578</u>	<u>7,192,485</u>	<u>6,452,268</u>	<u>50,921,032</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related	59,826	1,212,011	305,772	489,679	64,257	2,131,545
OPEB related	157,937	1,659,163	543,417	753,449	64,265	3,178,231
Total deferred inflows of resources	<u>217,763</u>	<u>2,871,174</u>	<u>849,189</u>	<u>1,243,128</u>	<u>128,522</u>	<u>5,309,776</u>
NET POSITION						
Net investment in capital assets	-	1,486,070	1,463,301	217,918	-	3,167,289
Unrestricted	23,807,222	(11,667,792)	(213,940)	(5,890,563)	11,778,038	17,812,965
Total net position	<u>\$ 23,807,222</u>	<u>\$ (10,181,722)</u>	<u>\$ 1,249,361</u>	<u>\$ (5,672,645)</u>	<u>\$ 11,778,038</u>	<u>\$ 20,980,254</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2025**

	<u>Risk Management</u>	<u>Facilities Management</u>	<u>Fleet Management</u>	<u>Project Management</u>	<u>Self-funded Health Insurance</u>	<u>Total</u>
OPERATING REVENUES						
Charges for services	\$ 10,609,015	\$ 14,773,526	\$ 6,130,784	\$ 3,561,969	\$ 42,945,871	\$ 78,021,165
Other revenue	570,935	61,050	6,578	-	6,469,804	7,108,367
Total operating revenues	<u>11,179,950</u>	<u>14,834,576</u>	<u>6,137,362</u>	<u>3,561,969</u>	<u>49,415,675</u>	<u>85,129,532</u>
OPERATING EXPENSES						
Salaries, wages and employee benefits	498,862	8,900,660	2,028,998	3,352,787	284,741	15,066,048
Contractual services, materials and supplies	4,037,266	4,514,916	3,471,546	244,919	7,389,251	19,657,898
Claims and claims adjustments	4,127,607	-	-	-	41,246,104	45,373,711
Depreciation	2,327	288,044	411,326	49,677	-	751,374
Total operating expenses	<u>8,666,062</u>	<u>13,703,620</u>	<u>5,911,870</u>	<u>3,647,383</u>	<u>48,920,096</u>	<u>80,849,031</u>
Operating income (loss)	<u>2,513,888</u>	<u>1,130,956</u>	<u>225,492</u>	<u>(85,414)</u>	<u>495,579</u>	<u>4,280,501</u>
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	1,398,571	-	148,453	12,416	560,895	2,120,335
Non-capital federal & state grants	-	-	2,779	-	-	2,779
Interest expense	-	(7,579)	(43,165)	-	-	(50,744)
Rents & Royalties	-	-	371,438	-	-	371,438
Gain (loss) on disposal of capital assets	-	(27,486)	18,000	12,500	-	3,014
Total nonoperating revenues (expenses)	<u>1,398,571</u>	<u>(35,065)</u>	<u>497,505</u>	<u>24,916</u>	<u>560,895</u>	<u>2,446,822</u>
Income (loss) before transfers	<u>3,912,459</u>	<u>1,095,891</u>	<u>722,997</u>	<u>(60,498)</u>	<u>1,056,474</u>	<u>6,727,323</u>
Transfers						
Transfers in	-	-	-	6,500	-	6,500
Transfers out	-	(3,500)	-	-	-	(3,500)
Total transfers	-	(3,500)	-	6,500	-	3,000
Change in net position	3,912,459	1,092,391	722,997	(53,998)	1,056,474	6,730,323
Total net position - beginning	<u>19,894,763</u>	<u>(11,274,113)</u>	<u>526,364</u>	<u>(5,618,647)</u>	<u>10,721,564</u>	<u>14,249,931</u>
Total net position - ending	<u>\$ 23,807,222</u>	<u>\$ (10,181,722)</u>	<u>\$ 1,249,361</u>	<u>\$ (5,672,645)</u>	<u>\$ 11,778,038</u>	<u>\$ 20,980,254</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2025**

	<u>Risk Management</u>	<u>Facility Management</u>	<u>Fleet Management</u>	<u>Project Management</u>	<u>Self-funded Health Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 11,179,949	\$ 14,835,665	\$ 6,137,362	\$ 3,561,969	\$ 49,444,155	\$ 85,159,100
Cash payments for claims	(4,132,561)	-	-	-	(40,469,104)	(44,601,665)
Cash payments to suppliers	(3,989,783)	(3,817,108)	(3,380,874)	(234,488)	(7,601,181)	(19,023,434)
Cash payments to employees	(588,233)	(7,189,963)	(2,139,627)	(3,015,243)	(275,939)	(13,209,005)
Net cash provided (used) by operating activities	<u>2,469,372</u>	<u>3,828,594</u>	<u>616,861</u>	<u>312,238</u>	<u>1,097,931</u>	<u>8,324,996</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Non-capital Federal & State Grants	-	-	2,779	-	-	2,779
Net cash provided by noncapital financing activities	-	-	2,779	-	-	2,779
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and construction of capital assets	-	(1,328,002)	(1,059,525)	(119,178)	-	(2,506,705)
Issuance of long-term debt	-	168,271	836,820	-	-	1,005,091
Principal payments on debt	-	(123,135)	(282,289)	-	-	(405,424)
Interest paid	-	(7,579)	(43,165)	-	-	(50,744)
Rents & Royalties	-	-	371,438	-	-	371,438
Transfer out for the acquisition of capital assets	-	(3,500)	-	-	-	(3,500)
Transfer in from the sale of capital assets	-	-	-	6,500	-	6,500
Proceeds on sale of capital assets	-	13,379	18,000	12,500	-	43,879
Net cash (used) by capital and related financing activities	-	<u>(1,280,566)</u>	<u>(158,721)</u>	<u>(100,178)</u>	-	<u>(1,539,465)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment earnings	1,506,676	-	148,453	12,416	603,334	2,270,879
Net cash provided by investing activities	<u>1,506,676</u>	-	<u>148,453</u>	<u>12,416</u>	<u>603,334</u>	<u>2,270,879</u>
Net increase (decrease) in cash	3,976,048	2,548,028	609,372	224,476	1,701,265	9,059,189
Cash and investments - beginning	31,924,505	1,762,112	4,347,846	570,545	16,440,681	55,045,689
Cash and investments - ending	<u>\$ 35,900,553</u>	<u>\$ 4,310,140</u>	<u>\$ 4,957,218</u>	<u>\$ 795,021</u>	<u>\$ 18,141,946</u>	<u>\$ 64,104,878</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 2,513,888	\$ 1,130,956	\$ 225,492	\$ (85,414)	\$ 495,579	\$ 4,280,501
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	2,327	288,044	411,326	49,677	-	751,374
(Increase) decrease in assets:						
Accounts receivable, net	-	1,090	-	-	28,481	29,571
Prepaid items	(5,936)	-	(46,481)	10,306	-	(42,111)
(Increase) decrease in deferred outflows:						
Pension related	34,720	241,149	109,709	113,730	7,199	506,507
OPEB related	(38,149)	(782,460)	(139,065)	(243,217)	(2,691)	(1,205,582)
Increase (decrease) in liabilities:						
Accounts payable and other accrued liabilities	53,418	697,808	137,153	126	(211,930)	676,575
Accrued payroll	1,810	52,778	17,201	48,626	(1,611)	118,804
Compensated absences	13,552	71,228	25,481	34,823	5,036	150,120
Total OPEB liability	114,551	2,550,581	421,689	762,570	1,321	3,850,712
Net pension liability	(183,824)	(905,071)	(526,387)	(465,085)	(13,918)	(2,094,285)
Claims liability	(4,954)	-	-	-	777,000	772,046
Increase (decrease) in deferred inflows:						
Pension related	25,974	811,710	174,595	317,879	46,485	1,376,643
OPEB related	(58,005)	(329,219)	(193,852)	(231,783)	(33,020)	(845,879)
Total adjustments	<u>(44,516)</u>	<u>2,697,638</u>	<u>391,369</u>	<u>397,652</u>	<u>602,352</u>	<u>4,044,495</u>
Net cash provided (used) by operating activities	<u>\$ 2,469,372</u>	<u>\$ 3,828,594</u>	<u>\$ 616,861</u>	<u>\$ 312,238</u>	<u>\$ 1,097,931</u>	<u>\$ 8,324,996</u>
Supplemental disclosure of noncash investing, capital and financing activities:						
Increase (decrease) in fair value of investments	(285,318)	-	-	-	(112,009)	
Increase (decrease) in capital related accounts payable	-	713,576	167,180	-	-	

FIDUCIARY FUNDS

Pension Trust Funds

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



**COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2025**

	Pension Trust Funds			Total Pension Trust Funds
	Municipal General Employees'	Municipal Police Officers'	Municipal Firefighters'	
ASSETS				
Cash and cash equivalents	\$ 15,631,139	\$ 14,146,629	\$ 14,433,367	\$ 44,211,135
Receivables:				
Member contributions	374	-	-	374
Due from brokers	56,993	-	179,730	236,723
Investment receivable	50,533	218,556	288,593	557,682
Total receivables	<u>107,900</u>	<u>218,556</u>	<u>468,323</u>	<u>794,779</u>
Investments, at fair value:				
US Government Obligations and Federal Agency Guaranteed Securities	-	9,272,329	10,199,484	19,471,813
Corporate bonds	-	3,187,383	3,690,631	6,878,014
Certificates of deposit	-	624,480	713,389	1,337,869
Alternative	-	41,417,340	-	41,417,340
Stocks	119,528,265	-	119,775,276	239,303,541
Mutual and ETF funds				
Equity	36,168,376	170,105,542	96,198,509	302,472,427
Fixed income	119,886	13,287,342	5,826,276	19,233,504
Pooled/common/commingled funds/partnerships				
Fixed income	107,678,284	25,705,470	20,762,014	154,145,768
Equity	71,991,712	27,181,671	20,457,118	119,630,501
Real estate	151,562,895	21,153,331	36,414,614	209,130,840
Total investments	<u>487,049,418</u>	<u>311,934,888</u>	<u>314,037,311</u>	<u>1,113,021,617</u>
Total assets	<u>502,788,457</u>	<u>326,300,073</u>	<u>328,939,001</u>	<u>1,158,027,531</u>
LIABILITIES				
Accounts payable	571,126	97,141	210,230	878,497
Due to broker for securities purchased	112,035	-	227,934	339,969
Member contributions payable	12,992	95,114	-	108,106
Prepaid contributions	-	15,188	13,514	28,702
Total liabilities	<u>696,153</u>	<u>207,443</u>	<u>451,678</u>	<u>1,355,274</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 502,092,304</u>	<u>\$ 326,092,630</u>	<u>\$ 328,487,323</u>	<u>\$ 1,156,672,257</u>

**STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2025**

	Pension Trust Funds			Total Pension Trust Funds
	Municipal General Employees'	Municipal Police Officers'	Municipal Firefighters'	
ADDITIONS				
Contributions:				
Employer	\$ 19,091,310	\$ 12,113,459	\$ 12,145,126	\$ 43,349,895
Plan members	7,718,757	3,265,651	3,072,101	14,056,509
Member buybacks	134,002	-	149,424	283,426
State of Florida	-	3,170,196	3,409,847	6,580,043
Total contributions	<u>26,944,069</u>	<u>18,549,306</u>	<u>18,776,498</u>	<u>64,269,873</u>
Investment income (expense):				
Investment income	14,336,283	11,755,106	6,954,380	33,045,769
Net increase in fair value of investments	30,427,580	21,400,797	23,230,400	75,058,777
Less: investment expenses	(1,438,724)	(472,875)	(890,647)	(2,802,246)
Net Investment Income	<u>43,325,139</u>	<u>32,683,028</u>	<u>29,294,133</u>	<u>105,302,300</u>
Total additions	<u>70,269,208</u>	<u>51,232,334</u>	<u>48,070,631</u>	<u>169,572,173</u>
DEDUCTIONS				
Benefits and refunds	25,358,153	13,558,404	15,081,065	53,997,622
Administrative expenses	419,369	184,307	185,997	789,673
Total deductions	<u>25,777,522</u>	<u>13,742,711</u>	<u>15,267,062</u>	<u>54,787,295</u>
Net increase in net position	44,491,686	37,489,623	32,803,569	114,784,878
Net position - beginning	457,600,618	288,603,007	295,683,754	1,041,887,379
Net position - ending	<u>\$ 502,092,304</u>	<u>\$ 326,092,630</u>	<u>\$ 328,487,323</u>	<u>\$ 1,156,672,257</u>





III. STATISTICAL SECTION



**STATISTICAL SECTION
(Unaudited)**

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

Content	Page
Financial Trends	181
<p>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</p>	
Revenue Capacity	186
<p>These schedules contain information to help the reader assess the factors affecting the City’s most significant local revenue source, the property tax.</p>	
Debt Capacity	191
<p>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future. The City has no legal debt margin and therefore it is not reported in these schedules.</p>	
Demographic and Economic Information	195
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</p>	
Operating Information	196
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</p>	

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

Schedule 1
NET POSITION BY COMPONENT
Last Ten Fiscal Years
 (accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 215,610,383	\$ 226,821,441	\$ 244,770,705	\$ 259,385,054	\$ 276,393,691	\$ 267,501,395	\$ 316,970,393	\$ 330,817,296	\$ 388,438,371	\$ 452,560,705
Restricted	49,389,716	53,759,601	71,209,165	82,675,046	87,759,451	128,609,536	117,195,410	147,451,567	291,869,148	210,645,110
Unrestricted	(133,595,277)	(129,318,499)	(238,304,065)	(209,199,090)	(207,075,890)	(167,668,618)	(181,240,689)	(212,181,810)	(283,667,866)	(202,409,236)
Total governmental activities net position	<u>131,404,822</u>	<u>151,262,543</u>	<u>77,675,805</u>	<u>132,861,010</u>	<u>157,077,252</u>	<u>228,442,313</u>	<u>252,925,114</u>	<u>266,087,053</u>	<u>396,639,653</u>	<u>460,796,579</u>
Business-type activities										
Net investment in capital assets	374,994,099	371,601,686	420,502,966	458,982,283	464,780,619	434,630,800	476,407,460	510,260,888	517,892,142	536,187,552
Restricted	89,937,196	101,978,014	77,224,216	64,806,405	97,781,941	144,962,165	126,816,890	175,966,063	223,114,109	258,136,472
Unrestricted	(17,705,952)	(8,257,372)	(31,086,868)	(16,607,742)	(5,927,012)	15,219,164	13,488,006	(10,709,735)	91,396	(5,464,668)
Total business-type activities net position	<u>447,225,343</u>	<u>465,322,328</u>	<u>466,640,314</u>	<u>507,180,946</u>	<u>556,635,548</u>	<u>594,812,129</u>	<u>616,712,356</u>	<u>675,517,216</u>	<u>741,097,647</u>	<u>788,859,356</u>
Primary government										
Net investment in capital assets	590,604,482	598,423,127	665,273,671	718,367,337	741,174,310	702,132,195	793,377,853	841,078,184	906,330,513	988,748,257
Restricted	139,326,912	155,737,615	148,433,381	147,481,451	185,541,392	273,571,701	244,012,300	323,417,630	514,983,257	468,781,582
Unrestricted	(151,301,229)	(137,575,871)	(269,390,933)	(225,806,832)	(213,002,902)	(152,449,454)	(167,752,683)	(222,891,545)	(283,576,470)	(207,873,904)
Total primary government net position	<u>\$ 578,630,165</u>	<u>\$ 616,584,871</u>	<u>\$ 544,316,119</u>	<u>\$ 640,041,956</u>	<u>\$ 713,712,800</u>	<u>\$ 823,254,442</u>	<u>\$ 869,637,470</u>	<u>\$ 941,604,269</u>	<u>\$ 1,137,737,300</u>	<u>\$ 1,249,655,935</u>



Schedule 2
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 51,588,399	\$ 71,064,097	\$ 71,403,749	\$ 56,136,504	\$ 65,318,687	\$ 57,652,564	\$ 70,163,483	\$ 137,039,655	\$ 75,631,988	\$ 83,379,252
Public safety:										
Police	37,862,679	35,940,818	37,171,888	42,334,344	54,927,640	49,308,836	64,624,915	67,672,568	70,698,854	76,826,414
Fire	29,941,799	27,531,173	29,341,496	33,884,575	36,570,740	36,956,056	56,351,131	60,823,674	67,904,481	70,691,844
Building	3,804,593	5,315,723	5,729,880	7,281,966	9,155,572	8,891,596	11,767,161	22,435,338	22,619,357	23,735,615
Public works	18,268,298	18,415,038	21,523,769	19,131,947	20,707,629	38,352,779	41,777,518	46,854,347	53,969,904	75,038,005
Parks and recreation	17,997,257	15,928,133	20,381,690	24,242,652	22,739,835	23,629,879	22,759,195	27,385,293	27,625,703	30,642,804
Community development	6,979,622	8,362,954	7,342,215	8,976,196	10,083,847	11,109,315	20,006,185	5,266,206	7,026,139	6,893,600
Interest on long-term debt	9,641,749	8,628,106	8,578,175	8,453,675	7,293,468	6,142,575	6,197,290	6,196,304	6,299,374	8,525,152
Total governmental activities expenses	176,084,396	191,186,042	201,472,862	200,441,859	226,797,418	232,043,600	293,646,878	373,673,385	331,775,800	375,732,686
Business-type activities:										
Water and sewer	99,123,629	113,611,296	111,524,023	110,944,079	116,276,689	124,822,818	126,031,222	135,938,198	153,031,603	158,991,647
Stormwater	13,029,277	13,912,403	14,312,734	14,097,707	12,386,918	14,517,890	17,560,240	17,047,954	25,887,110	27,321,667
Yacht basin	372,349	323,196	471,313	560,728	434,734	455,013	510,925	470,657	284,187	453,991
Golf course ¹	2,790,829	2,457,563	3,086,272	-	-	-	-	-	-	-
Total business-type activities expenses	115,316,084	130,304,458	129,394,342	125,602,514	129,098,341	139,795,721	144,102,387	153,456,809	179,202,900	186,767,305
Total primary government expenses	\$ 291,400,480	\$ 321,490,500	\$ 330,867,204	\$ 326,044,373	\$ 355,895,759	\$ 371,839,321	\$ 437,749,265	\$ 527,130,194	\$ 510,978,700	\$ 562,499,991
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 11,008,789	\$ 10,814,798	\$ 12,887,037	\$ 12,091,075	\$ 15,963,210	\$ 15,451,746	\$ 18,541,630	\$ 21,476,272	\$ 27,029,560	\$ 31,788,623
Public safety:										
Police	1,244,054	1,107,582	1,203,878	2,410,679	2,597,112	2,571,194	3,424,119	3,283,939	3,874,266	5,019,841
Fire	288,432	489,918	407,676	514,556	501,004	615,516	611,115	33,029,375	45,715,403	52,737,445
Building	6,411,115	7,625,904	9,104,243	8,954,673	9,113,305	10,638,710	11,736,729	12,977,615	11,532,008	9,040,286
Public works	3,151,358	3,725,324	3,828,797	4,592,729	4,938,259	4,831,903	23,953,025	27,209,244	31,169,167	35,353,414
Parks and recreation	5,397,864	5,553,828	5,718,774	8,643,667	5,686,306	8,757,042	7,102,971	6,655,154	7,502,545	8,629,025
Community development	1,408,377	2,653,407	2,822,241	2,716,929	2,121,287	1,986,452	1,694,703	1,261,682	1,757,102	1,523,855
Operating grants and contributions	29,559,152	30,599,539	30,797,279	45,075,047	35,558,002	56,257,486	42,262,398	40,335,690	62,006,462	18,037,305
Capital grants and contributions	8,416,807	12,353,016	14,398,409	16,606,019	18,193,878	30,397,563	30,135,097	28,335,183	25,356,045	16,335,657
Total governmental activities program revenues	66,885,948	74,923,316	81,168,334	101,605,374	94,672,363	131,507,612	139,461,787	174,564,154	215,942,558	178,465,451
Business-type activities:										
Charges for services:										
Water and sewer	80,067,263	82,880,688	85,104,961	87,484,498	90,863,045	97,013,105	101,692,336	108,742,622	116,489,474	129,701,060
Stormwater	13,123,358	14,589,855	18,558,103	19,578,122	20,463,395	21,931,905	25,216,173	24,050,199	25,387,714	25,993,758
Yacht basin	588,539	669,484	687,066	731,151	741,800	925,027	834,932	190,554	1,001,519	155,849
Golf course ¹	2,126,888	1,952,198	2,440,346	-	-	-	-	-	-	-
Operating grants and contributions	1,122,668	278,376	497,240	803,491	1,217,722	166,762	-	1,177,278	274,613	479,619
Capital grants and contributions	27,669,127	45,983,423	46,952,564	40,686,916	50,271,652	48,167,652	42,711,659	60,564,928	69,361,628	49,767,629
Total business-type activities program revenues	124,697,843	146,354,024	154,240,280	149,284,178	163,557,614	168,204,451	170,455,100	194,725,581	212,514,948	206,097,915
Total primary government program revenues	\$ 191,583,791	\$ 221,277,340	\$ 235,408,614	\$ 250,889,552	\$ 258,229,977	\$ 299,712,063	\$ 309,916,887	\$ 369,289,735	\$ 428,457,506	\$ 384,563,366
Net (Expense)/Revenue										
Governmental activities	\$ (109,198,448)	\$ (116,262,726)	\$ (120,304,528)	\$ (98,836,485)	\$ (132,125,055)	\$ (100,535,988)	\$ (154,185,091)	\$ (199,109,231)	\$ (115,833,242)	\$ (197,267,235)
Business-type activities	9,381,759	16,049,566	24,845,938	23,681,664	34,459,273	28,408,730	26,352,713	41,268,772	33,312,048	19,330,610
Total primary government net expense	\$ (99,816,689)	\$ (100,213,160)	\$ (95,458,590)	\$ (75,154,821)	\$ (97,665,782)	\$ (72,127,258)	\$ (127,832,378)	\$ (157,840,459)	\$ (82,521,194)	\$ (177,936,625)

Source: City of Cape Coral, Financial Services Department

Schedule 2
CHANGES IN NET POSITION (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purpose	\$ 75,239,444	\$ 79,463,250	\$ 87,094,669	\$ 93,758,005	\$ 97,354,823	\$ 102,829,432	\$ 111,520,612	\$ 117,285,495	\$ 136,523,486	\$ 151,091,922
Property taxes, levied for debt service	-	-	-	-	890,520	4,789,152	832,824	1,018,179	4,218,512	5,123,839
Property taxes, other (CRA and All Hazards)	1,094,755	1,344,219	1,632,023	1,823,177	2,116,284	2,352,659	2,693,558	3,097,775	4,011,313	4,809,356
Public service tax	7,250,872	7,103,228	7,135,139	7,874,558	8,283,000	8,657,041	12,291,927	15,235,484	15,049,029	16,694,746
Sales	18,136,627	18,646,222	20,194,344	20,678,121	20,040,384	24,359,362	29,260,198	31,999,585	30,667,549	30,753,460
Fuel	10,222,671	10,496,714	10,738,730	10,786,583	10,597,558	11,914,185	12,778,832	14,608,848	13,954,015	14,175,444
Alcohol and beverage	67,005	78,660	71,954	74,391	82,980	89,310	84,262	86,972	93,258	91,191
Communication	5,168,297	5,319,563	4,626,232	4,884,741	4,892,611	4,808,291	5,165,407	5,509,770	5,834,639	6,183,371
Franchise	6,622,099	6,433,799	6,534,366	7,018,299	7,199,932	7,425,743	9,035,573	10,749,377	10,466,168	11,048,645
Investment earnings	1,044,202	1,057,749	1,506,682	5,505,156	4,166,330	514,908	(4,912,296)	12,429,557	26,003,868	20,358,110
Gain/Loss on sale of capital assets	-	-	-	-	-	-	-	246,285	146,859	1,093,277
Transfers	(282,857)	6,177,043	(639,421)	2,602,824	716,875	595,293	229,401	3,843	(582,854)	800
Total governmental activities	124,563,115	136,120,447	138,894,718	155,005,855	156,341,297	168,335,376	178,980,298	212,271,170	246,385,842	261,424,161
Business-type activities:										
Investment earnings	9,846,901	8,224,462	5,370,071	18,476,627	15,514,781	10,268,244	(4,223,085)	17,176,830	31,473,106	28,061,345
Gain on sale of capital assets	-	-	-	-	197,423	94,900	-	363,101	212,423	370,554
Transfers	282,857	(6,177,043)	639,421	(2,602,824)	(716,875)	(595,293)	(229,401)	(3,843)	582,854	(800)
Total business-type activities	10,129,758	2,047,419	6,009,492	15,873,803	14,995,329	9,767,851	(4,452,486)	17,536,088	32,268,383	28,431,099
Total primary government	\$ 134,692,873	\$ 138,167,866	\$ 144,904,210	\$ 170,879,658	\$ 171,336,626	\$ 178,103,227	\$ 174,527,812	\$ 229,807,258	\$ 278,654,225	\$ 289,855,260
Change in Net Position										
Governmental activities	\$ 15,364,667	\$ 19,857,721	\$ 18,590,190	\$ 56,169,370	\$ 24,216,242	\$ 67,799,388	\$ 24,795,207	\$ 13,161,939	\$ 130,552,600	\$ 64,156,926
Business-type activities	19,511,517	18,096,985	30,855,430	39,556,467	49,454,602	38,176,581	21,900,227	58,804,860	65,580,431	47,761,709
Total primary government	\$ 34,876,184	\$ 37,954,706	\$ 49,445,620	\$ 95,725,837	\$ 73,670,844	\$ 105,975,969	\$ 46,695,434	\$ 71,966,799	\$ 196,133,031	\$ 111,918,635

¹ Beginning in FY2019 the Golf Course was reclassified from a business-type activity to a governmental activity.

Schedule 3
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 842,608	\$ 1,361,649	\$ 797,831	\$ 678,397	\$ 339,486	\$ 1,640,535	\$ 12,179,757	\$ 11,127,604	\$ 10,569,788	\$ 9,500,358
Restricted	-	-	-	-	-	-	4,791,524	-	-	-
Committed	7,946,254	11,446,344	8,615,344	20,153,572	15,034,294	14,128,519	67,123,613	40,012,682	65,590,129	72,446,376
Assigned	469,442	1,134,329	2,237,766	602,548	-	19,434,402	34,629,010	22,397,113	27,145,091	7,333,784
Unassigned	41,286,873	36,568,335	26,505,262	49,868,704	71,819,063	77,819,925	5,187,374	-	11,650,629	29,935,656
Total General Fund	<u>\$ 50,545,177</u>	<u>\$ 50,510,657</u>	<u>\$ 38,156,203</u>	<u>\$ 71,303,221</u>	<u>\$ 87,192,843</u>	<u>\$ 113,023,381</u>	<u>\$ 123,911,278</u>	<u>\$ 73,537,399</u>	<u>\$ 114,955,637</u>	<u>\$ 119,216,174</u>
All Other Governmental Funds										
Nonspendable	\$ 88,095	\$ 98,890	\$ 103,595	\$ 135,939	\$ 132,856	\$ 154,066	\$ 157,329	\$ 188,509	\$ 1,328,883	\$ 271,378
Restricted	46,671,710	53,051,681	69,986,603	80,568,713	85,624,344	126,593,970	130,462,498	153,556,885	181,845,306	135,278,890
Committed	19,074,472	29,299,004	16,625,680	15,329,721	19,027,365	34,389,205	53,912,708	76,385,365	110,622,956	75,366,220
Assigned	-	-	-	-	-	-	-	-	-	28,857,462
Unassigned	(157,390)	(202,173)	(441,087)	(763,527)	(1,612,608)	(277,725)	(10,227,869)	(9,225,730)	(7,689,202)	(6,050,477)
Total All Other Governmental Funds	<u>\$ 65,676,887</u>	<u>\$ 82,247,402</u>	<u>\$ 86,274,791</u>	<u>\$ 95,270,846</u>	<u>\$ 103,171,957</u>	<u>\$ 160,859,516</u>	<u>\$ 174,304,666</u>	<u>\$ 220,905,029</u>	<u>\$ 286,107,943</u>	<u>\$ 233,723,473</u>

Schedule 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	\$ 117,196,480	\$ 122,451,856	\$ 131,493,091	\$ 139,879,576	\$ 144,258,160	\$ 159,799,432	\$ 174,627,620	\$ 188,842,108	\$ 210,351,800	\$ 228,923,329
Special assessments	20,930,885	22,641,361	22,857,608	24,421,883	26,076,554	27,003,070	28,666,337	31,677,953	74,251,317	86,318,170
Licenses and permits	7,251,734	8,452,874	9,890,576	9,834,129	10,161,251	11,372,086	12,609,936	13,666,290	12,187,145	9,927,093
Franchise fees	6,622,099	6,433,799	6,534,366	7,018,299	7,199,932	7,425,743	9,035,573	10,749,377	10,466,168	11,048,645
Intergovernmental	6,967,431	10,083,547	7,124,612	17,711,304	10,258,795	30,460,083	17,147,598	37,575,557	62,426,460	20,566,082
Charges for services	14,020,091	15,173,625	17,660,274	21,240,864	21,542,012	24,659,080	42,557,915	46,473,976	28,180,312	31,949,866
Fines and forfeitures	841,830	1,067,476	968,608	853,851	823,857	1,039,333	1,514,070	989,214	1,598,874	2,350,410
Impact fees	8,510,926	12,403,864	14,555,217	15,231,581	17,963,254	29,387,753	28,227,963	27,734,498	24,266,465	15,212,392
Rent and royalties	4,110,301	3,512,705	3,875,352	4,008,325	3,859,764	3,360,695	2,036,959	2,393,863	2,921,254	3,879,818
Investment earnings	960,991	962,872	1,398,445	4,674,239	3,638,138	492,908	(4,398,595)	11,724,749	22,639,973	18,237,775
Contributions and donations	242,727	338,145	280,020	530,398	453,575	78,910	1,979,066	125,776	1,015,381	269,862
Other revenue	1,926,213	1,599,434	2,074,324	2,574,980	1,887,918	2,254,048	3,221,154	5,921,074	2,957,169	1,578,705
Total revenues	189,581,708	205,121,558	218,712,493	247,979,429	248,123,210	297,333,141	317,225,596	377,874,435	453,262,318	430,262,147
Expenditures										
General government	45,579,202	53,777,415	66,604,588	53,835,554	55,473,008	52,226,189	57,802,509	129,096,584	66,097,615	73,645,739
Public safety:										
Police	34,745,411	34,921,546	36,893,957	38,175,923	43,486,435	45,562,755	49,204,664	60,311,962	66,574,593	74,012,696
Fire	26,574,399	27,520,189	31,188,734	31,523,736	33,606,194	35,584,248	40,522,011	51,733,773	61,694,426	70,054,097
Building	3,405,018	4,238,583	5,108,187	5,524,032	7,767,384	8,013,736	9,259,453	12,995,500	14,466,573	15,096,272
Public works	12,322,752	13,879,757	16,164,425	13,888,893	15,130,991	32,835,662	36,049,384	41,394,383	46,623,956	65,835,428
Parks and recreation	15,281,586	16,587,509	17,589,379	21,742,395	20,009,334	20,992,431	20,323,773	20,992,932	24,058,056	28,054,760
Community development	6,709,083	6,893,028	7,340,488	7,542,901	8,118,342	8,586,796	17,784,355	9,618,225	12,408,218	13,478,363
Capital outlay	19,389,174	16,267,397	32,333,090	24,860,257	27,816,354	24,894,016	42,609,807	38,618,029	103,171,178	123,615,332
Debt service:										
Principal	11,292,837	11,806,372	11,942,674	12,761,711	17,095,898	14,849,339	13,213,793	19,157,011	19,164,613	19,194,045
Interest and fiscal charges	9,722,762	9,311,497	8,593,724	8,469,641	7,248,344	6,045,360	6,524,838	6,538,242	6,139,826	9,175,011
Bond issuance cost	-	440,620	39,873	38,423	129,421	208,083	35,286	41,000	436,418	14,285
Total expenditures	185,022,224	195,643,913	233,799,119	218,363,466	235,881,705	249,798,615	293,329,873	390,497,641	420,835,472	492,176,028
Excess of revenues under expenditures	4,559,484	9,477,645	(15,086,626)	29,615,963	12,241,505	47,534,526	23,895,723	(12,623,206)	32,426,846	(61,913,881)
Other Financing Sources (Uses)										
Transfers in	31,052,126	48,438,259	69,718,917	60,069,144	53,364,535	67,977,078	69,394,983	112,396,839	141,403,777	100,514,167
Transfers out	(34,657,646)	(43,261,216)	(71,447,191)	(57,466,320)	(52,647,660)	(67,369,785)	(72,678,409)	(112,883,335)	(141,986,131)	(100,516,367)
Issuance of debt	-	62,595,000	7,912,705	10,200,000	45,888,990	29,998,012	3,520,000	8,000,000	58,565,000	11,186,720
Premium on debt	-	8,041,561	-	-	-	-	-	-	2,235,894	-
Payment to escrow agent to refund bonds	-	(70,193,955)	-	-	(37,252,464)	-	-	-	-	-
Lease issuances	-	-	-	-	-	-	-	-	619,527	135,720
Proceeds from SBITA	-	-	-	-	-	-	-	834,463	12,814,726	1,133,664
Proceeds on sale of capital assets	149,977	1,438,701	575,130	394,321	2,195,827	2,124,999	200,750	337,808	541,513	1,336,044
Total other financing sources	(3,455,543)	7,058,350	6,759,561	13,197,145	11,549,228	32,730,304	437,324	8,685,775	74,194,306	13,789,948
Net change in fund balances	\$ 1,103,941	\$ 16,535,995	\$ (8,327,065)	\$ 42,813,108	\$ 23,790,733	\$ 80,264,830	\$ 24,333,047	\$ (3,937,431)	\$ 106,621,152	\$ (48,123,933)
Debt service as a percentage of noncapital expenditures	12.69%	11.77%	10.19%	10.97%	11.70%	9.29%	7.87%	7.30%	7.97%	7.70%

**Schedule 5
IMPACT FEE REVENUES
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-type activities		
	Fire	Police	Advanced Life Support	Park Recreational Facilities	Road	Water	Wastewater	Irrigation
2016	\$ 838,224	\$ 868,136	\$ 51,154	\$ 1,559,473	\$ 5,193,939	\$ 2,584,665	\$ 7,097,253	\$ 1,234,697
2017	1,214,515	1,257,401	74,096	2,751,820	7,106,032	4,437,182	8,048,763	2,895,091
2018	1,488,434	1,538,112	90,670	2,737,325	8,700,676	366,760	9,301,674	4,846,618
2019	1,476,290	1,465,584	86,402	2,640,320	9,562,986	3,986,461	9,825,174	5,159,005
2020	1,604,044	1,662,737	97,981	3,445,350	11,153,142	3,756,081	9,470,446	5,148,820
2021	2,772,201	2,871,598	169,897	5,746,710	17,827,347	3,297,426	10,777,845	6,684,900
2022	2,793,781	2,898,169	170,226	5,467,385	16,898,402	3,082,212	7,030,178	5,263,883
2023	2,498,246	2,584,853	152,605	5,746,709	16,752,085	3,365,799	7,700,217	5,049,317
2024	2,115,346	2,186,976	129,164	4,690,805	15,144,176	4,760,210	6,629,901	4,142,887
2025	1,418,251	1,468,634	86,888	2,882,275	9,356,344	1,375,860	2,619,925	1,397,475

Schedule 6
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Property ⁽¹⁾	Total Taxable Assessed Value	Total Direct Tax Rate	Gross Actual Value	Just Value as a Percentage of Actual Value
2016	\$ 16,141,195,874	\$ 460,315,173	\$ 5,481,003,861	\$ 11,120,507,186	6.96	\$ 16,601,511,047	66.98
2017	18,033,222,081	458,569,377	6,446,420,411	12,045,371,047	6.75	18,491,791,458	65.14
2018	19,881,805,283	476,068,474	7,163,540,104	13,194,333,653	6.75	20,357,873,757	64.81
2019	20,913,001,536	490,938,025	7,103,505,624	14,300,433,937	6.75	21,403,939,561	66.81
2020	22,133,020,884	520,299,312	7,237,070,286	15,416,249,910	6.55	22,653,320,196	68.05
2021	23,347,653,273	536,453,956	7,305,298,240	16,578,808,989	6.68	23,884,107,229	69.41
2022	26,336,421,236	565,174,730	8,557,842,648	18,343,753,318	6.30	26,901,595,966	68.19
2023	38,843,203,268	605,923,168	16,904,056,813	22,545,069,623	5.42	39,449,126,436	57.15
2024	45,314,038,563	678,248,706	19,730,011,857	26,262,275,412	5.54	45,992,287,269	57.10
2025	46,212,119,365	682,715,744	17,121,768,775	29,773,066,334	5.40	46,894,835,109	63.49

Source: Lee County Property Appraiser

¹ Hurricane Ian hit Cape Coral in September 2022, resulting in damage to property. Florida property tax law granted relief to taxpayers if their residential properties were rendered uninhabitable for 30 days or more. The relief applies retroactively to January 1, 2022 and expires on January 1, 2024.

**Schedule 7
PROPERTY TAX MILLAGE RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**

Fiscal Year	City of Cape Coral			Overlapping Rates			Total Direct and Overlapping Rates
	General Government Services	General Obligation Debt Service	Total	General County	School Board	Other ¹	
2016	6.9570	0.0000	6.9570	4.1506	7.285	1.4424	19.8350
2017	6.7500	0.0000	6.7500	4.0506	6.989	1.4612	19.2508
2018	6.7500	0.0000	6.7500	4.0506	6.679	1.4872	18.9668
2019	6.7500	0.0000	6.7500	4.0506	6.401	1.3377	18.5393
2020	6.4903	0.0600	6.5503	4.0506	6.147	1.3131	18.0610
2021	6.3750	0.3000	6.6750	4.0506	6.058	1.3131	18.0967
2022	6.2500	0.0471	6.2971	3.8623	5.891	1.2838	17.3342
2023	5.3694	0.0471	5.4165	3.7623	5.557	1.0627	15.7985
2024	5.3694	0.1675	5.5369	3.7623	5.430	1.0619	15.7911
2025	5.2188	0.1791	5.3979	3.7623	5.286	1.0149	15.4611

¹ Other consists of Lee County Capital Improvement, Lee County All Hazards, Lee County Library, and Lee County Unincorporated MSTU.

**Schedule 8
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago**

Taxpayer	2025			2016		
	Taxable Assessed Value ¹	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable City Assessed Value
Lee County Electric Co-op	\$ 267,106,570	1	0.90%	-		-%
TEG Savona Woodland LLC	70,043,143	2	0.24	-		-
Uptown at Liberty Park Apartments	65,715,423	3	0.22	-		-
FKH SFR C1 LP	56,285,836	4	0.19	-		-
Continental 466 Fund LLC	55,575,300	5	0.19	-		-
Chiquita Apartment Investors LLC	54,701,126	6	0.18	-		-
Progress Residential Borrower	49,235,819	7	0.17	-		-
701 SW Pine Island Rd LLC	48,014,617	8	0.16	-		-
ZP NO 339 LLC	42,893,183	9	0.14	-		-
Coralina Apartments LLC	38,599,000	10	0.13	-		-
Freeman + Hasselwander Resort	-		-	\$ 43,194,301	1	0.39
Corona Property Holdings LLC	-		-	38,455,584	2	0.35
GRE Coralwood LP	-		-	24,910,401	3	0.22
International Capital	-		-	24,408,067	4	0.22
Coral Walk FL LLC	-		-	19,881,723	5	0.18
Coral Pointe Investment LLC	-		-	15,297,993	6	0.14
Publix Super Markets Inc	-		-	14,633,574	7	0.13
Cryptical Cove LLC	-		-	13,278,689	8	0.12
Eugene A. Larken Jr TR	-		-	11,999,923	9	0.11
Agybe LLC	-		-	11,973,496	10	0.11
Total	\$ 748,170,017		2.52%	\$ 218,033,751		1.97%

¹ Source: Lee County Property Appraiser

Total taxable assessed value of Cape Coral for 2025 \$ 29,773,066,334

Total taxable assessed value of Cape Coral for 2016 \$ 11,120,507,186

**Schedule 9
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year ²	Collected within the Fiscal Year of the Levy ¹		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 77,436,922	\$ 74,492,236	96.20	\$ 28,062	\$ 74,520,298	96.23%
2017	81,306,255	78,383,386	96.41	6,255	78,389,641	96.41
2018	89,061,752	85,842,852	96.39	16,909	85,859,761	96.40
2019	96,527,929	93,018,718	96.36	51,846	93,070,564	96.42
2020	100,054,568	96,330,843	96.28	28,043	96,358,886	96.31
2021	105,689,907	101,761,080	96.28	19,614	101,780,694	96.30
2022	114,641,994	110,352,088	96.26	862,222	111,214,310	97.01
2023	121,067,024	116,089,232	95.89	(12,208)	116,077,024	95.88
2024	141,004,568	135,208,486	95.89	(523)	135,207,963	95.89
2025	155,379,679	150,161,657	96.64	-	150,161,657	96.64

¹ Source: City of Cape Coral, Financial Services Department

² Source: Lee County Property Appraiser

³ Property taxes are levied on November 1st of each year, and are due and payable upon receipt of the notice of the levy. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Accordingly, taxes collected will not be 100% of tax levy. Taxes become delinquent on April 1st of each year, and tax certificates for the full amount of any unpaid taxes and assessments are sold at public auction prior to June 1st of each year, and the proceeds collected are remitted to the City.

Schedule 10
RATIOS OF OUTSTANDING DEBT BY TYPE¹
Last Ten Fiscal Years

Fiscal Year	Governmental Activities								Business-Type Activities						Percentage of Personal		
	General Obligation Bonds	Revenue Bonds	Notes Payable	Special Assessment	Capital Lease	Commercial Paper	Lease Payable ⁷	SBITA Payable ⁸	Revenue Bonds ²	Notes Payable ³	Special Assessment ⁴	Lease Payable ⁷	Commercial Paper	SBITA Payable ⁸	Total Primary Government	Income ⁵	Per Capita ⁶
2016	\$ -	\$ 194,470,804	\$ 12,092,000	\$ 1,405,000	\$ 1,062,786	\$ -	\$ -	\$ -	\$ 447,666,810	\$ 69,578,289	\$ 107,587,751	\$ -	\$ -	\$ -	\$ 833,863,440	18.87	\$ 1,241
2017	-	191,054,422	10,474,000	1,130,000	452,014	-	-	-	437,229,120	67,859,047	98,580,423	-	-	-	806,779,026	16.45	1,130
2018	-	180,949,932	16,466,205	855,000	273,460	-	-	-	449,733,033	77,847,479	85,175,423	-	-	-	811,300,532	15.70	1,083
2019	10,200,000	170,507,652	14,072,452	575,000	91,912	-	-	-	436,364,140	148,234,456	72,314,773	-	-	-	852,360,385	15.61	1,032
2020	9,625,000	110,522,914	66,678,554	290,000	-	-	-	-	352,911,586	272,155,685	59,841,948	-	-	-	872,025,687	15.40	1,004
2021	39,093,012	104,984,773	57,949,215	-	-	-	-	-	347,219,034	303,548,263	48,229,123	-	-	-	901,023,420	15.34	1,002
2022	37,435,887	99,751,064	52,393,504	-	-	-	180,573	-	341,345,117	281,815,247	37,916,298	-	-	-	850,837,690	11.43	912
2023	35,005,850	94,277,355	51,543,182	-	-	-	998,813	545,896	335,246,200	266,061,501	29,733,473	223,974	-	43,338	813,679,582	10.05	840
2024	52,251,451	88,563,646	42,040,995	-	-	41,000,000	1,339,786	11,158,406	445,582,507	240,256,419	157,825,648	148,213	10,000,000	113,817	1,090,280,888	13.74	1,067
2025	48,840,650	80,869,937	35,507,278	-	-	52,186,720	1,805,182	9,914,890	497,584,119	216,329,603	144,807,823	61,746	18,563,280	-	1,106,471,228	12.50	1,001

¹ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

² Includes debt paid only from water and sewer net revenues.

³ Includes debt paid only from water and sewer net revenues and impact fees.

⁴ Utility special assessments are paid only by the benefited property owners.

⁵ See Schedule 14 for personal income and population data.

⁶ Includes all governmental activities debt and only the business-type activities general obligation bonds and debt paid from stormwater net revenues.

⁷ The City implemented GASB statement No. 87 Leases in Fiscal Year 2022.

⁸ The City implemented GASB statement No. 96 Subscription-Based Information Technology Arrangement (SBITA) in Fiscal Year 2023.



**Schedule 11
RATIOS OF GENERAL BONDED DEBT OUTSTANDING¹
Last Seven Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund ⁴	Total	Percentage of Estimated Actual Taxable Property ²	Per Capita ³
2019	\$ 10,200,000	\$ 10,913,557	\$ (713,557)	0.00%	(3.77)
2020	9,625,000	6,173,366	3,451,634	0.02%	18.53
2021	39,093,012	3,848,325	35,244,687	0.21%	174.89
2022	37,435,887	4,614,123	32,821,764	0.18%	157.76
2023	35,005,850	240,328	34,765,522	0.15%	160.22
2024	52,251,451	1,290,165	50,961,286	0.19%	232.17
2025	48,840,650	1,495,665	47,344,985	0.16%	206.85

¹ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

² See Schedule 6 for property value data.

³ See Schedule 14 for population data.

⁴ Various debt issuances are included in amounts.

**Schedule 12
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2025**

Governmental Unit	Debt Outstanding	Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Lee County	\$ 221,085,000 ¹	51.610% ²	\$ 114,101,466
City direct debt			<u>229,124,657³</u>
Total direct and overlapping debt			<u><u>\$ 343,226,123</u></u>

¹ Source: Lee County Clerk of Court, Finance Division.

² Determined by dividing:

Taxable assessed valuation of the City of Cape Coral (see Schedule 6)	\$ 29,773,066,334
by the total taxable valuation of Lee County.	\$ 57,688,815,000

³ Source: City of Cape Coral, Financial Services Department (see Schedule 10 governmental activities).



**Schedule 13
PLEGGED-REVENUE COVERAGE
Last Ten Fiscal Years**

Fiscal Year	Water and Sewer Revenue Debt							Stormwater Revenue Debt ⁶						
	Operating Revenues ¹	Operating Expenses ²	Revenue for Debt Services	Debt Service Requirements ³			Coverage ⁴	Operating Revenues ⁵	Less: Operating Expenses ²	Net Available Revenue for Debt Service	Debt Service Requirements ³			Coverage ⁴
				Principal	Interest	Total					Principal	Interest	Total	
2016	\$80,312,234	\$41,931,221	38,381,013	\$ 9,580,000	\$19,264,647	28,844,647	1.33	\$13,213,160	\$11,304,048	\$ 1,909,112	\$ -	\$ -	\$ -	-
2017	83,094,497	45,152,483	37,942,014	9,960,000	18,888,604	28,848,604	1.32	14,688,168	12,006,814	2,681,354	-	-	-	-
2018	84,148,677	50,029,458	34,119,219	10,215,000	10,308,822	20,523,822	1.66	18,689,276	12,403,435	6,285,841	-	-	-	-
2019	88,528,491	53,550,943	34,977,548	10,760,000	17,162,753	27,922,753	1.25	20,092,980	12,520,639	7,572,341	-	-	-	-
2020	91,439,114	53,582,797	37,856,317	10,760,000	17,162,753	27,922,753	1.36	20,753,651	10,505,048	10,248,603	-	-	-	-
2021	97,220,665	53,527,240	43,693,425	11,405,000	16,580,750	27,985,750	1.56	22,017,854	11,913,287	10,104,567	-	-	-	-
2022	101,894,002	59,778,093	42,115,909	11,825,000	16,225,112	28,050,112	1.50	24,776,786	15,048,722	9,728,064	-	-	-	-
2023	111,589,865	70,504,605	41,085,260	12,210,000	15,835,786	28,045,786	1.46	25,226,785	14,630,384	10,596,401	-	-	-	-
2024	128,677,927	75,643,900	53,034,027	13,880,000	19,756,411	33,636,411	1.58	29,105,948	21,837,462	7,268,486	-	-	-	-
2025	134,596,741	81,924,316	52,672,425	18,955,000	20,113,045	39,068,045	1.35	28,222,454	23,641,925	4,580,529	370,000	542,850	912,850	5.02

¹ Includes interest income; excludes ad valorem taxes, takes in account the bond springing resolution adjustments, and proceeds from sale of capital assets.

² Excludes depreciation expense, interest expense, bond discount amortization, and takes in account the bond springing resolution adjustments.

³ Includes senior debt with a pledge of net revenues and expansion fees of the utility system.

⁴ Bond covenant requires net revenues adequate to pay at least 100% of the annual debt service on all outstanding bonds becoming due in such fiscal year.

⁵ Includes interest income.

⁶ Stormwater revenue bonds were issued in the current fiscal year, but there were no current fiscal year debt service requirements.

**Schedule 14
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years**

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Personal Income²</u>	<u>Per Capita Personal Income¹</u>	<u>Median Age¹</u>	<u>School Enrollment³</u>	<u>Unemployment Rate⁴</u>
2016	168,425	\$ 4,418,461,450	\$ 26,234	45	19,414	4.8
2017	179,804	4,904,513,708	27,277	45	19,598	3.6
2018	183,365	5,167,409,065	28,181	45	24,337	3.0
2019	189,343	5,460,273,434	28,838	46	23,733	2.9
2020	186,294	5,662,219,836	30,394	46	21,994	11.3
2021	201,526	5,874,684,426	29,151	45	24,575	3.9
2022	208,053	7,445,800,764	35,788	45	24,671	2.5
2023	216,984	8,096,107,008	37,312	46	24,598	3.2
2024	219,500	7,935,144,500	36,151	48	25,165	3.6
2025	228,881	8,852,430,437	38,677	47	26,947	3.5

¹ Source: City of Cape Coral Economic Development Office.

² Determined by multiplying population by per capita personal income.

³ Source: School District of Lee County.

⁴ Source: Florida Department of Economic Opportunity.



**Schedule 15
PRINCIPAL EMPLOYERS¹
Current Year and Nine Years Ago**

	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lee County School District	2,563	1	2.34%	2,483	1	3.01%
Lee Health	2,015	2	1.84	2,108	2	2.55
City of Cape Coral	1,969	3	1.79	1,764	3	2.14
Publix Super Markets	1,370	4	1.25	1,347	4	1.63
Wal-Mart/Sam's Club	700	5	0.64	981	5	1.19
Home Depot	559	6	0.51	567	6	0.69
Gulf Coast Village	395	7	0.36	406	8	0.49
Cape Coral Charter Schools	371	8	0.34	400	9	0.48
Sun Splash Family Water Park	300	9	0.27	-	-	-
Westin Resort	200	10	0.18	-	-	-
Regional VA Clinic	-	-	-	565	7	0.68
Lowes Home Improvement Center	-	-	-	330	10	0.40

Source: City of Cape Coral, Economic Development Office.

¹ The data shows only employees working in the City of Cape Coral and does not include other jobs with the same employer located throughout Lee County.

**Schedule 16
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years**

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	144	145	142	156	144	149	205	235	238	325
Public Safety:										
Police	339	342	334	357	368	371	389	405	416	439
Fire	212	222	217	227	228	246	255	278	292	297
Emergency Management	-	-	-	-	-	-	-	-	-	7
Building	48	48	51	54	58	69	106	116	116	116
Public Works	145	150	152	159	73	73	82	185	197	221
Community Development	56	57	54	58	57	61	121	7	7	5
Parks and Recreation	209	210	146	211	145	208	221	251	222	207
Water and Sewer	289	300	298	302	310	311	312	304	317	262
Stormwater	96	96	96	97	99	100	107	108	118	126
Yacht Basin ³	3	3	3	2	3	3	3	1	-	-
Golf Course ²	32	32	32	32	32	32	32	-	-	-
Water Park ¹	62	62	62	61	61	61	-	-	-	-
Total	<u>1,635</u>	<u>1,667</u>	<u>1,587</u>	<u>1,716</u>	<u>1,578</u>	<u>1,684</u>	<u>1,833</u>	<u>1,890</u>	<u>1,923</u>	<u>2,005</u>

Source: City of Cape Coral's Budget Department.

¹ Beginning in FY2022 Operations of the waterpark were leased to ProParks.

² Beginning in FY2024 Golf course operations are managed by Troon.

³ Beginning in FY2024 Yacht Basin employees have moved to other parks during the Yacht Club reconstruction.



Schedule 17
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Number of sworn officers	231	234	260	260	274	274	289	272	301	320
Total calls received	275,688	285,479	277,286	276,069	271,221	276,927	295,526	241,718	220,038	152,243
Number of crime scenes processed by forensics technicians	784	1,356	1,524	1,610	1,405	1,179	537	492	492	397
Traffic citations issued (all units)	8,845	11,913	11,752	11,445	10,808	10,836	17,755	21,543	30,136	21,692
Vice, intelligence and narcotics arrests	678	755	956	739	695	263	746	402	420	- ⁶
Fire										
Number of firefighters and officers	196	205	206	213	213	231	239	248	266	274
Calls for service	18,643	20,471	20,401	21,500	21,942	26,212	28,300	30,670	30,262	30,014
Inspections	9,342	8,138	7,261	6,882	9,814	7,989	5,969	5,632	9,515	12,661
Public Works										
Tons of debris collected and disposed of	214	417	850	451	375	279	992 ¹	7,015 ¹	5,790 ¹	5,659 ¹
Lane miles of road surface restored	399	134	130	101	218	180	90	6	122	231
Community Development										
Contacts (counter and telephone)	53,045	47,882	62,120	61,961	58,908	87,658	87,602	105,189	108,830	119,713
Certificates of use	590	592	574	614	591	693	1,255	1,434	1,532	1,787
Sign permits issued	296	272	197	332	214	247	275	251	278	353
Parks and Recreation										
Programs held at art studio	438	250	270	370	364	342	474	316	340	339
Sessions held for aquatics	126	103	98	101	88	85	39	- ³	- ³	- ³
Senior centers memberships	804	787	643	752	501	178	56	27 ³	49 ³	49 ³
Transportation program-total miles driven	94,519	105,103	107,832	95,254	61,783	81,781	50,141	42,594	54,736	78,000
Transportation										
Signs made	4,527	4,527	4,527	4,527	4,175	5,367	5,277	4,552	5,027	3,777
Centerline miles of roadway striped annually	355	355	-	423	119	321	201	67	243	307
Water and Sewer										
Finished water pumped to system (millions of gallons)	3,679	4,694	4,505	4,238	4,360	4,613	4,715	5,034	4,969	5,274
Dry tons of bio-solids generated	1,970	1,970	1,970	2,416	2,600	2,691	2,845	3,098	3,278	3,183
Stormwater Utility										
Cubic yards dredged from canals	54,635	16,361	17,726	26,512	18,762	8,470	28,677	1,711	-	-
Swale requests received	356	521	514	720	801	1,387	945	701	1,184	836
Swale regraded (Square Feet)	1,121,325	900,370	748,099	835,267	661,454	443,601	424,887	519,881	454,229	721,058
Building Division										
Total inspections	63,071	72,307	85,122	86,156	84,758	122,712	131,670	182,894	190,220	90,276
Permits issued	26,973	27,984	38,937	31,111	39,506	43,133	42,742	83,845	42,352	32,998
Yacht Basin										
Average annual slip rentals	85	92	84	87	86	86	103	14 ³	15 ³	16 ³
Golf Course										
Rounds played	55,808	46,678	55,688	53,728	44,268	59,051	62,229	51,901 ³	69,820 ⁴	53,792 ⁴
Waterpark										
Admissions	86,174	87,969	96,220	91,371	45,564	112,702	139,950 ²	155,839 ²	157,274 ²	151,207 ²
Racquet Center										
Games played	-	-	-	-	-	-	-	-	-	34,770 ⁵

Source: City of Cape Coral's Department Directors

¹ Includes Collections at Bulk Site Pilot Program.

² Beginning in FY 2022 the Waterpark is leased to ProParks.

³ Increase/Decrease due to Hurricane Ian.

⁴ Beginning in FY 2024 Coral Oaks Golf Course is managed by Troon.

⁵ The Courts opened in 2025 and is managed by The Sports Facilities Companies.

⁶ Statistic is no longer available for reporting

Schedule 18
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Training Facility	-	-	-	-	-	-	-	-	-	1
Fire										
Stations	11	11	11	11	11	11	12	12	13	13
Training Facility	-	-	-	-	-	-	-	-	-	1
Public Works										
Paved alleys (miles)	12	11	11	11	11	11	11	11	11	11
Sidewalks (miles)	215	220	226	236	266	280	295	302	304	307
Parks and Recreation										
City owned developed parks	34	34	34	34	34	34	34	37	39	40
Number of developed acres	409	409	409	409	409	409	409	444	508	572
City owned undeveloped parks	24	24	24	24	24	24	24	21	23	27
Number of undeveloped acres	1,100	1,101	1,101	1,131	1,143	1,150	1,163	1,128	1,240	1,177
City owned senior centers	2	2	2	2	2	2	2	1	1	1
City owned boat launches, locks, and lifts	22	22	22	22	22	22	22	28	28	39
Transportation										
Paved streets (lane miles)	3,047	3,047	3,047	3,042	3,042	3,042	3,041	3,041	3,142	3,142
Water and Sewer										
Number of water connections	61,522	62,692	64,225	67,071	69,748	69,748	72,972	75,280	77,257	78,751
Number of sewer connections	59,904	61,208	62,842	65,272	67,418	67,418	71,769	73,622	75,468	76,601
Miles of water distribution	907	907	908	906	908	908	908	908	908	908
Stormwater										
Stormwater drainage pipes (miles)	516	540	540	543	543	544	545	545	545	545
Swales (miles)	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,040	3,050	3,050
Catch basins	22,931	23,733	23,733	24,072	24,095	24,107	24,153	24,173	24,177	24,205
Yacht Basin										
Boat slips ¹	107	107	107	107	107	107	103	14	15	20
Golf Course										
City owned golf courses	1	1	1	1	1	1	1	1	1	1
Waterpark										
City owned waterpark facilities	1	1	1	1	1	1	1	1	1	1
Racquet Center										
City owned racquet center	-	-	-	-	-	-	-	-	1	1

Source: City of Cape Coral's Department Directors.

¹ Year 2016 includes only boat slips that are available for rent. It does not include slips used by law enforcement. Year 2023 decrease due to damage from Hurricane Ian.

IV. SINGLE AUDIT





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cape Coral, Florida (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 19, 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Bradenton, Florida
March 19, 2026

Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Cape Coral, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2025. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Cape Coral Charter School Authority (the "Authority") which expended \$902,660 in federal awards which is not included in the City's schedule of expenditures of federal awards during the year ended September 30, 2025. Our compliance audit, described in the "Opinion on Each Major Federal Program and State Project," did not include the operations of the Authority because the Authority's financial statements were audited separately.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

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

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

Responsibilities of Management for Compliance

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

Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and Chapter 10.550 and which is described in the accompanying schedule of findings and question costs as item 2025-001. Our opinion on each major federal program and state project is not modified with respect to this matter.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and question costs as item 2025-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit compliance and, accordingly, we express no opinion on the response.

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



Bradenton, Florida
March 26, 2025

City of Cape Coral, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2025

Federal Agency/Program or Cluster Title	Assistance Listing Number	Grant Identification	Expenditures	Passed through to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Planning and Development:				
CDBG Entitlement Grant Cluster ⁽¹⁾				
Community Development Block Grants/Entitlement Grants	14.218	B24MC120027	\$ 523,992	\$ 493,375
Community Development Block Grants/Entitlement Grants	14.218	B23MC120027	136,133	130,000
			<u>660,125</u>	<u>623,375</u>
<i>Passed-Through Lee County, Office of Strategic Resources & Government Affairs:</i>				
CDBG-DR Recovery & Resiliency Planning/Business Community Resilience Plan	14.218	B23UN120002	3,136	
CDBG-DR Recovery & Resiliency Planning/Communications Plan	14.218	B23UN120002	2,055	
CDBG-DR Recovery & Resiliency Planning/Disaster & Cost Recovery Plan	14.218	B23UN120002	22,929	
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>688,245</u>	<u>623,375</u>
U.S. DEPARTMENT OF JUSTICE				
Office of Justice Programs				
Edward Byrne Memorial Justice Assistance Grant Program - SRO Equipment	16.738	15PBJA-24-GG-04638-JAGX	20,256	
<i>Passed-Through State of Florida, Department of Law Enforcement:</i>				
Edward Byrne Memorial Justice Assistance Grant Program - License Plate Readers	16.738	15PBJA-223-GG-02972-MUMU	55,140	
			<u>75,396</u>	
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	15PBJA-22-GG-03640-COVE	844	
Equitable Sharing Program	16.922	FL0360200	288,434	
<i>Passed-Through State of Florida, Office of the Attorney General:</i>				
Crime Victim Assistance	16.575	VOCA-C-2024-CCPD-00110	132,296	
<i>Passed-Through National Association of VOCA Assistance Administrators (NAVAA):</i>				
Crime Victim Assistance/Discretionary Grants	16.582	15POVC-24-GK-01921-NONF	4,999	
			<u>137,295</u>	
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>501,969</u>	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Administration for Children and Families				
<i>Passed-Through State of Florida, Agency for Persons with Disabilities:</i>				
Social Services Block Grant	93.667	1035	282,474	
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>282,474</u>	
U.S. DEPARTMENT OF HOMELAND SECURITY				
Federal Emergency Management Agency				
<i>Passed-Through State of Florida, Division of Emergency Management:</i>				
Hazard Mitigation Grant Program - Wastewater Lift Station #120	97.039	4337-244-R	51,288	
Hazard Mitigation Grant Program - Watershed Management Plan	97.039	4337-4-Pah	50,000	
			<u>101,288</u>	
<i>Passed-Through State of Florida, Division of Emergency Management:</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR 4673 Hurricane Ian	5,352,979	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR 4834 Hurricane Milton	1,837,117	
			<u>7,190,096</u>	
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>7,291,384</u>	

City of Cape Coral, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)
For the Year Ended September 30, 2025

U.S. DEPARTMENT OF TRANSPORTATION			
Federal Highway Administration			
<i>Passed-Through State of Florida, Department of Transportation:</i>			
Highway Planning and Construction Cluster			
Highway Planning and Construction - Sidewalks SW 10th St	20.205	448704-1-58/68	8,170
Highway Planning and Construction - Sidewalks Andalusia Blvd Phase I	20.205	438102-1-58-01	66
Total Highway Planning and Construction Cluster			8,236
National Highway Traffic Safety Administration			
<i>Passed-Through State of Florida, Department of Transportation:</i>			
Highway Safety Cluster			
State & Community Highway Safety - FDOT Impaired Driving Enforcement	20.600	AL-2025-00076	74,987
State & Community Highway Safety - FDOT Speed & Aggressive Driving	20.600	SC-2025-00077	95,000
State & Community Highway Safety - FDOT Distracted Driving Education	20.600	DD-2025-00074	92,589
State & Community Highway Safety - FDOT Teen Driving Safety Education Program	20.600	TSP-2025-00275	40,738
Total Highway Safety Cluster			303,314
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			311,550
U.S. DEPARTMENT OF AGRICULTURE			
Forest Service			
<i>Passed-Through State of Florida, Department of Agriculture & Consumer Services:</i>			
Urban & Community Forestry Program	10.675	23-DG-11083112-001	9,321
<i>Passed-Through National Arbor Day Foundation:</i>			
Inflation Reduction Act Urban & Community Forestry Program	10.727	24-CA-11132544-015	204,450
TOTAL U.S. DEPARTMENT OF AGRICULTURE			213,771
U.S. DEPARTMENT OF THE TREASURY			
Departmental Offices			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	20-1892-0-1-806	9,371,857
TOTAL U.S. DEPARTMENT OF THE TREASURY			9,371,857
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 18,661,250
			\$ 623,375

The notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.



City of Cape Coral, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)
For the Year Ended September 30, 2025

State Agency/Program Title	CSFA Number	State Contract/Grant Number	State Expenditures	Passed through to Subrecipients
STATE OF FLORIDA, FLORIDA HOUSING FINANCE CORPORATION				
State Housing Initiatives Partnership Program	40.901	N/A	\$ 1,998,559	\$ 1,073,116
State Housing Initiatives Partnership Program Hurricane Housing Recovery Program	40.902	N/A	1,358,612	952,158
TOTAL FLORIDA HOUSING FINANCE CORPORATION			<u>3,357,171</u>	<u>2,025,274</u>
STATE OF FLORIDA, EXECUTIVE OFFICE OF THE GOVERNOR				
Emergency Management				
State Hurricane Recovery Grant Program - Hurricane Ian	31.081	Z2835	53,205	
TOTAL FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR			<u>53,205</u>	
STATE OF FLORIDA, DEPARTMENT OF FINANCIAL SERVICES:				
Fire Marshal Administrative and Support Services				
Local Government Fire Service Grants - Cape Coral Fire Station #10	43.009	FM1008	707,661	
TOTAL FLORIDA DEPARTMENT OF FINANCIAL SERVICES			<u>707,661</u>	
STATE OF FLORIDA, AGENCY FOR PERSONS WITH DISABILITIES				
Services to Persons with Disabilities				
Association for the Development of The Exceptional, Inc.	67.062	1035	434,223	
TOTAL FLORIDA AGENCY FOR PERSONS WITH DISABILITIES			<u>434,223</u>	
STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION				
Florida Shared-Use Nonmotorized (SUN) Trail Network Program	55.038	443603-1-34-01	134,293	
TOTAL FLORIDA DEPARTMENT OF TRANSPORTATION			<u>134,293</u>	
STATE OF FLORIDA, DEPARTMENT OF LAW ENFORCEMENT				
State Assistance for Fentanyl Eradication in Florida Program (SAFE)	71.122	2023-SAFE-SF-044	66,959	
TOTAL FLORIDA DEPARTMENT OF LAW ENFORCEMENT			<u>66,959</u>	
STATE OF FLORIDA, DEPARTMENT OF ENVIRONMENTAL PROTECTION				
Water Quality Restoration Assistance				
North 1 Utilities Extension Project - Septic to Sewer	37.039	QG002	8,011,380	
Water Restoration Assistance - Hurricane Stormwater & Wastewater Assistance				
Wastewater Lift Station Bypass Pumps Project	37.114	HA016	123,919	
Resilient Florida Program				
Cape Coral Flood Vulnerability Assessment	37.098	22PLN81	69,955	
TOTAL FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			<u>8,205,254</u>	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>12,958,766</u>	<u>2,025,274</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 31,620,016</u>	<u>\$ 2,648,649</u>

The notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

(1) Included in the Passed through to Subrecipients for CDBG are amounts related to HUD approved subrecipients that are departments of the City of Cape Coral.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
September 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) is a supplementary schedule to the City's basic financial statements and is presented for purposes of additional analysis. The Schedule is required by Title 2 of the *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Section 215.97, Florida Statutes.

The Schedule includes all federal financial assistance programs and state projects administered by the City of Cape Coral and included in the City's Annual Comprehensive Financial Report. It specifically excludes federal financial assistance programs and state projects received by the discretely presented component unit, the Cape Coral Charter School Authority.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the allowable de minimus indirect cost rate under the Uniform Guidance.

NOTE 3. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the City of Cape Coral provided federal financial assistance to subrecipients as follows:

Program Title	Federal ALN Number	Amount Provided to Subrecipients
Community Development Block Grants / Entitlement Grants	14.218	\$ 623,375
Total		<u>\$ 623,375</u>

Of the state expenditures presented in the Schedule, the City of Cape Coral provided state financial assistance to subrecipients as follows:

Program Title	State CSFA Number	Amount Provided to Subrecipients
State Housing Initiatives Partnership Program	40.901	\$ 1,073,116
State Housing Initiatives Partnership Hurricane Housing Recovery Program	40.902	\$ 952,158
Total		<u>\$ 2,025,274</u>

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal financial assistance expenditures are included in the City's basic financial statements as follows:

	Expenditures
General Fund:	
Social Services Block Grant	\$ 282,474
Disaster Recovery Public Assistance	7,190,096
Special Revenue Funds:	
Community Development Block Grant (CDBG)	660,125
Community Development Block Grant - Disaster Recovery (CDBG-DR)	28,120
Public Works - Resforestation Grants	213,771
Police - Forensic Improvement & Safety Programs	516,849
Department of Justice Equitable Sharing Program	288,434
Development Services - Watershed Planning Studies	50,000
Capital Improvement Funds:	
Transportation - Sidewalk Construction	8,236
Water and Sewer Resiliency Project	51,288
Water and Sewer - Utility Expansion Projects	9,371,857
	<u>\$ 18,661,250</u>

State financial assistance expenditures are included in the City's basic financial statements as follows:

	Expenditures
General Fund:	
Disaster Recovery Public Assistance	\$ 53,205
Social Services Block Grant	434,223
Special Revenue Funds:	
Local Housing Assistance Fund - State Housing Initiatives Partnership Program	3,357,171
Police - Safety Programs	66,959
Development Services - Flood Vulnerability Study	69,955
Capital Improvement Funds:	
Transportation - Sidewalk Construction	134,293
Fire - Station Construction & Renovation	707,661
North 1 Utilities Extension Project	8,011,380
Water and Sewer - Resiliency Projects	123,919
	<u>\$ 12,958,766</u>

City of Cape Coral, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

Yes No

Significant deficiency identified not considered to be material weaknesses?

Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Programs and State Financial Assistance Projects
Internal control over major federal programs and state projects:
Material weaknesses identified?

Yes No

Significant deficiencies identified not considered to be material weaknesses?

Yes 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 the 2 CFR 200.516(a) and Chapter 10.550, Rules of the Auditor General?

Yes No

Identification of major federal programs:

AL Number
21.027

Name of Federal Program or Cluster
U.S. Department of Treasury – Coronavirus State and Local Fiscal Recovery Funds

Identification of major state financial assistance projects:

CSFA Number
40.902

37.039

Name of State Program or Cluster
State Housing Initiative Partnership Program - Hurricane Housing Recovery Program
Florida Department of Environmental Protection – Statewide Water Quality Restoration Projects

Dollar threshold used to distinguish between Type A and Type B federal programs:

\$1,000,000

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

**SECTION I
SUMMARY OF AUDIT RESULTS
(CONTINUED)**

Dollar threshold used to distinguish between
Type A and Type B state projects: \$750,000

Auditee qualified as low-risk auditee? Yes No

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III
FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

2025-001. Significant Deficiency Over Reporting

State Agency: State of Florida, Department of Environmental Protection

State Program Name: North 1 Utilities Extension Project – Septic to Sewer
Assistance Listing Number: 37.039

Criteria: The recipients of Statewide Water Quality Restoration Projects are required to submit quarterly status reports that are due no later than 20 days following the completion of the quarterly reporting period.

Condition: We noted that two quarterly status reports were not submitted timely, within 20 days of period end to the Department of Environmental Protection, as required.

Context/Cause: The City has the responsibility for preparing and submitting the quarterly status reports. The two quarterly status reports were submitted but not in a timely manner.

Effects: The City was not in compliance with the state reporting requirements.

Recommendation: We recommend the City implement proper controls to ensure the timely completion and submission of its quarterly status reports to ensure compliance.

Auditee's Response: We concur with the finding.



V. MANAGEMENT LETTER





Independent Auditor's Management Letter

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

Report on the Financial Statements

We have audited the financial statements of the City of Cape Coral, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 19, 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 19, 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. All prior year findings have been corrected by the City and are not repeated in the current year report.

Official Title and Legal City

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

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did operate within the City's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, a PACE program was operating within the geographical areas of the City and a listing of all program administrators and third-party administrators that administered the program is reflected below:

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, a PACE program was operating within the geographical areas of the City, and the full names and contact information of each such program administrator and third-party administrator is reflected below:

Florida PACE Funding
 Wendi Leach
 850-400-7223
info@floridapace.gov

Green Corridor PACE
 Willdan Financial Services
 866-807-6864
POSR@willdan.com

Florida Green Finance Authority
 Renew Financial Group
 844-589-7953
info@renewfinancial.com

Florida Resiliency and Energy District
 Renovate America
 407-712-6352
info@renovateamerica.com

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information (For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district):

The specific information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, related to the Cape Coral Community Redevelopment Agency is included in the Cape Coral Community Redevelopment Agency's management letter that is issued separately.

Additional Matters

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

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 Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads 'Mauldin & Jenkins, LLC'.

Bradenton, Florida
March 19, 2026



An aerial photograph of a coastal town at sunset. The sun is low on the horizon, casting a warm orange and yellow glow over the scene. The town is densely packed with houses, many of which have swimming pools and are situated near a body of water. The sky is filled with soft, wispy clouds. A large blue rectangular box is overlaid on the upper portion of the image, containing the text "VI. INDEPENDENT ACCOUNTANTS' REPORT" in white, bold, sans-serif font. The box is framed by a thin white double-line border.

VI. INDEPENDENT ACCOUNTANTS' REPORT



Independent Accountant's Report

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

We have examined the City of Cape Coral, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. 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 and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

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

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

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

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 19, 2026





Cape Coral
FLORIDA

