Village of Estero, Florida

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2025

Prepared by the Finance Staff

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Village of Estero, Florida
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2025

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June 26, 2026

Joanne Ribble
Vice Mayor
District One

Larry Fiesel
District Two

Jon McLain
Mayor
District Three

Lori Fayhee
District Four

Rafael Lopez
District Five

Jim Ward
District Six

George Zalucki
District Seven

Steve Sarkozy
Village Manager

Robert M. Eschenfelder, Esq.
Village Attorney

Honorable Mayor, Members of Village Council and Citizens of the Village of Estero
Village of Estero
Estero, Florida

Dear Mayor, Members of Village Council, and Citizens of the Village of Estero:

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

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

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

In compliance with the laws of the State of Florida, the Village's financial statements have been independently audited by CBIZ CPAs, P.C., a firm of licensed certified public accountants. The independent auditor has issued an unmodified ("clean") opinion on the Village's financial statements for the fiscal year ended September 30, 2025. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The Village, incorporated on December 31, 2014, is located in the southwest part of the State in Lee County. The Village currently occupies a land area of 30 square miles and serves a population of 42,493. The Village is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by State Statute to extend its corporate limits by annexation, which may occur periodically when deemed appropriate by the governing council.

The Village operates under the Village Council-Manager form of government. Policy-making and legislative authority are vested in a governing Council consisting of the mayor, vice-mayor and five Council members, all elected on a non-partisan basis. For the initial elections, the four Council members that received the highest number of votes served four-year terms and the other three Council members served a two-year term. Thereafter, Council members serve four-year staggered terms, with three or four Council members elected every two years. The mayor, vice-mayor and five Council members are elected-at-large from seven districts. The mayor and vice-mayor are elected by a majority vote of the Council members and serve for a two-year term. The governing Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the Village Manager and Attorney. The Village Manager is responsible for carrying out the policies and ordinances of the governing Council, for overseeing the day-to-day operations of the Village, and for appointing the heads of the various departments.

The Village provides the following services: streets and roads, parks and recreation, community development, code enforcement, and general and administrative services. The Village uses the "government lite" concept of outsourcing Village services to minimize expenditures and provide exemplary services to the community.

Relevant Financial Policies

Budgetary control is established by Section 8 of the Village Charter which requires the adoption of an annual budget and supplemental amendments to increase, decrease or transfer funds within the annual budget framework. Budgetary control throughout the fiscal year is maintained through monitoring estimated purchase amounts. Budgeted amount for goods or services not received by fiscal year- end lapse and must be re-budgeted in the following year.

The Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the Village's financial planning and control. The budget is prepared by fund, function (e.g., public safety) and department (e.g., community development).

The Village has an investment policy in place which places a priority on the safety of principal and liquidity.

The Village does not issue debt (long or short term) to finance operational costs. The Village does not have a maximum debt limit. Debt terms are matched with the life of the asset being financed. All debt service requirements are fully funded and paid each year.

Economic condition and outlook

The continued construction of residential, multi-family and commercial property resulted in a 10.37% increase in taxable property values over the prior year. The median home value is projected to increase 10% over the next five years (Lee County Economic Development-Community Profile). The Village has benefitted by the construction of a new 150,000 square foot medical clinic developed by the Lee Health Medical System. In addition, Estero is the epicenter of new residential development with over 15,000 single family homes recently permitted and in various stages of construction on our outskirts. The entirety of this new construction views Estero as their home community. These new facilities are anticipated to provide significant employment opportunities as well as economic support for existing residential, commercial and retail properties. As a result, the Village's taxable property values are predicted to increase for the next few fiscal years; however, growth may slow as the Village nears build-out of vacant land.

The Village received approximately $16.9 million from the Coronavirus State and Local Fiscal Recovery Funds, a part of the American Rescue Plan Act (ARPA) during fiscal year 2022. These funds are to be utilized for infrastructure, water quality and capital improvement initiatives within the Village. Funds must be obligated by December 31, 2024, and spent by December 31, 2026.

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

Long-term financial planning

As a new community, we have had the luxury of establishing a standard protocol for how major spending initiatives are to proceed. In doing so, our protocols or procedures to identify needed community projects are standardized to avoid wide fluctuations in spending and chaotic decision-making.

Specifically, the Village has established a structured approach to identify capital projects. In each of the areas where the Village has functional responsibility for local services a community-wide master planning effort has been conducted to evaluate the current condition of the service being provided, the need for additional public investment and the relative priority of the need. Master Plans have been completed in the following areas:

- Storm Water Master Plan,
- Transportation Master Plan,
- Bike and Pedestrian Master Plan, and
- Parks and Open Space Master Plan.

While each Plan has its own framework and methodology, each was developed with the same general parameters. Each was conducted by an outside consulting firm specializing in the functional area of review. Each included a significant public outreach and specific stakeholder involvement. Each process was entirely transparent with routine postings to our webpage, emails of project updates with current information distributed to various interested parties with postings of all public meetings regarding the project.

Each of the above Master Plans has been completed. As a package, they provide the basis for public policy decision-making. The process is standardized and is embedded as part of the annual budget process.

Based on these studies, the Village has adopted a 5-year Capital Improvement Plan (CIP). The entire plan was first adopted in 2019 and has been reviewed and updated each year as part of the budget process. This five-year capital budget will provide data as to when major cash infusions will be necessary. These infusions may come from the issuance of debt, grants, new revenue sources, impact fees and/or a build-up of fund balance.

In addition, each capital expenditure is accompanied by an appropriate allocation for the annual maintenance of the project being built. The policy direction is to maintain all of our capital investments at the highest level to reflect the quality of our community.

Awards and Acknowledgements

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Estero for fiscal year ended September 30, 2024. The Village has achieved this prestigious award each fiscal year since inception. In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated service of the Finance staff. Their continuing effort toward improving the accounting and financial reporting systems advances the quality of information reported to the Village Council, State and Federal Agencies and the citizens of the Village of Estero. Also, special thanks should be expressed to the Finance staff and Village Clerk/Executive Assistant for their support. We sincerely appreciate and commend them for their contributions.

Appreciation is also extended to our external auditors, CBIZ CPAs, P.C., for their assistance and to the Mayor and Village Council members for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Estero finances.

Respectfully submitted,

Steven R. Sarkozy
Village Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Estero
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Village of Estero, Florida

VILLAGE OFFICIALS

As of September 30, 2025

Mayor Joanne Ribble, District 1

Vice-Mayor Geroge Zalucki, District 7

Village Council

Jeff Hunt, District 2

John McLain, District 3

Lori Fayhee, District 4

Rafael Lopez, District 5

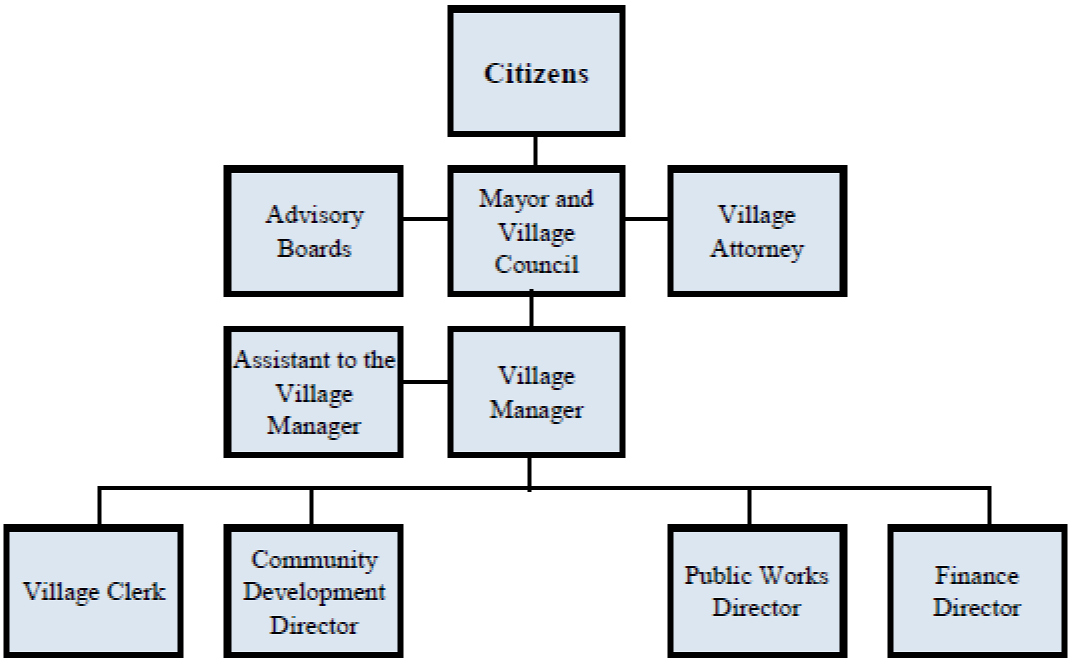
Jim Ward, District 6

Village Administration

Steven R. Sarkozy, Village Manager
Robert Eschenfelder, Village Attorney
Carol Sacco, Village Clerk

Village of Estero, Florida

Organizational Chart



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Financial Section

CBIZ CPAs P.C.

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Tampa, FL 33602

P: 813.397.4800

Independent Auditors' Report

To the Honorable Mayor, Village Council, and Village Manager
Village of Estero, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Estero, Florida (the "Village"), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of September 30, 2025, and the respective changes in financial position, for the fiscal 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the Village has corrected a material error in the previously issued financial statements. Accordingly the beginning net position as of September 30, 2024 has been restated. Our opinion is not modified with respect to this matter.

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 Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 16, the Budgetary Comparison Schedule – General Fund, Building Fund and related notes, and the Schedule of Changes in Total OPEB Liability and Related Ratios on pages 46 through 49, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The individual fund financial schedules as listed in the table of contents and the schedule of expenditures of federal awards, 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 individual fund financial schedules and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026 on our consideration of the Village'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 Village'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 Village's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Tampa, Florida
June 26, 2026

Management's Discussion and Analysis

As management of the Village of Estero, Florida (the Village), we offer readers of the financial statements this narrative overview and analysis of the Village's financial activities for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which precedes the Management's Discussion and Analysis.

Financial Highlights

- At the close of fiscal year ended September 30, 2025, the Village's assets exceeded its liabilities, resulting in net position of $152,005,115, all of which is related to governmental activities. Of this amount, $20,630,439 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position of the Village's governmental activities increased $22,454,573, or 17.3%.
- Total general and program revenues were $36,366,083 and increased by $9,897,650.
- Total expenses were $13,911,510 and increased by $2,594,694.
- The fund balance of the governmental funds increased by $1,446,773.
- The governmental funds reported total ending fund balance of $44,423,092 as of September 30, 2025, of which $23,780,566 was restricted, $118,353 was non-spendable, $10,349,500 was committed, and $10,174,673 was unassigned.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was 101% of total General Fund expenditures and 70% of total General Fund revenue.
- The Village's total long-term debt had a net decrease of $196,500.

Overview of the Financial Statements

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

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

The *Statement of Net Position* presents information that includes all of the Village's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Evaluation of the overall economic health of the Village would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the Village's infrastructure in addition to the financial information provided in this report.

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

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, physical environment, transportation and human services. The Village does not currently have any business-type activities.

The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements. A fund is a group of related accounts that are used to maintain control over resources segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. All of the funds of the Village are governmental funds.

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

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

The Village has four (4) governmental funds, the General Fund, Building Fee Fund (Special Revenue), Driving Range Fund (Special Revenue), and the Capital Projects Fund. All of which are classified as major funds, except for the Driving Range Fund.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

Government-wide Overall Financial Analysis

As noted earlier, overtime net position may serve as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by $152,005,115 at the close as of September 30, 2025.

Village of Estero, Florida
Summary of Net Position

	Governmental Activities	
	2025	2024
Assets:		
Current and other assets	$ 50,522,459	$ 56,325,669
Noncurrent assets	108,291,670	87,459,680
Total assets	158,814,129	143,785,349
Liabilities:		
Current liabilities	6,288,431	3,395,460
Long-term liabilities	520,583	708,846
Total liabilities	6,809,014	4,104,306
Net position:		
Investment in capital assets	106,870,600	86,580,387
Restricted	23,780,565	21,778,326
Unrestricted	21,353,950	31,322,330
Total net position	$ 152,005,115	$ 139,681,043

The largest portion of net position $106,870,600 (70.3%) reflects investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, furniture, and infrastructure), less any related debt to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The restricted net position amount of $23,780,565 (15.6% of total net position) represents assets that are subject to external restrictions on how they are used. The remaining balance of unrestricted net position $21,353,950; 14% of total net position), may be used to meet the government's ongoing obligations to citizens and creditors.

At fiscal year ended September 2025, the Village is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

Governmental Activities. The governmental activities increased the Village's total assets by $15,028,780, increased the Village's total liabilities by $2,704,708, and increased the total net position by $22,454,573. The increase in net position resulting from governmental activities is 9% in comparison to the prior fiscal year. The increase in the governmental activities' net investment in capital assets is $21,008,640, or 24%, in comparison to the prior fiscal year. The increase in net position is primarily the result of land and capital purchases which were funded using current year revenues exceeding operating expenses.

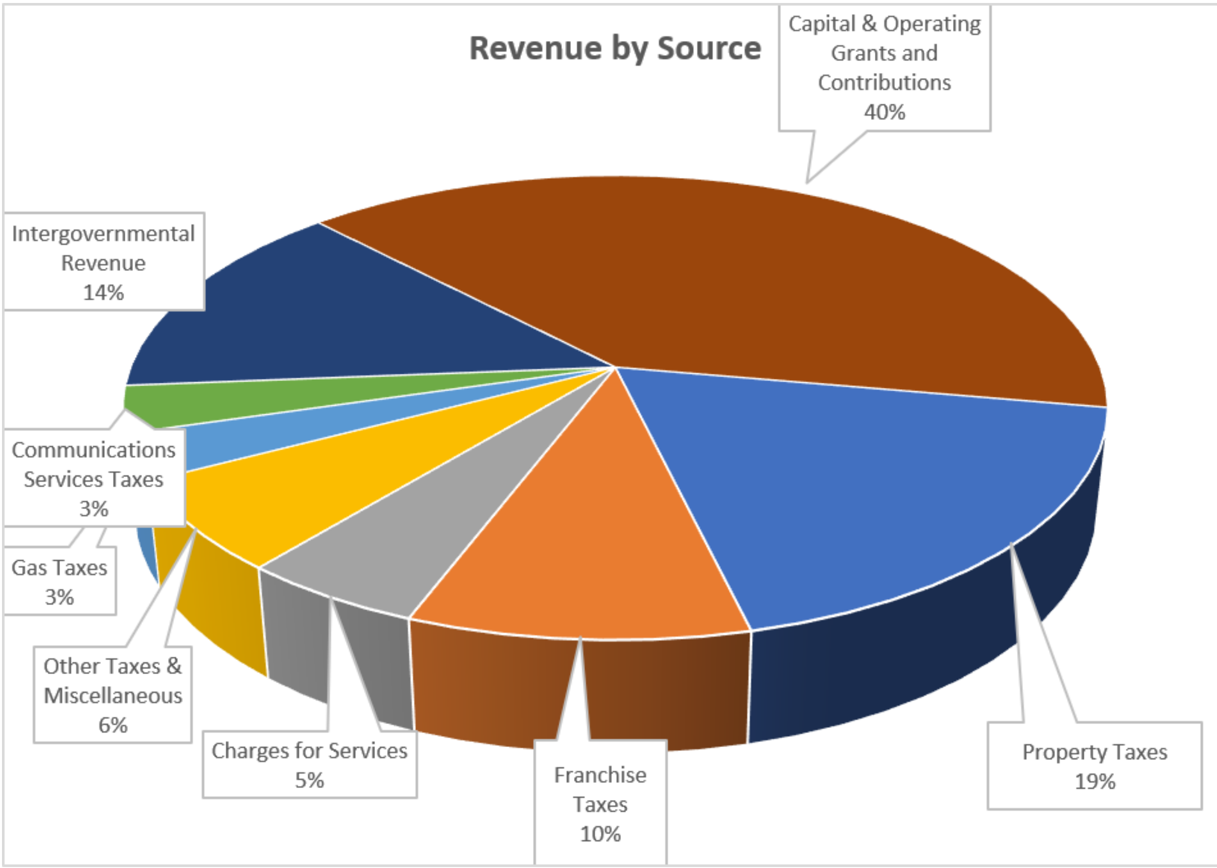
The following schedule compares the key elements of the changes in net position for the primary government for the fiscal years ended September 30, 2025 and 2024:

Village of Estero, Florida

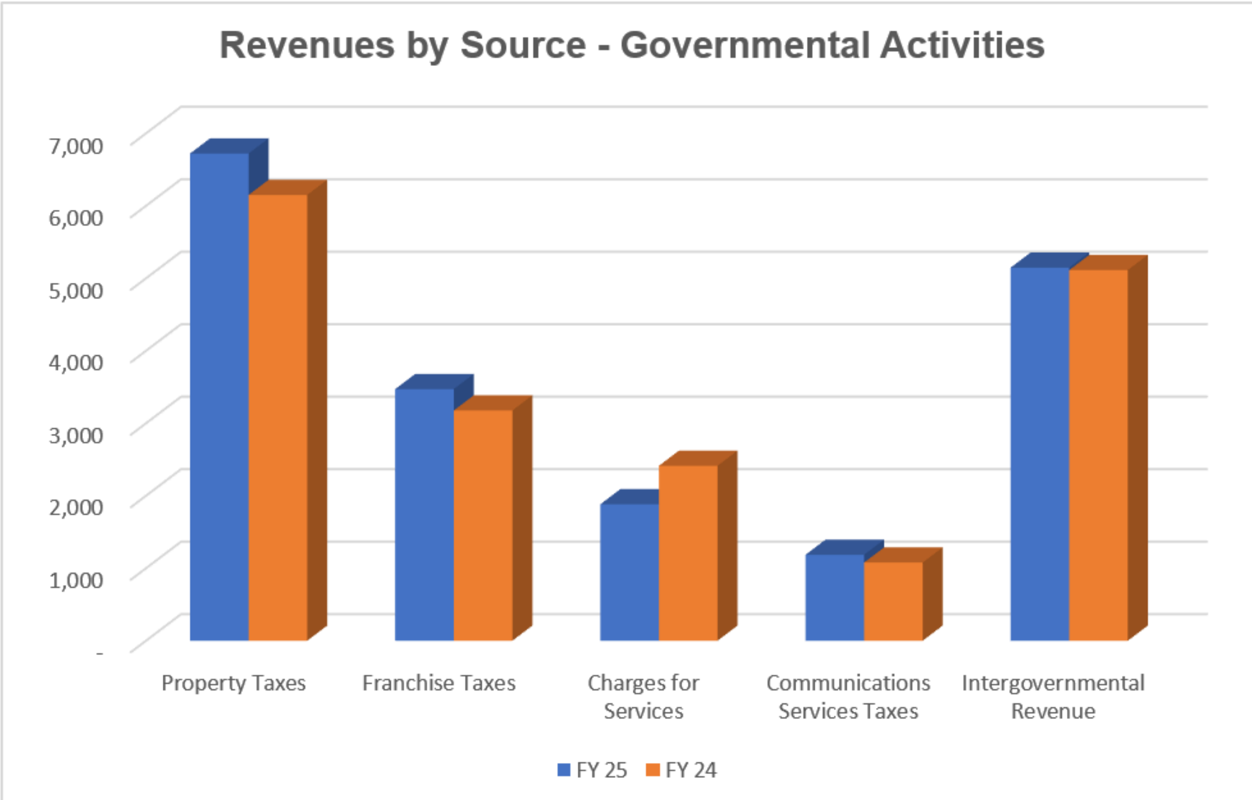
Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues:		
Program Revenues:		
Charges for services	$ 1,881,732	$ 2,413,273
Operating grants and contributions	262,396	221,747
Capital grants and contributions	14,247,056	4,407,966
General Revenues:		
Property taxes, levied for general purposes	6,720,694	6,150,009
Gas taxes	1,155,554	1,064,479
Franchise taxes	3,470,715	3,176,170
Communications services taxes	1,184,853	1,077,930
Other taxes	19,718	21,977
Intergovernmental revenue	5,146,988	5,113,215
Investment earnings	2,196,798	2,710,200
Miscellaneous	79,579	111,467
Total revenues	36,366,083	26,468,433
Expenses:		
General government	4,680,795	3,818,736
Public safety	2,831,064	1,834,711
Physical environment	257,022	201,820
Transportation	5,231,229	2,444,840
Human services	48,906	77,074
Culture and recreation	808,060	2,907,141
Interest and fiscal charges	54,434	32,494
Total expenses	13,911,510	11,316,816
Increase in net position	22,454,573	15,151,617
Net position - beginning, as restated	129,550,542	124,529,426
Net position - ending	$ 152,005,115	$ 139,681,043

The following is a chart of revenues by source for governmental activities with percent of total revenues for fiscal year ended September 30, 2025:



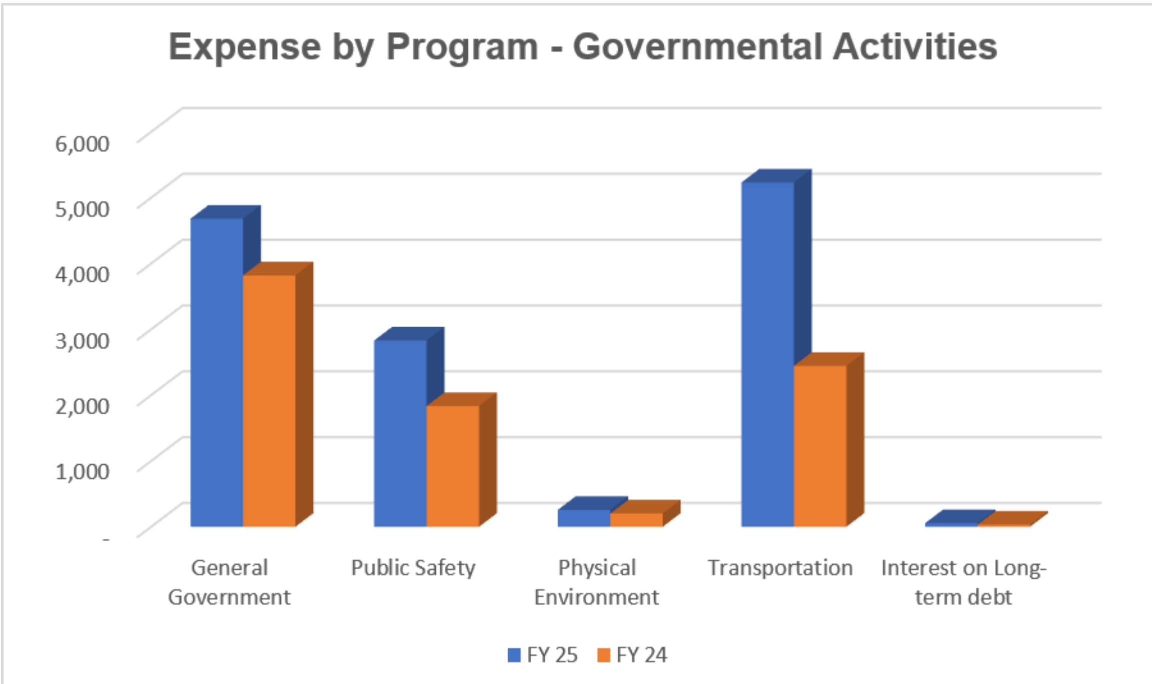
The following chart shows the significant revenues by source for governmental activities for fiscal year ended September 30, 2025 and 2024.



Revenues:

- *Property Taxes* increased in the current fiscal year due to a rise in the assessed valuation of real property within the Village.
- *Intergovernmental revenues* increased significantly in the current year as the Village recognized $10,000,000 from the Coronavirus State and Local Fiscal Recovery Funds, a part of the American Rescue Plan Act (ARPA), for the Corkscrew Road lighting, landscaping, and pathway project.

The following is a chart of significant expenses by program for governmental activities for fiscal year ended September 30, 2025 and 2024.



Expenses:

- *General government* expenses increased $862,059, 23%, primarily related to increased operating expenses for the Sports Park and Entertainment District.
- *Physical environment* expenses increased $55,202, 27%, as a result of utility and vulnerability consulting services.
- *Transportation* increased $2,786,389, 114%, as a result of landscaping and maintenance expenses related to roadway projects that were completed in the prior fiscal years.

Financial Analysis of the Village's Governmental Funds

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

Financial Analysis of the Village's Governmental Funds (continued)

Governmental funds reported an ending fund balance of $44,423,092. $10,174,673 is unassigned fund balance which is available for spending at the Village's discretion, $23,780,566 is legally restricted as to use, $118,353 is non-spendable deposits, and $10,349,500 was committed.

The total ending fund balance of governmental funds reflects an increase of $1,446,773. This increase is due to receiving restricted capital funding.

Major Governmental Funds

General Fund-The fund balance of the general fund had a net decrease of $417,949. Revenues of $29,395,488 exceeded expenditures of $9,077,936 which resulted in an excess of revenues over expenditures of $20,317,556. Additionally, $20,874,651 was transferred to the Capital Projects Fund and $139,150 was transferred from the Driving Range.

Building Fee Fund-The fund balance of the building fee activity had a net decrease of $358,269 as expenditures of $2,680,227 exceeded the revenues of $1,571,958. In the current fiscal year, the fund experienced increased expenditures due to a backlog of hurricane related permits and software costs for new permitting software. The building fee funds are restricted for use on building code compliance.

Capital Projects Fund-The fund balance of the capital projects had a net increase of $2,356,991 as revenues of $5,479,829 and the transfers in from the general fund of $23,345,274 were greater than the sum of the expenditures of $23,247,489.

General Fund Budgetary Highlights

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

Revenue source	Final budget	Actual revenues	Difference
Intergovernmental revenues	$ 14,401,900	$ 15,409,384	$ 1,007,484
Franchise taxes	3,090,000	3,470,715	380,715
Investment earnings	1,250,000	1,508,171	258,171

- *Intergovernmental Revenues* in the current fiscal year were more than budget primarily as a result of using funds from the Coronavirus State and Local Fiscal Recovery Funds, a part of the American Rescue Plan Act (ARPA) during fiscal year 2025.
- *Franchise taxes* were more than budgeted due to the current fiscal year being the third year of collection for gas franchise taxes. Without historical data, these revenues were budgeted using the best available data.
- *Investment earnings* increased significantly due to a change in investment strategy and an elevated interest rate environment.

The most significant differences between final budget and actual expenditures are as follows:

Expenditures	Final budget	Actual expenditures	Difference
General government	$ 5,742,955	$ 4,489,562	(1,253,393)

- *General government* services in the current fiscal year were less than budget primarily as a result of less than anticipated operating costs.

Original Budget Compared to Final Budget

The most significant difference from the original budget as compared to the final budget was a budget amendment to appropriate the available fund balance in all funds.

Capital Assets and Debt Administration

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

Village of Estero, Florida
Capital Assets

	Governmental Activities	
	2025	2024
Land	$ 48,763,230	$ 48,063,072
Buildings and building improvements	1,926,908	1,926,908
Machinery and equipment	188,685	158,285
Infrastructure	40,223,961	37,137,938
Intangible right to use	982,478	982,478
Construction in progress	33,839,702	14,358,656
Total capital assets	125,924,964	102,627,337
Accumulated depreciation	(17,633,294)	(15,167,657)
Total capital assets, net	$ 108,291,670	$ 87,459,680

Additional information on the Village's capital assets can be found in Note 5 on page 36.

Debt Administration

As of September 30, 2025, and 2024, $702,643 and $879,293 were outstanding, respectively. Additional information on the Village's long-term debt can be found in Note 6 on page 37.

Village of Estero, Florida
Outstanding Debt

	Governmental Activities	
	2025	2024
Lease payable	$ 702,643	$ 879,293
	$ 702,643	$ 879,293

Economic Factors and Next Year's Budget Rates

The following were factors considered when next year's budget was prepared:

- The Village had the Parks and Recreation Master Plan completed. The Estero Community Park Expansion began in the current year.
- The Village has funded a project on Corkscrew Road that will have path, landscaping, and street lighting improvements which used $10,000,000 in ARPA funds.
- The Village will improve River Ranch Road. This project includes drainage, roadway and Bike and Pedestrian improvements.
- Bicycle and Pedestrian improvements are scheduled to continue on Williams Road for the Sandy Lane and Broadway in FY 2025-26.
- The Village continues the improvements in stormwater and drainage issues which exist around the Village. Current projects include the Villages of Country Creek Bypass Swale, Dry Creek Bed Sediment Removal, Estero River Sediment Removal and Trailside Drainage Improvements.
- The Village is committed to the "government-light" concept and has budgeted to continue using consultants or interlocal agreements for legal representation, permit issuance, planning and development review, law enforcement, physical environment, and transportation expenditures.
- Several utility extension projects are underway to connect residents to central water and sewer to better protect water resources.
- In FY 2022-23 The Village received funding from the American Rescue Plan Act of 2021 of $16.9 million to assist with the recovery and fund future infrastructure projects. Through September 30, 2025, the Village has used approximately $6.9 million dollars towards land acquisition and the remaining $10,000,000 on the Corkscrew Road project.

Request for Information

This financial report is designed to provide the reader an overview of the Village. Questions regarding any information provided in this report should be directed to: Village of Estero, Finance Department, 9401 Corkscrew Palms Circle, Estero, Florida, 33928, phone (239) 221-5035.

Basic Financial Statements

Village of Estero, Florida
Statement of Net Position
September 30, 2025

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	$ 46,058,274
Restricted - cash and cash equivalents	586,702
Receivables (net)	2,733,420
Due from other governments	1,025,710
Prepaids	88,028
Deposits	30,325
Total current assets	50,522,459
Noncurrent assets:	
Capital assets:	
Non-depreciable	82,602,932
Depreciable (net)	25,688,738
Total noncurrent assets	108,291,670
Total assets	158,814,129
LIABILITIES	
Current liabilities:	
Accounts payable	4,832,916
Accrued liabilities	73,313
Due to other governments	606,436
Customer deposits	586,702
Current portion of long-term obligations	189,064
Total current liabilities	6,288,431
Noncurrent liabilities:	
Total OPEB Liability	7,004
Due in more than one year	513,579
Total noncurrent liabilities	520,583
Total liabilities	6,809,014
NET POSITION	
Net investment in capital assets	106,870,600
Restricted for:	
Culture and recreation capital improvements	289,471
Highways and streets capital improvements	23,491,094
Unrestricted	21,353,950
Total net position	$ 152,005,115

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

Village of Estero, Florida
Statement of Activities
For the Year Ended September 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Primary government:					
Governmental activities:					
General government	$ 4,680,795	$ 322,661	$ 76,820	$ -	$ (4,281,314)
Public safety	2,831,064	1,559,071	-	-	(1,271,993)
Physical environment	257,022	-	-	-	(257,022)
Transportation	5,231,229	-	185,576	13,570,857	8,525,204
Human services	48,906	-	-	-	(48,906)
Culture and recreation	808,060	-	-	676,199	(131,861)
Interest and fiscal charges	54,434	-	-	-	(54,434)
Total governmental activities	$ 13,911,510	$ 1,881,732	$ 262,396	$ 14,247,056	$ 2,479,674
General revenues:					
Taxes:					
Property, levied for general purposes					$ 6,720,694
Gas					1,155,554
Franchise					3,470,715
Communications services					1,184,853
Local business					19,718
Intergovernmental revenues					5,146,988
Investment earnings					2,196,798
Miscellaneous					79,579
Total general revenues					19,974,899
Change in net position					22,454,573
Net position - beginning, as previously presented					139,681,043
Error Correction (Note 14)					(10,130,501)
Net position - beginning, as restated					129,550,542
Net position - ending					$ 152,005,115

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

Village of Estero, Florida
Balance Sheet
Governmental Funds
September 30, 2025

	General	Special Revenue Building Fee	Capital Projects	Nonmajor Governmental Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 19,951,165	$ 59,206	$ 26,047,903	$ -	$ 46,058,274
Restricted cash and cash equivalents	586,702	-	-	-	586,702
Receivables (net)	1,046,383	119,548	1,567,489	-	2,733,420
Prepaids	79,426	8,602	-	-	88,028
Due from other governments	954,283	-	71,427	-	1,025,710
Deposits	14,525	-	15,800	-	30,325
Total assets	$ 22,632,484	$ 187,356	$ 27,702,619	$ -	$ 50,522,459
Liabilities:					
Accounts payable	$ 752,227	$ 174,436	$ 3,906,253	$ -	$ 4,832,916
Accrued liabilities	73,313	-	-	-	73,313
Due to other governments	589,999	16,437	-	-	606,436
Customer deposits	586,702	-	-	-	586,702
Total liabilities	2,002,241	190,873	3,906,253	-	6,099,367
Fund balances:					
Nonspendable	$ 93,951	$ 8,602	$ 15,800	$ -	$ 118,353
Restricted for:					
Culture and recreation capital improvements	-	-	289,471	-	289,471
Highways and streets capital improvements	-	-	23,491,095	-	23,491,095
Committed to reserves	10,349,500	-	-	-	10,349,500
Unassigned	10,186,792	(12,119)	-	-	10,174,673
Total fund balances	20,630,243	(3,517)	23,796,366	-	44,423,092
Total liabilities and fund balances:	$ 22,632,484	$ 187,356	$ 27,702,619	$ -	$ 50,522,459

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

Village of Estero, Florida

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2025

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

Fund balances - total governmental funds		$ 44,423,092
Capital assets used in governmental activities are not financial		
Non-depreciable capital assets	82,602,932	
Depreciable capital assets	43,322,032	
Less accumulated depreciation	(17,633,294)	
		108,291,670
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Lease liability, due within one year	(189,064)	
Liability, due in more than one year	(513,579)	
Total other postemployment benefit (OPEB) liability	(7,004)	(709,647)
Net position of governmental activities		$ 152,005,115

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

Village of Estero, Florida

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

For the Year Ended September 30, 2025

	General	Special Revenue Building Fee	Capital Projects	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES					
Taxes					
Property	$ 6,720,694	$ -	$ -	-	$ 6,720,694
Gas	669,387	-	486,167	-	1,155,554
Franchise	3,470,715	-	-	-	3,470,715
Communications services	1,184,853	-	-	-	1,184,853
Local business	19,718	-	-	-	19,718
Licenses and permits	3,750	1,548,745	-	-	1,552,495
Impact fees	-	-	3,973,488	-	3,973,488
Intergovernmental revenues	15,409,384	-	-	-	15,409,384
Charges for services	322,661	-	-	-	322,661
Fines and forfeitures	6,576	-	-	-	6,576
Investment earnings	1,508,171	23,213	658,575	6,839	2,196,798
Other income	79,579	-	361,599	-	441,178
Total revenues	29,395,488	1,571,958	5,479,829	6,839	36,454,114
EXPENDITURES					
Current:					
General government	4,489,562	-	-	-	4,489,562
Public safety	243,002	2,591,006	-	-	2,834,008
Physical environment	257,022	-	-	-	257,022
Transportation	3,003,526	-	-	-	3,003,526
Human services	48,906	-	-	-	48,906
Culture and recreation	745,597	-	-	1,689	747,286
Capital outlay	98,521	49,936	23,247,489	-	23,395,946
Debt service					
Principal retirement	146,620	30,031	-	-	176,651
Interest	45,180	9,254	-	-	54,434
Total expenditures	9,077,936	2,680,227	23,247,489	1,689	35,007,341
Excess (deficiency) of revenues over (under) expenditures	20,317,552	(1,108,269)	(17,767,660)	5,150	1,446,773
OTHER FINANCING SOURCES (USES)					
Transfers in	139,150	750,000	23,345,274	-	24,234,424
Transfers out	(20,874,651)	-	(3,220,623)	(139,150)	(24,234,424)
Total other financing sources (uses)	(20,735,501)	750,000	20,124,651	(139,150)	-
Net change in fund balances	(417,949)	(358,269)	2,356,991	(134,000)	1,446,773
Fund balances - beginning	21,048,192	354,752	21,439,375	134,000	42,976,319
Fund balances - ending	$ 20,630,243	$ (3,517)	$ 23,796,366	$ -	$ 44,423,092

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

Village of Estero, Florida

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

September 30, 2025

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

Net change in fund balances - total governmental funds		$ 1,446,773
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which expenditures for capital assets exceeded depreciation in the current period.		
Expenditures for capital assets	23,297,587	
Depreciation	(2,465,637)	20,831,950
The repayment of the principal of long-term debt consumes the current financial resources of the governmental funds but issuing debt increases long-term liabilities in the statement of net position. Repayments on bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal retirement		176,650
Other postemployment benefit (OPEB) 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 OPEB Liability.		(800)
Change in net position of governmental activities		$ 22,454,573

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

Note 1 - Summary of Significant Accounting Policies

Introduction

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

Reporting Entity

The Village was incorporated on December 31, 2014, pursuant to House Bill 1373 and amended on June 30, 2015, by House Bill 983. The Village operates under a Village Council-Manager form of government and consists of seven districts, each represented by an elected council member with each member elected-at-large. The Village Manager is hired by a majority vote of the Council. As of September 30, 2025, the Village of Estero has provided the following services to the Village residents: public works, streets and roads, building permit services, planning and zoning, parks and recreation, code enforcement and general and administrative services.

The Village of Estero uses the "government lite" concept of outsourcing Village services to minimize expenditures and provide exemplary services to the community.

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

(a) Government-wide and Fund Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

(a) Government-wide and Fund Financial Statements (continued)

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

Fund financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds, if applicable.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, leases, post-employment benefits, and claims and judgments, are recorded only when payment is due.

Property taxes, sales and franchise taxes, intergovernmental revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Village.

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

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

The *Building Fee Fund* is considered as a special revenue fund and accounts for the resources collected for building permits fees levied within the Village's limits. This revenue is restricted for use enforcing the Florida Building Code.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The *Capital Projects Fund* accounts for resources accumulated to provide for capital projects. The capital projects fund accounts for gas tax and road and park impact fees levied within the Village which are restricted for use on road and park capital improvements.

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

The *Driving Range Fund* is considered a special revenue fund and accounts for resources collected for operating the Golf Coast Driving Range located on the Village owned property on 9000 Williams Road, Estero, FL 33928. The Driving Range ceased operations in April 2025.

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

Cash and Investments

Cash and cash equivalents consist of amounts in cash on hand and cash on deposit with financial institutions including certificates of deposit.

In March of 2024, Village Council updated its investment policy to allows management to invest any surplus funds in its control in the following:

Village and Investment Manager Authorized Investment- Sector Type	Minimum Rating Requirement	Maturity Limits	Maximum Allocation	Individual Issuer Limit
Cash and Cash Equivalents	N/A	NA	100%	N/A
United States Government Securities	N/A	5 Years	100%	N/A
United States Government Agencies	N/A	5 Years	50%	N/A
Federal Instrumentalities (United States Government Sponsored Enterprises "GSE")*	N/A	5 Years	75%	40%
Interest Bearing Time Deposit or Savings Accounts	N/A	1 Year	20%	10%
Repurchase Agreements**	N/A	90 Days	25%	10%
Registered Investment Companies (Money Market Mutual Funds)	AAAm (or equivalent)	N/A	20%	10%
Intergovernmental Investment Pools (Stable Net Asset Value)	AAAm (or equivalent)	N/A	80%	N/A
Intergovernmental Investment Pools (Floating Net Asset Value)	AAAf (or equivalent)	N/A	40%	N/A
Florida PRIME Fund	AAAm	NA	25%	N/A
Investment Manager Authorized Investment- Sector Type	**Minimum Rating Requirement**	**Maturity Limits**	**Maximum Allocation**	**Individual Issuer Limit**
Mortgage Backed Securities "MBS"*	AA	5 Years	20%	15%
State and/or Local Government Taxable and/or Tax-Exempt Debt	Single "A" category by two NRSROs****	5 Years	30%	5%
Commercial Paper***	A-1 by S&P and P-1 by Moody's	270 Days	20%	5%
Corporate Notes***	Single "A" category by any NRSROs****	5 Years	25%	5%
Asset-Backed Securities (ABS)***	Double "A" category by any two NRSROs****	5 Years	20%	5%

*The combined maximum amount of available funds invested in Federal Instrumentalities and mortgage-backed securities will not exceed seventy five percent (75%).
**Securities authorized for collateral are negotiable direct obligations of the United States Government, Government Agencies, and Federal Instrumentalities with maturities under five (5) years and must have a market value for the principal and accrued interest of 102 percent of the value and for the term of the repurchase agreement.
***The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the total allocation to Commercial Paper, Corporate Notes, and Asset Backed Securities shall not exceed forty percent (40%).
****National Recognized Statistical Rating Organization (NRSRO).

Investments for the Village are reported at amortized cost which approximates fair value.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Receivables

Receivables as of year-end for the government's general fund are reported net of allowance for uncollectibles. As of September 30, 2025, the allowance for uncollectible receivables was $0 as management believes all receivables to be fully collectible.

Prepaids

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

Capital Assets

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

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

The threshold for capitalizing furnishings and equipment is $5,000 or more and useful lives in excess of one year. The threshold for capitalizing intangible assets is $25,000 or more and useful lives in excess of one year. The threshold for capitalizing infrastructure and capital improvement projects is $50,000 or more and useful lives in excess of one year.

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

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

Asset	Years
Buildings and building improvements	5-20
Improvements other than buildings	7-50
Machinery and equipment	3-10
Infrastructure	10-50
Intangible software	3-5
Leases (Right-Of-Use-Assets)	5-20

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Leases (Right-Of-Use Assets)

The Village's leases (right-of-use assets) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The leases (right-of-use assets) are amortized on a straight-line bases over the life of the related lease.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Village does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Village does not have any items that qualify for reporting in this category.

Compensated Absences

Employees can accrue paid time off (PTO). Any unused PTO at September 30 is paid out up to certain stated limits, unused PTO is not paid out at termination, therefore, no such amounts are accrued at September 30.

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

Net Position/Fund Balances

Net position in government-wide fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net positions represent constraints on resources that are either a)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

externally imposed by creditors, grantors, contributors or laws or regulations of other governments or b) imposed by law through State Statute.

The Village has adopted a fund balance policy which includes a minimum level of fund balance of three months of general fund operating expenditures. If the unassigned fund balance falls below the minimum level, the Village Manager will prepare and submit a plan for committed and/or assigned fund balance reduction, expenditure reductions and/or revenue increases to the Council. The Council shall take action necessary to

Net Position/Fund Balances (Continued)

restore the unassigned fund balance to acceptable levels within no more than two years. The Village was in compliance with the fund balance policy at September 30, 2025.

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

Nonspendable	Nonspendable fund balances include amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. Including items that are not expected to be converted to cash, such as inventories and prepaid amounts.
Restricted	Restricted fund balances include amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors, grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Village's restricted fund balances have constraints placed on the uses of resources by State Statute.
Committed	Committed fund balances are classified as such as a result of Village Council taking formal action and adopting an ordinance which can only be modified or rescinded by subsequent formal action. An ordinance is the Village's highest level of decision-making authority. The Village adopted an ordinance establishing reserve accounts which are presented as committed fund balance.
Assigned	Assigned fund balances are constrained by the Village's intent to be used for specific purposes but are neither restricted nor committed. As part of the budget process, the Village has allocated amounts to debt reduction which are presented as assigned fund balance.
Unassigned	Unassigned fund balance is the residual classification for the general fund. This classification represents spendable 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

(d) Revenues and expenditures/expenses

Program Revenues

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

Estimates

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

GASB Statement No. *101 Compensated Absences*

GASB Statement No. *101 Compensated Absences,* updates the recognition and measurement guidance for compensated absences. This Statement was implemented by the Village for the fiscal year ended September 30, 2025; hower, there was no material impact to the Village's financial statements.

GASB Statement No. 102 *Certain Risk Disclosures*

GASB Statement No. 102 *Certain Risk Disclosures,* requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months on the date the financial statements are issued. This Statement was implemented by the Village for the fiscal year ended September 30, 2025; however, there was no material impact to the Village's financial statements.

Note 2 - Cash

As of September 30, 2025, the carrying amount of the Village's deposits was $13,135,015, and the bank balance was $13,722,051. The Village's deposits consist of demand deposit accounts. These demand deposits are held by a bank that qualifies as a public depository under the Public Depository Security Act of the State of Florida as required by Chapter 280. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof and, therefore, the Village is not exposed to custodial credit risk.

Note 3 - Cash Equivalents

The Village has funds invested in the Florida Cooperative Liquid Assets Securities System (FLCLASS) which the Village considers a cash equivalent. The pool's investments are recorded at amortized cost and total $33,509,961 and are available for immediate withdrawal.

The Village had restricted cash and cash equivalents of $247,394 that consists of unearned revenue of customer deposits of $247,394.

(a) General Description

The FLCLASS is an independent local government investment pool administered by an appointed Board of Trustees comprised of eligible Participants of the FLCLASS program.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants,* FLCLASS currently does not meet all of the necessary criteria to elect to measure all of the investments in FLCLASS at amortized cost, therefore FLCLASS reports at fair value and is exempt from the GASB Statement No. 72, Fair Value Measurement and Application.

(b) Investment Policies

All FLCLASS investment policies can be found at https://flclass.com/flclass/.

Village investment in FLCLASS was made in accordance with the provisions of Section 218.415(17), Florida Statutes "Investment of Local Government Surplus Funds".

(c) Credit Quality Disclosure

FLCLASS is rated by Standards and Poor's. The current rating is AAAm.

(d) Interest Rate Risk Disclosure

The dollar weighted average days to maturity (WAM) of FLCLASS at September 30, 2025, is 42 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of FLCLASS at September 30, 2025, is 85 days.

(e) Foreign Currency Risk Disclosure

FLCLASS was not exposed to any foreign currency risk during the period from October 1, 2024, through September 30, 2025.

Note 3 - Cash Equivalents (Continued)

(f) Securities Lending Disclosure

FLCLASS did not participate in a securities lending program in the period from October 1, 2024, through September 30, 2025.

(g) Limitations or Restrictions on Withdrawals Disclosure

With regard to the redemption gates relating to FLCLASS, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

(h) Liquidity

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

(i) Redemption Fees

As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

(j) Financial Statements

FLCLASS provides financial statements for FLCLASS for the fiscal year ended December 31, 2025, and are available at https://flclass.com/flclass/.

Note 4 - Receivables, Prepaids, and Accrued Liabilities

(a) Receivables

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

	General	Building Fee	Capital Projects	Total Governmental Funds
Receivables:				
Franchise fees	$ 552,005	$ -	$ -	$ 552,005
Impact fees	451,238	-	1,567,489	2,018,727
Charges for services	-	119,548	-	119,548
Other receivables	43,140	-	-	43,140
Allowance for uncollectible receivable	-	-	-	-
Net total receivables	$ 1,046,383	$ 119,548	$ 1,567,489	$ 2,733,420

(b) Prepaids

Prepaid assets for the Village total $88,028 at September 30, 2025.

(c) Accrued Liabilities

Accrued liabilities as of September 30, 2025, are as follows:

	General
Accrued liabilities:	
Wages, benefits and taxes	$ 73,313
Total accrued liabilities	$ 73,313

(d) Customer Deposits

Customer deposits are received in advance for planning and zoning professional services as required by the Village cost recovery program. Deposits are required prior to commencement of the professional services and any amounts received in excess of professional service costs are refunded at completion of planning and zoning process.

Customer deposits as of September 30, 2025, total $586,702 and are offset by restricted cash.

Note 5 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Adjustments/ Transfers/ Reclassifications	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	$48,063,072	$ 700,158	$ -	$ -	$ 48,763,230
Construction in progress	14,358,655	22,567,070	-	(3,086,023)	33,839,702
Total capital assets not being depreciated	62,421,727	23,267,228	-	(3,086,023)	82,602,932
Capital assets being depreciated:					
Buildings and building improvements	1,926,908	-	-	-	1,926,908
Machinery and equipment	158,285	30,400	-	-	188,685
Infrastructure	37,137,938	-	-	3,086,023	40,223,961
Intangible right to use - office space	982,478	-	-	-	982,478
Total capital assets being depreciated	40,205,609	30,400	-	3,086,023	43,322,032
Less accumulated depreciation for:					
Buildings and building improvements	932,200	118,403	-	-	1,050,603
Machinery and equipment	158,285	4,053	-	-	162,338
Infrastructure	13,962,547	2,146,681	-	-	16,109,228
Intangible right to use - office space	114,625	196,500	-	-	311,125
Total accumulated depreciation	15,167,657	2,465,637	-	-	17,633,294
Total capital assets being depreciated, net	25,037,951	(2,435,237)	-	3,086,023	25,688,738
Total governmental activities capital assets, net	$87,459,679	$20,831,991	$ -	$ -	$ 108,291,670

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

	General
General government	$ 314,903
Physical environment	4,053
Transportation	2,146,681
Total depreciation expense-governmental activities	$ 2,465,637

Note 6 - Long-term Liabilities

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
Lease liability (Note 11)	$ 879,293	$ -	$ (176,650)	$ 702,643	$ 189,064
Total Governmental Activities	$ 879,293	$ -	$ (176,650)	$ 702,643	$ 189,064

Interest expenditures for the year ended September 30, 2025, were $54,434.

Note 7 - Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan

Plan Description. The Village administers a single-employer defined benefit plan (the "Plan") that provides the opportunity to obtain health insurance to its retired full-time employees and their dependents upon reaching the normal retirement age of 65 and 8 years if service or 33 years of service. Pursuant to the provisions of section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the Village may continue to participate in the Village's fully insured health and hospitalization plan for medical and prescription drug coverage. No assets are accumulated in a trust or otherwise that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided. The Village does not contribute toward the benefits (insurance premiums) of retired employees and there have been no substantive Plan provision changes since the last full valuation, which was dated October 1, 2020. Therefore, there is no explicit subsidy.

Note 7 - Other Postemployment Benefits (OPEB) (Continued)

Employees covered by benefits terms. The Village has 9 full-time active employees with 8 currently covered by the benefit terms, no inactive employees currently receive benefits, and no inactive employees are entitled to receive benefits.

The Village has elected to use the alternative measurement method and engaged an actuary to determine the liability using the alternative measurement method for postemployment healthcare benefits other than pensions as of September 30, 2025.

Funding Policy. The Village OPEB benefits are unfunded and recorded on the "pay as you go" basis. As of September 30, 2025, there are no retirees receiving this benefit, and with the availability of more cost effective health insurance plans, it is not anticipated that there will be future participation that would be a material cost to the Village. This liability, which is no longer considered a likely cost, is not being funded by the Village. Therefore, the Plan does not issue a publicly available financial report and all required disclosures are presented herein.

As required by 112.0801, Florida Statutes, the Village offers the insurance coverage to the retirees at a premium cost of no more than the premium cost applicable to active employees. This results in a Village subsidy of the premium rates paid by retirees as it allows them to participate in the Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees.

The Village's total OPEB liability of $7,004 was measured as of September 30, 2025, and was determined by an actuarial valuation as of October 1, 2024. The change in the OPEB liability was a increase of $801 (OPEB expense), which was recognized during the fiscal year ended September 30, 2025. The General Fund and Building Fee Fund will be used to liquidate the OPEB liability.

Total OPEB Liability

Actuarial Methods and Assumptions. The total OPEB liability as of September 30, 2025, was determined using the following actuarial assumptions and other inputs were applied to all periods included in the measurement:

Valuation Date	October 1, 2024
Measurement Date	September 30, 2025
Inflation	2.4%
Salary increases (payroll growth)	3.25%
Discount rate	4.90% (2025)
Health care trend rates	8.0% for 2025; decreasing 0.25% per year to an ultimate rate of 4.5% for 2040 and later years
Retirees' share of benefit-related cost	100%
Funding Policy	Pay-as-you-go cash basis
Mortality	Pub 2010 Scale MP-2021

The discount rate was based upon a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Note 7 - Other Postemployment Benefits (OPEB) (Continued)

The actuarial assumptions used in the valuation represent a reasonable long-term expectation of future OPEB outcomes. As national economic and Village experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

The Village subsidizes the premium rates paid by retirees by allowing them to participate at blended premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, retiree claims are expected to result in higher costs to the plan on average than those of active employees.

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

Per GASB Statement No. 75 paragraph 43(a) since the Village used the alternative measurement method the effects of assumptions are recognized immediately. As such, since the Plan holds no assets their deferred inflows/outflows are zero.

Changes in the total OPEB liability.

	Amounts
Total OPEB liability at beginning of year	$ 6,203
Changes for the year:	
Service cost	1,192
Interest	300
Changes in assumptions and other inputs	278
Difference between expected and actual experience	(969)
Net change in total OPEB liability (OPEB Credit)	801
Total OPEB liability at end of year	$ 7,004

Sensitivity of the total OPEB liability to change in the discount rate. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be in it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current discount rate:

	1% Decrease (3.90%)	Discount Rate (4.90%)	1% Increase (5.90%)
Total OPEB Liability	$ 7,512	$ 7,004	$ 6,538

Note 7 - Other Postemployment Benefits (OPEB) (Continued)

Sensitivity of the total OPEB liability to change in the healthcare cost trend rates. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.50%) or 1-percentage-point higher (9.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (7.00% decreasing to 3.50%)	Healthcare Cost Trend Rates (8.00% decreasing to 4.50%)	1% Increase (9.00% decreasing to 5.50%)
Total OPEB Liability	$ 6,316	$ 7,004	$ 7,797

Note 8 - Retirement Plans

The Village offers a Defined Contribution Retirement 401(a) Plan (the "Plan") to its full-time employees through the Florida Municipal Pension Trust Fund (FMPTF). The Plan is a 40l(a) money purchase plan and the Village is a participating employer in the FMPTF trust agreement. The Plan was established on August 31, 2016, with a Village contribution effective date of October 1, 2016.

The Plan's assets are administered by FMPTF and the Plan is operated under a trust agreement which may be amended by the Master Trustees of the FMPTF. The Village does not exercise any control over the Plan assets or the trust agreement.

The Village's Plan provisions and contributions requirements are established and may be amended by the Village Council.

In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

The Plan does not have age or service requirements and vesting is immediate for Plan participants. The Plan eligibility provisions require funding percentages applied to the salaries of those participating. The required funding percentages and the Village contribution is determined annually during the budget process by Village Council. Normal retirement age is 70.5.

For fiscal year ended September 30, 2025, the Village's retirement contribution reported as expenditures were $134,560 or 8.13% of covered payroll. The employee contribution requirement was 2.5% of applicable compensation.

The Village, also, offers a 457(b) Deferred Compensation Plan to all employees through the Florida Municipal Pension Trust Fund (FMPTF). The Village is a participating employer in the FMPTF trust agreement which allows for salary deferrals with no employer contributions.

Further information regarding the Florida Municipal Pension Trust Fund, including financial statements, is available via request to publicrecordstal@flcities.com or in writing to Florida Municipal Pension Trust Fund, Attn: Office of General Counsel, 301 S. Bronough St., Suite 300, Tallahassee, FL 32301.

Note 9 - Interfund Transfers

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

	Transfers In Funds:				
	General	Capital Projects Fund	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Transfers Out Funds:					
General	$ 139,150	$ 23,345,274	$ -	$ 750,000	$ 24,234,424
	$ 139,150	$ 23,345,274	$ -	$ 750,000	$ 24,234,424

Transfers are used to move unrestricted general fund and debt service proceeds to finance various programs that the government must account for in other funds in accordance with budgetary authorization. These could include amounts provided as subsidies or matching funds for various grant programs, capital projects and debt service payments.

Note 10 - Risk Management

The Village 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 Village participates in the public entity risk pool administered by the Florida League of Cities, Inc. for general/professional liability, property, health insurance and workers compensation. The Village pays an annual premium for these insurance programs. Participation in this risk pool is non-assessable. There were no significant reductions in insurance coverage since the inception of the Village nor were there any settlements that exceed insurance coverage amounts for the fiscal year ended September 30, 2025, or the prior three years.

The Florida League of Cities, Inc. published financial report for the year ended September 30, 2025, can be obtained from the Florida League of Cities, Inc., Public Risk Service, 135 East Colonial Drive, Orlando, Florida 32801.

The Village retains the risk of loss up to a deductible amount (ranging from $0 to $35,000) with the risk of loss in excess of this amount transferred to the pool with limits of liability of up to $5,000,000 per occurrence.

Note 11 - Leases – Right of Use (ROU) Asset

The Village is currently committed to various leases for office space and equipment with terms in excess of one year. The lease for office space meets the recording requirements of GASB Statement No. 87. The future minimum rental payments as of September 30, 2025, were as follows:

Years ending September 30	Principal	Interest	Total
2026	189,064	42,020	231,084
2027	202,346	28,738	231,084
2028	216,567	14,517	231,084
2029	94,666	1,619	96,285
Total	$ 702,643	$ 86,894	$ 789,537

Rent expense for the fiscal year ended September 30, 2025, totaled $359,517.

At September 30, 2025, the net Lease Intangible Right of Use asset of $879,293 was amortized by $196,500 during the year ended September 30, 2025, for an ending book value of $671,353.

On March 1, 2024, the Village amended the lease agreement for office space which provides a location for the Village administration and community development offices. The lease amendment expanded the square footage and extended the term of the lease to 5 years which expires February 2024. The Village has the option to renew for two additional terms of five years.

The Lease liability was recalculated upon amendment to the lease on March 1, 2024. The Village used the incremental borrowing rate of 6.81% which was the 30-Year Mortgage rate on March 1, 2024.

As of September 30, 2025, the monthly rent for office space is $19,257 plus common area maintenance estimated with annual increases of the greater of 2.5% or consumer price index.

Note 12 - Stewardship, Compliance and Accountability

Property Taxes

The billing and collection of all property taxes is performed for the Village by the Lee County Tax Collector. Property taxes are levied after formal adoption of the Village's budget and become due and payable on November 1 of each year. Discounts are allowed for payment of property taxes before March 1 of the following year. Taxes are recognized as revenue when levied to the extent that they result in current receivables. On April 1, any unpaid taxes become delinquent. If the taxes are still unpaid in May, tax certificates are then offered for sale to the general public. The proceeds collected are remitted to the Village.

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

July 1	◆ Assessment roll validated
September 30	◆ Millage resolution approved and taxes levied following certificate of assessment roll
October 1	◆ Beginning of fiscal year for which tax is to be levied

November 1	◆ Property taxes due and payable (levy date) with various discount provisions through March 31
April 1	◆ Taxes become delinquent

Note 12 - Stewardship, Compliance and Accountability (Continued)

June 1	◆ Tax certificates sold by Lee County, Florida Tax Collector

For the year September 30, 2025, the total tax rate was 0.73 mils per $1,000 of assessed taxable property value. For the fiscal year ending September 30, 2024, the levy is based on taxable property values totaling $9,580,656,300, Property tax revenue is recognized in the fiscal year for which the taxes are levied.

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

At September 30, 2025, delinquent property taxes are not material to the basic financial statements of the Village and, therefore, have not been accrued as taxes receivable.

Note 13 - Commitments and Contingencies

Contracts. The Village has outstanding commitments for professional service contracts for planning, engineering and legal services and are reported in the General Fund and Capital Projects Fund at September 30, 2025. The outstanding commitment at September 30, 2025 is as follows:

	Contract Amount	Incurred to Date	Retainage	Balance to Complete, Including Retainage
General Fund				
General government	$ 262,244	$ 38,000	$ -	$ 224,244
Physical environment	1,772,142	513,342	-	1,258,800
Transportation	1,439,322	839,482	-	599,841
Recreation and culture	1,033,383	704,389	-	328,995
Building Fund	-	-	-	-
Capital Projects Fund	64,317,419	22,802,953	718,427	42,232,892
	$ 68,824,510	$ 24,898,166	$ 718,427	$44,644,772

Note 14 - Correction of Error

During fiscal year 2025, there was an error identified in the unearned revenues and prepaids in the Village's 2024 financial statements. Specifically, the September 30, 2024 ending net position was overstated by $10,130,501. This overstatement was due to the recognition of $10,000,000 in unearned ARPA funds at the government wide statement of net position in fiscal year 2022. Additionally, it was also identified that $130,501 in prepaids should have been expensed during the prior years. As a result, the liabilities were understated by $10,000,000, the assets were overstated by $130,501 and ending net position was overstated by $10,130,501 for the fiscal year ended September 30, 2024. The effect of correcting this error is presented in the table below.

	Governmental Activities
Net Position As Previously Reported, 9/30/2024	139,681,043
Error Correction	(10,130,501)
Net Position Beginning, as restated, 9/30/2024	129,550,542

Note 15 - Deficit Fund Balance

For the fiscal year ended September 30, 2025, the Building Fee Fund had a deficit fund balance which will be corrected in fiscal year 2026.

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Required Supplementary Information

Village of Estero, Florida

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

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes				
Property	$ 6,560,880	$ 6,710,880	$ 6,720,694	$ 9,814
Gas	625,000	625,000	669,387	44,387
Franchise	3,090,000	3,090,000	3,470,715	380,715
Communications services	950,500	950,500	1,184,853	234,353
Local business	27,000	27,000	19,718	(7,282)
Licenses and permits	1,000	1,000	3,750	2,750
Intergovernmental revenues	13,901,900	14,401,900	15,409,384	1,007,484
Charges for services	360,500	360,500	322,661	(37,839)
Fines and forfeitures	250	250	6,576	6,326
Investment earnings	650,000	1,250,000	1,508,171	258,171
Other income	101,000	101,000	79,579	(21,421)
Total current year revenues	26,268,030	27,518,030	29,395,488	1,877,458
Prior year carry forward	27,682,033	21,048,191	-	(21,048,191)
Total revenues	53,950,063	48,566,221	29,395,488	(19,170,733)
EXPENDITURES				
Current:				
General government	5,742,955	5,742,955	4,489,562	1,253,393
Public safety	273,110	273,110	243,002	30,108
Physical environment	577,500	577,500	257,022	320,478
Transportation	3,036,825	3,036,825	3,003,526	33,299
Human services	45,000	45,000	48,906	(3,906)
Culture and recreation	294,560	294,560	745,597	(451,037)
Capital outlay	-	-	98,521	(98,521)
Debt service:				
Principal retirement	-	-	146,620	(146,620)
Interest	-	-	45,180	(45,180)
Carry forward (out)	23,675,498	12,291,656	-	12,291,656
Total expenditures	33,645,448	22,261,606	9,077,936	13,183,670
Excess of revenues over expenditures	20,304,615	26,304,615	20,317,552	(5,987,063)
OTHER FINANCING USES				
Transfers in	-	-	139,150	139,150
Transfers out	(20,304,615)	(26,304,615)	(20,874,651)	5,429,964
Total other financing uses	(20,304,615)	(26,304,615)	(20,735,501)	5,569,114
Net change in fund balances	$ -	$ -	(417,949)	$ (417,949)
Fund balances - beginning			21,048,192	
Fund balances - ending			$ 20,630,243	

Village of Estero, Florida

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

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Licenses and permits	$ 1,436,750	$ 1,546,750	$ 1,548,745	$ 1,995
Investment earnings	23,500	23,500	23,213	(287)
Total current year revenues	1,460,250	1,570,250	1,571,958	1,708
Prior year carry forward	443,445	354,752	-	(354,752)
Total revenues	1,903,695	1,925,002	1,571,958	(353,044)
EXPENDITURES				
Current:				
Public safety	1,554,600	2,864,600	2,591,006	273,594
Capital outlay	-	-	49,936	(49,936)
Debt service:				
Principal retirement	-	-	30,031	(30,031)
Interest	-	-	9,254	(9,254)
Carry forward (out)	349,095	60,402	-	60,402
Total expenditures	1,903,695	2,925,002	2,680,227	244,775
Excess of revenues (under) expenditures	-	(1,000,000)	(1,108,269)	(108,269)
OTHER FINANCING USES				
Transfers in	-	1,000,000	750,000	(250,000)
Total other financing uses	-	1,000,000	750,000	(250,000)
Net change in fund balances	$ -	$ -	(358,269)	$ (358,269)
Fund balances - beginning			354,752	
Fund balances - ending			$ (3,517)	

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

The level of control whereby expenditures cannot legally exceed the total amount budgeted is at the fund level and the annual budgets serve as the legal authorization for expenditures. The Village Council may establish or terminate departments by ordinance. As of September 30, 2025, the Council has established one department for community development.

For the year ended September 30, 2025, the Village of Estero adopted a budget for the General Fund, Building Fee Fund, Capital Projects Fund, and the Driving Range Fund.

Budget amounts, as shown in the fund financial statements, are as originally adopted and as finally amended by the Council. The Council may, by resolution, provide for the transfer of all or part of any unencumbered appropriations balance from one department, fund, service, strategy or organizational unit to the appropriation for other departments or organizational units or a new appropriation within 60 days after year end. The Village Manager may transfer funds among programs within a department, fund, service, strategy, or organizational unit and shall report such transfers to the Council, in writing, in a timely manner.

The Village has no funds in which expenditures exceeded appropriations.

Village of Estero, Florida

Schedule of Changes in the Net OPEB Liability and Related Ratios and Notes to the Schedule

Last Ten Fiscal Years

	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability								
Service cost	$ 2,650	$ 1,484	$ 1,653	$ 2,868	$ 2,988	$ 464	$ 417	$ 1,192
Interest	580	483	511	762	873	370	369	300
experience	(3,719)	-	7,382	600	(28,861)	(30)	(4,764)	278
Changes in assumptions and other inputs	(2,677)	501	6,566	(42)	(636)	(945)	3,030	(969)
Benefit payments	-	-	-	-	-	-	-	-
Net change in total OPEB liability	(3,166)	2,468	16,112	4,188	(25,636)	(141)	(948)	801
Total OPEB liability - beginning	13,326	10,160	12,628	28,740	32,928	7,292	7,151	6,203
Total OPEB liability - ending	$ 10,160	$ 12,628	$ 28,740	$ 32,928	$ 7,292	$ 7,151	$ 6,203	$ 7,004
Covered-employee payroll	$ 706,888	$ 830,408	$ 682,386	$ 715,291	$ 745,500	$ 1,079,409	$ 1,582,835	$ 1,654,958
Total OPEB liability as a percentage of covered-employee payroll	1.44%	1.52%	4.21%	4.60%	0.98%	0.66%	0.39%	0.42%

Notes to the schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 .

Changes of assumptions. The actuarial assumptions used in the September 30, 2025 valuation represent a reasonable long-term expectation of future OPEB outcomes. Discount rate changed from 4.15% in 2018 to 3.58% at September 30, 2019 then to 2.41% at September 30, 2020 to 2.43% at September 30, 2021 to 4.77% at September 30, 2022 then to 4.87% at September 30, 2023 then to 4.06% at September 30, 2024 then to 4.90% at September 30, 2025. Health care trend was reset to 8% from 7%. The health care coverage election rate was reduced from 40% to 20%. As national economic and Village experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Village will present information for only those years for which information is available.

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Individual Fund Financial Schedules

Village of Estero, Florida

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

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes				
Gas	$ 415,000	$ 415,000	$ 486,167	$ 71,167
Impact fees	1,908,000	1,908,000	3,973,488	2,065,488
Intergovernmental revenues	16,600,600	16,600,600	-	(16,600,600)
Investment earnings	482,420	482,420	658,575	176,155
Other income	-	-	361,599	361,599
Total current year revenues	2,805,420	2,805,420	5,479,829	2,674,409
Prior year carry forward	16,634,405	21,439,375	-	(21,439,375)
Total revenues	19,439,825	24,244,795	5,479,829	(18,764,966)
EXPENDITURES				
Current:				
Physical environment	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	79,868,914	79,868,914	23,247,489	56,621,425
Carry forward (out)	6,476,126	11,281,096	-	11,281,096
Total expenditures	86,345,040	91,150,010	23,247,489	67,902,521
Excess of revenues over (under) expenditures	(66,905,215)	(66,905,215)	(17,767,660)	49,137,555
OTHER FINANCING SOURCES				
Transfers in	50,304,615	50,304,615	23,345,274	(26,959,341)
Transfers out	-	-	(3,220,623)	3,220,623
Total other financing sources	50,304,615	50,304,615	20,124,651	(23,738,718)
Net change in fund balances	$ (16,600,600)	$ (16,600,600)	2,356,991	$ 18,957,591
Fund balances - beginning			21,439,375	
Fund balances - ending			$ 23,796,366	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Nonmajor Governmental Fund – Driving Range Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment earnings	5,015	5,015	6,839	1,824
Total current year revenues	5,015	5,015	6,839	1,824
Prior year carry forward	145,517	134,000	-	(134,000)
Total revenues	150,532	139,015	6,839	(132,176)
EXPENDITURES				
Current:				
Culture and recreation	10,800	10,800	1,689	9,111
Capital outlay	-	-	-	-
Total expenditures	10,800	10,800	1,689	9,111
Excess of revenues over expenditures	139,732	128,215	5,150	(123,065)
OTHER FINANCING USES				
Transfers out	-	(128,215)	(139,150)	(10,935)
Total other financing uses	-	(128,215)	(139,150)	(10,935)
Net change in fund balances	$ 139,732	$ -	(134,000)	$ (134,000)
Fund balances - beginning			134,000	
Fund balances - ending			$ -	

Statistical Section

This part of the Village of Estero'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 Village's overall financial health.

Contents Page

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

Village of Estero, Florida

Net Position by Component

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

Schedule 1

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental/Primary Government Activities										
Investment in capital assets	$ 471,087	$ 25,896,783	$ 24,798,963	$ 29,089,008	$ 38,568,728	$ 41,861,098	$ 64,858,901	$ 67,213,387	$ 86,580,387	$ 106,870,600
Restricted	2,312,410	5,514,939	9,714,291	12,243,096	11,742,357	11,753,713	13,236,213	17,062,050	21,778,326	23,780,565
Unrestricted	5,503,844	13,155,253	21,312,574	23,550,463	24,724,400	29,681,636	32,457,673	40,253,989	31,322,330	21,353,950
Total governmental activities/ primary government net position	$ 8,287,341	$ 44,566,975	$ 55,825,828	$ 64,882,567	$ 75,035,485	$ 83,296,447	$ 110,552,787	$ 124,529,426	$ 139,681,043	$ 152,005,115

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

Village of Estero, Florida

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(unaudited)

Schedule 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	$ 2,289,683	$ 2,617,224	$ 2,788,737	$ 3,401,752	$ 3,203,219	$ 3,782,713	$ 3,198,109	$ 10,528,425	$ 3,818,736	$ 4,680,795
Public safety	887,642	1,317,701	1,196,671	1,085,537	1,322,971	1,298,406	1,324,224	1,469,973	1,834,711	2,831,064
Physical environment	306,643	436,856	345,096	115,558	191,691	1,625,322	363,253	227,947	201,820	257,022
Transportation	2,548,077	2,237,548	2,196,698	2,412,108	2,904,122	2,494,198	3,513,673	4,300,921	2,444,840	5,231,229
Human services	48,428	48,428	22,756	33,879	37,932	49,523	41,972	11,348	77,074	48,906
Culture and recreation	-	-	-	129,032	88,794	72,756	147,500	606,970	2,907,141	808,060
Interest and issuance cost	-	-	-	608,273	762,353	692,018	479,239	7,959	32,494	54,434
Total governmental activities/primary government expenses	6,080,473	6,657,757	6,549,958	7,786,139	8,511,082	10,014,936	9,067,970	17,153,543	11,316,816	13,911,510
Program Revenues										
Governmental activities:										
Charges for services:										
General government	168,073	313,409	279,144	195,212	200,901	250,390	389,657	398,437	360,483	322,661
Public safety	685,873	1,306,426	1,334,561	1,021,456	1,188,320	1,011,972	1,152,376	1,457,972	1,780,755	1,559,071
Culture and recreation	-	-	-	-	-	-	13,146	321,004	272,035	-
Operating grants and contributions	-	176,414	177,777	176,336	212,849	723,146	155,768	7,129,720	221,747	262,396
Capital grants and contributions	1,431,918	29,267,345	3,322,274	1,830,982	3,360,893	732,890	2,175,135	4,114,318	4,407,966	14,247,056
Total governmental activities/primary government program revenues	2,285,864	31,063,594	5,113,756	3,223,986	4,962,963	2,718,398	3,886,082	13,421,451	7,042,986	16,391,184
General Revenues										
Governmental activities:										
Taxes										
Property, levied for general purposes	4,589,279	4,699,042	4,819,043	4,955,863	5,054,886	5,109,211	5,280,762	5,723,923	6,150,009	6,720,694
Gas	892,944	734,682	749,468	759,317	686,769	932,098	982,493	1,105,622	1,064,479	1,155,554
Franchise	1,713,134	2,224,309	2,288,523	2,333,614	2,280,032	2,319,395	2,670,762	3,159,064	3,176,170	3,470,715
Communication services	340,416	719,940	794,969	866,260	909,318	869,653	972,497	1,012,911	1,077,930	1,184,853
Local business taxes	22,640	22,028	22,561	23,047	19,624	20,919	20,997	32,508	21,977	19,718
Intergovernmental revenues	3,329,066	3,326,662	3,522,911	3,894,401	4,241,552	6,190,304	21,696,901	5,232,920	5,113,215	5,146,988
Investment earnings	18,481	119,081	407,796	680,027	319,602	8,284	69,708	1,291,986	2,710,200	2,196,798
Gain on sale of capital assets	-	-	-	-	86,685	-		-	-	-
Miscellaneous	4,456	28,053	89,784	106,363	102,569	107,636	879,952	149,797	111,467	79,579
Total governmental activities/primary government	10,910,416	11,873,797	12,695,055	13,618,892	13,701,037	15,557,500	32,574,072	17,708,731	19,425,447	19,974,899
Change in Net Position										
Total governmental activities/primary government	$ 7,115,807	$ 36,279,634	$ 11,258,853	$ 9,056,739	$ 10,152,918	$ 8,260,962	$ 27,392,184	$ 13,976,639	$ 15,151,617	$ 22,454,573

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(unaudited)

Schedule 3

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Non-spendable	$ 14,533	$ 14,633	$ 14,633	$ 14,633	$ 15,201	$ 14,945	$ 14,625	$ 14,525	$ 14,525	$ 93,951
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	5,124,700	6,044,700	6,266,700	3,840,100	4,505,700	9,669,400	10,349,500
Unassigned	5,568,981	13,118,237	21,257,077	14,625,120	14,228,047	18,042,232	16,133,361	23,161,808	11,364,266	10,186,792
Total General Fund	$ 5,583,514	$ 13,132,870	$ 21,271,710	$ 19,764,453	$20,287,948	$ 24,323,877	$ 19,988,086	$27,682,033	$ 21,048,191	$20,630,243
All Other Governmental Funds										
Non-spendable, reported in:										
Capital projects fund								$ 15,800	$ 15,800	$ 15,800
Restricted	$ 2,312,410	$ 5,514,939	$ 9,714,291	$ 12,243,096	$ 11,742,357	$ 11,753,713	$ 13,236,213	$ 17,062,050	$ 21,778,327	23,780,566
Assigned, reported in:										
Debt service fund	-	- 0	-	4,040,555	4,179,199	5,304,466	-	-	-	-
Driving range fund	-	-	-	-	-	-	123,261	145,517	134,000	-
Unassigned	(101,439)		-	-	-	-	-	-	-	(12,119)
Total all other governmental funds	$ 2,210,971	$ 5,514,939	$ 9,714,291	$ 16,283,651	$ 15,921,556	$ 17,058,179	$ 13,359,474	$ 17,223,367	$ 21,928,127	$23,784,247

Village of Estero, Florida

Changes In Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(unaudited)

Schedule 4

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 7,558,413	$ 8,576,415	$ 8,852,341	$ 9,114,437	$ 9,121,444	$ 9,251,276	$ 9,927,511	$ 11,034,028	$ 11,490,565	$ 12,551,534
Licenses and permits	685,873	1,306,158	1,854,018	1,020,666	1,187,400	1,011,429	1,152,046	1,457,755	1,780,562	1,552,495
Impact fees	1,431,918	2,596,943	2,802,274	1,830,982	1,432,917	441,935	1,977,097	4,094,405	4,031,441	3,973,488
Intergovernmental	3,329,066	3,326,662	3,522,911	3,894,401	4,241,552	6,955,483	9,742,576	12,362,640	7,589,398	15,409,384
Charges for services	167,589	313,409	279,144	195,212	200,901	250,390	402,803	719,441	632,518	322,661
Fines and forfeitures	484	268	543	790	920	543	330	217	193	6,576
Investment earnings	18,481	119,081	407,796	680,027	319,602	8,284	69,708	1,291,986	2,710,202	2,196,798
Contributions from private sources	-	-	-	-	89,307	290,954	53,695	-	-	-
Miscellaneous										
Other	4,456	28,053	89,784	106,363	102,570	107,636	879,952	169,710	487,991	441,178
Total revenues	13,196,280	16,266,989	17,808,811	16,842,878	16,696,613	18,317,930	24,205,718	31,130,182	28,722,870	36,454,114
Expenditures										
General government	2,264,950	2,534,379	2,737,183	3,225,843	2,964,950	3,664,593	3,009,102	10,366,015	3,578,756	4,489,562
Public safety	875,992	1,300,626	1,177,337	1,064,991	1,305,996	1,285,350	1,315,941	1,470,180	1,834,711	2,834,008
Physical environment	306,643	436,856	433,352	112,001	191,691	241,108	359,372	225,316	201,820	257,022
Transportation	2,548,077	1,021,378	457,090	784,925	1,243,529	2,216,002	1,567,819	2,174,350	2,681,986	3,003,526
Human services	48,428	48,428	22,756	33,879	37,932	49,523	41,972	11,348	77,074	48,906
Culture/recreation	-	-	-	129,032	128,094	71,846	147,655	610,866	481,713	747,286
Capital outlay	497,614	71,998	642,901	25,371,816	9,247,823	4,225,884	7,945,956	4,526,587	21,582,895	23,395,946
Debt service										
Principal	-	-	-	768,416	1,641,295	670,459	17,091,587	179,721	180,503	176,651
Interest and issuance cost	-	-	-	289,872	770,588	720,613	760,810	7,959	32,494	54,434
Total expenditures	6,541,704	5,413,665	5,470,619	31,780,775	17,531,898	13,145,378	32,240,214	19,572,342	30,651,952	35,007,341
Excess (deficiency) of revenues over expenditures	6,654,576	10,853,324	12,338,192	(14,937,897)	(835,285)	5,172,552	(8,034,496)	11,557,840	(1,929,082)	1,446,773
Other Financing Sources (Uses)										
Transfers in	-	90,849	494,611	30,546,595	11,178,860	4,925,024	19,778,472	3,620,030	-	24,234,424
Transfers out	-	(90,849)	(494,611)	(30,546,595)	(11,178,860)	(4,925,024)	(19,778,472)	(3,620,030)	-	(24,234,424)
Proceeds from debt	-	-	-	20,000,000	996,685	-	-	-	-	-
Total other financing sources	-	-	-	20,000,000	996,685	-	-	-	-	-
Net change in fund balances	$ 6,654,576	$ 10,853,324	$ 12,338,192	$ 5,062,103	$ 161,400	$ 5,172,552	$ (8,034,496)	$ 11,557,840	$ (1,929,082)	$ 1,446,773
Debt service as a percentage of noncapital expenditures	-	-	0.00%	16.5%	29.1%	15.6%	73.5%	1.2%	2.3%	2.0%

Village of Estero, Florida

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(unaudited)

Schedule 5

Fiscal Year Ended September 30	Real Property Residential Property	Real Property Commercial Property	Real Property Other Property	Personal Property	Less: Allowable Exemptions [1]	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Market (Just) Value	Taxable Assessed Value as a Percentage of Actual Value
2016	5,962,856,036	690,966,701	158,665,392	150,308,030	1,284,789,616	5,675,825,842	0.8398	6,960,615,458	81.54%
2017	6,443,023,813	782,939,531	192,602,734	166,973,374	1,459,920,847	6,097,421,427	0.7998	7,557,342,274	80.68%
2018	6,889,049,163	741,778,217	213,442,459	180,814,659	1,539,523,465	6,484,202,557	0.7798	8,023,726,022	80.81%
2019	6,869,267,079	741,713,355	206,437,254	189,025,467	1,386,361,871	6,649,259,073	0.7750	8,035,620,944	82.75%
2020	6,916,404,302	762,528,773	352,626,099	203,210,714	1,474,537,084	6,808,708,418	0.7726	8,283,245,502	82.20%
2021	6,948,839,857	780,170,014	369,099,608	219,883,673	1,460,850,590	6,906,637,833	0.7726	8,367,488,423	82.54%
2022	7,317,007,658	840,319,265	406,615,395	235,269,948	1,667,873,721	7,189,827,701	0.7700	8,857,701,422	81.17%
2023	9,478,859,306	907,458,934	440,550,316	244,564,824	3,202,792,112	7,929,707,459	0.7500	11,132,499,571	71.23%
2024	11,898,000,521	1,100,427,418	445,210,424	275,930,231	5,100,424,298	8,680,149,665	0.7400	13,780,573,963	62.99%
2025	12,807,694,917	1,110,296,409	368,512,663	309,287,979	5,084,238,280	9,580,656,300	0.7300	14,664,894,580	65.33%

Source: *Lee County Property Appraiser.*

Note: *Real property is reassessed every year.*

[1] *Allowable exemptions include the assessment differential value of capped parcels which is more commonly known as the "Save our Homes" and exemptions.*

Village of Estero, Florida

Property Tax Rates – Direct and Overlapping Governments

(Per $1,000 of Assessed Value)

Last Ten Fiscal Years

(unaudited)

Schedule 6

	Village of Estero, Florida			Overlapping Rates[1]								Total
				Lee County			School					
Fiscal Year	Operating Millage	Debt Service Millage	Total Village Millage	General Revenue	Library Fund	Total Lee Cty	Local Board	State Law	Total School	Estero Fire District[2]	Other[3]	Total Direct & Overlapping Rates
2016	0.8398	-	0.8398	4.1506	0.5956	4.7462	2.2480	5.0370	7.2850	2.1881	0.6605	14.8798
2017	0.7998	-	0.7998	4.0506	0.5956	4.6462	2.2480	4.7410	6.9890	2.1500	0.6361	15.2211
2018	0.7798	-	0.7798	4.0506	0.5956	4.6462	2.2480	4.4310	6.6790	2.1300	0.6542	14.8892
2019	0.7750	-	0.7750	4.0506	0.4956	4.5462	2.2480	4.1530	6.4010	2.1300	0.6205	14.4727
2020	0.7726	-	0.7726	4.0506	0.4956	4.5462	2.2480	3.8990	6.1470	2.1300	0.5958	14.1916
2021	0.7726	-	0.7726	4.0506	0.4956	4.5462	2.2480	3.8100	6.0580	2.1300	0.5729	14.0797
2022	0.7700	-	0.7700	3.8623	0.4714	4.3337	2.2480	3.6430	5.8910	2.1300	0.5640	13.6887
2023	0.7500	-	0.7500	3.7623	0.4714	4.2337	2.2480	3.3090	5.5570	2.1300	0.5220	13.1927
2024	0.7400	-	0.7400	3.7623	0.4714	4.2337	2.2480	3.1820	5.4300	2.1600	0.5212	13.0849
2025	0.7300	-	0.7300	3.7623	0.0436	3.8059	2.2480	3.0380	5.2860	2.2880	0.5095	12.6194

Source: *Lee County Property Appraiser.*

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

[1] *Overlapping rates are those of the local and county governments that apply to property owners within the Village of Estero. Not all overlapping rates apply to all Village of Estero property owners.*

[2] *The Village of Estero has three Fire Districts within its boundaries. Estero Fire Rescue District, 2.1300 millage rate, San Carlos Park Fire District, 2.7500 millage rate, and Bonita Springs Fire District 1.9466 millage rate.*

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

Village of Estero, Florida
Principal Property Taxpayers
Current Fiscal Year and Nine Fiscal Years Ago
(unaudited)

Schedule 7

Taxpayer	2025 Taxable Assessed Value	2025 Rank	2025 Percentage of Total Taxable Assessed Value	2016[1] Taxable Assessed Value	2016[1] Rank	2016[1] Percentage of Total Taxable Assessed Value
Coconut Point Developers LLC	$ 107,873,659	1	1.24%	-	-	-
Miromar Outlet West LLC	72,203,199	2	0.83%	-	-	-
Fort Myers Reef Acquisitions	67,443,131	3	0.78%	-	-	-
CV Fort Myers Borrower LLC	55,902,000	4	0.64%	-	-	-
Lee Everblades LLC	53,840,797	5	0.62%	-	-	-
Hertz Corpoaration	48,698,807	6	0.56%	-	-	-
Reserve At Coconut Point LLC	45,024,553	7	0.52%	-	-	-
Lee Terracap LLC	37,565,475	8	0.43%	-	-	-
Coconut Road Estero Apartments	33,212,363	9	0.38%	-	-	-
Continental 305 Fund LLC	28,523,584	10	0.33%	-	-	-
Total	$ 550,287,568		6.33%	$ -		0.00%

Source: Lee County Property Appraiser.

[1] *Information is not available from the Lee County Property Appraiser for 2016.*

Schedule 8

Fiscal Year Ended Sep 30	Total Tax Levy For Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount [1]	Percentage of Levy		Amount	Percentage of Levy
2016	4,876,718	4,588,424	94.09%	(14,372)	4,574,052	93.79%
2017	5,056,381	4,699,042	92.93%	(29,960)	4,669,082	92.34%
2018	5,153,176	4,819,043	93.52%	44,332	4,863,375	94.38%
2019	5,260,408	4,954,539	94.21%	1,324	4,955,863	94.21%
2020	5,336,068	4,956,095	92.87%	(232)	4,955,863	92.87%
2021	5,310,460	5,109,211	96.21%	(155)	5,109,211	96.21%
2022	5,536,495	5,280,762	95.36%	(1,114)	5,279,648	95.36%
2023	5,947,281	5,696,704	96.24%	27,219	5,723,923	96.24%
2024	6,423,311	6,150,009	95.75%	-	6,150,009	95.75%
2025	6,993,879	6,720,694	96.09%	-	6,720,694	96.09%

Source: *Lee County Tax Collector.*

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

Ratios Of Outstanding Debt by Type

Last Ten Fiscal Years

(unaudited)

Schedule 9

	Governmental Activities						
Fiscal Year	General Obligation Bonds	Revenue Bonds	Notes, Loans and Agreements Payable	Lease Payable	Total Primary Government	Percentage of Personal Income [1]	Per Capita [1]
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	19,231,584	-	19,231,584	0.0%	-
2020	-	-	17,590,289	-	17,590,289	0.0%	531
2021	-	-	16,919,830	-	16,919,830	0.0%	455
2022	-	-	-	257,039	257,039	0.0%	7
2023	-	-	-	77,318	77,318	0.0%	2
2024	-	-	-	879,293	879,823	0.0%	20
2025	-	-	-	702,643	702,643	0.0%	16

Note: *When applicable, details regarding the Village's outstanding debt can be found in the notes to the financial statements.*

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

Village of Estero, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Schedule 10

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

Note: When applicable, details regarding the Village's outstanding debt can be found in the notes to the financial statements.

Village of Estero, Florida
Direct And Overlapping Governmental Activities Debt
As of September 30, 2024
(unaudited)

Schedule 11

Governmental Unit		Debt Outstanding	Estimated Percentage Applicable		Estimated Share of Overlapping Debt
Debt repaid with property taxes					
Lee County	$	221,085,000 [1]	16.6% [2]	$	36,700,110
Village direct debt					702,643
Total direct and overlapping debt				$	37,402,753

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

[2] *Determined by dividing:*

"Total Taxable Assessed Valuation" from Schedule 5	$	9,580,656,300
by the "Total Taxable Assessed Value" of Lee County	$	57,688,615,000

[3] *See Schedule 9 herein.*

[4] *Lee County Property Appraiser*

Village of Estero, Florida
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

Village of Estero, Florida
Legal Debt Margin Information
Last Ten Fiscal Years

Schedule 12

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Legal debt limit [1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total net debt applicable to limit	-		-	19,231,584	17,590,289	16,919,830	-	257,039	77,318	189,064
Legal debt margin	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

[1] *No legal debt limit has been established for the Village.*

Demographic And Economic Statistics

Last Ten Fiscal Years
(unaudited)

Schedule 13

	Population		Lee County [1]	Village of Estero		Lee County [1]	Village of Estero
Fiscal Year	Village of Estero [1]	Lee County [1]	Total Personal Income (in thousands) [2]	Per Capita Personal Income [1]	Median Age [1]	School Enrollment [3]	Unemployment Rate [3]
2016	30,565	680,255	29,738,708	43,717	60.2	79,446	4.5%
2017	30,945	698,185	35,534,824	50,896	60.2	79,446	4.6%
2018	31,806	713,618	37,787,500	52,952	61.0	79,446	4.0%
2019	32,412	734,890	39,146,855	53,269	61.7	79,446	3.4%
2020	33,120	750,493	40,284,963	53,678	64.2	95,578	6.4%
2021	37,213	782,579	46,647,969	59,608	65.8	95,023	4.0%
2022	37,842	802,178	50,725,726	63,235	59.9	97,264	3.0%
2023	42,943	822,453	52,007,815	63,235	60.0	100,169	3.9%
2024	42,943	840,698	58,375,547	69,437	48.0	101,369	3.1%
2025 [4]	42,943	840,698	58,375,547	69,437	48.0	101,369	3.1%

Data Sources:

[1] *Lee County Economic Development*

[2] *Determined by multiplying population by per capita income.*

[3] *Lee County School Board Impact Report*

[4] *Estero Economic Data for 2025 was not available at the time of financial statement issuance.*

Schedule 14

	2025				2016		
Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
Lee Health	16,506	1	6.23%	Lee Memorial Health Systems	10,900	1	3.66%
Lee County Public Schools	12,264	2	4.63%	Lee County School Board	10,600	2	3.56%
Lee County Local Government	9,959	3	3.76%	Publix Super Markets	2,584	3	1.68%
Publix Asset Management Company	5,730	4	2.16%	Lee County Government	5,007	4	0.87%
Walmart Inc	3,357	5	1.27%	Wal-Mart Corporation	2,507	5	0.84%
Amazon.com Inc	2,365	6	0.89%	Home Depot	1,783	6	0.60%
Herc Rentals	2,213	7	0.84%	City of Cape Coral	1,654	7	0.56%
Gartner Inc	2,000	8	0.76%	Chico's FAS Inc.	1,642	8	0.55%
Florida Gulf Coast Univeristy	1,943	9	0.73%	Lee County Sherriff's Office	1,585	9	0.53%
Shell Point Retirement Community	1,563	10	0.59%	United States Postage Service	1,477	10	0.50%
Total	57,900		0		39,739		13.35%

Source: Florida Gulf Coast University

[1] *Information listed is for Lee County as statistics for Village of Estero are unavailable.*

Village of Estero, Florida
Full-Time Equivalent Village Government Employees by Function
Last Ten Fiscal Years
(unaudited)

Schedule 15

	Full-time Equivalent Employees as of September 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
General Government	7	8.5	10.5	11.0	12.0	12.0	12.0	12.0	12.0	12.0
Total	7.0	8.5	10.5	11.0	12.0	12.0	12.0	12.0	12.0	12.0

Source: Village of Estero Annual Budget as amended.

Schedule 16

	Fiscal Year									
	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [1]	2023 [1]	2024 [1]	2025 [1]
Function										
General Government	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Note: Operating Indicators are not available for General Government function.

Source: Various Village of Estero Departments

[1] *The Village does not maintain Operating Indicators by Function; therefore, data is not available.*

Village of Estero, Florida

Capital Asset Statistics by Function [1]

Last Ten Fiscal Years

(unaudited)

Schedule 17

	Fiscal Year									
Function	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [1]	2023 [1]	2024 [1]	2025 [1]
General Government	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

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

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Single Audit Report

CBIZ CPAs P.C.

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

To the Honorable Mayor, the Village Council and Village Manager
Village of Estero, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Estero, Florida (the "Village") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 26, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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 Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item MW2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs**.** The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

CBIZ CPAs P.C.

Tampa, Florida
June 26, 2026

CBIZ CPAs

CBIZ CPAs P.C.

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Independent Auditors' Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Honorable Mayor, Village Council and Village Manager
Village of Estero, Florida

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Village of Estero, Florida (the "Village") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Village's major federal program for the fiscal year ended September 30, 2025. The Village's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the Village 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 the major federal program. Our audit does not provide a legal determination of the Village'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 Village's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village'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*, and the Uniform Guidance 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 Village's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 Village'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 Village'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, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program 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 will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in* *internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal controls over compliance may exist that were not identified.

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

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

CBIZ CPAs P.C.

Tampa, Florida
June 26, 2026

VILLAGE OF ESTERO, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Federal Agency, Pass-Through Entity Federal Program	ALN	Grant Number/ Pass-through Entity Identifying Number	Total Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
U.S. Department of Homeland Security				
Passed through State of Florida, Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z3375	$ 70,320	$ --
Total U.S. Department of Homeland Security			70,320	--
U.S. Department of Housing and Urban Development				
Passed through Lee County Florida, Board of County Commissioners				
Community Development Block Grants/Entitlement Grants	14.218	DR10159	6,500	--
Total Community Development Block Grant Cluster			6,500	--
Total U.S. Department of Housing and Urban Development			6,500	--
U.S. Department of Treasury				
Passed through Florida Department of Emergency Management				
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5280	10,000,000	--
Total U.S. Department of Treasury			10,000,000	--
Total Expenditures of Federal Awards			$ 10,076,820	$ --

See notes to schedule of expenditures of federal awards.

VILLAGE OF ESTERO, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Village of Estero, Florida (the "Village") for the fiscal year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, or the changes in net position of the Village.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Village has elected not to use the de minimus indirect cost rate as allowed under the Uniform Guidance.

VILLAGE OF ESTERO, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	*Unmodified Opinion*
Internal control over financial reporting:	
Material weakness(es) identified?	_X_ Yes ____ No
Significant deficiency(ies) identified?	____ Yes ____ None Reported
Noncompliance material to financial statement noted?	____ Yes _X_ No

FEDERAL AWARDS

Internal control over its major federal program:	
Material weakness(es) identified?	____ Yes _X_ No
Significant deficiency(ies) identified?	____ Yes _X_ None Reported
Type of auditor's report issued on compliance over major federal program:	*Unmodified Opinion*
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes _X_ No

IDENTIFICATION OF MAJOR FEDERAL PROGRAM

Federal Program	AL No.
Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between Type A and Type B Federal programs:	$ 1,000,000
Auditee qualified as low-risk auditee?	_X_ Yes ____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

MW2025-001 –INTERNAL CONTROLS OVER FINANCIAL REPORTING

Criteria

Generally accepted accounting principles ("GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB"), require that financial statements present fairly, in all material respects, the financial position, changes in financial position, and, where applicable, cash flows in conformity with GAAP. GASB Statement No. 100 requires correction of material errors to be reported as prior period adjustments and fully disclosed in the notes to the financial statements. Additionally, internal controls should be in place to ensure that significant accounting errors are prevented or detected and corrected in a timely manner.

Condition

During the audit of the financial statements ended September 30, 2025, an error was identified in the recognition of grant revenues and prepaids in the prior years related to the American Rescue Plan Act ("ARPA"). Specifically, the Village recognized the grant funds received as revenue when received in fiscal year 2022 before all eligibility requirements had been met. In addition, the Village recorded prepaid amounts which should have been expensed during the year.

Cause

Due to the complex nature of the transaction and reliance on common industry practice, the incorrect accounting standards were applied.

Effect

The financial statements for the year ended September 30, 2024, materially understated liabilities by $10,000,000, overstated assets by $130,501 which resulted in a overstatement of net position by $10,130,501.

Recommendation

Given the complexity and first-time implementation of the American Rescue Plan Act ("ARPA") and COVID-related federal grants, we recommend that the Village strengthen controls surrounding the accounting and reporting of these federal grant transactions. For first-time recipients, enhanced procedures and oversight are especially important to ensure proper compliance and accurate financial reporting.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

MATERIAL WEAKNESSES (CONTINUED)

MW2025-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING (CONTINUED)

View of Responsible Officials and Planned Corrective Action

See accompanying corrective action plan.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

VILLAGE OF ESTERO, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None

II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

CBIZ CPAs P.C.

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Management Letter in Accordance with the Rules of the Auditor General of the State of Florida

To the Honorable Mayor, Village Council and Village Manager
Village of Estero, Florida

Report on the Financial Statements

We have audited the financial statements of the Village of Estero, Florida (the "Village"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 26, 2026.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; 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 Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditors' Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 26, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the prior year that required corrective actions.

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Village 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 Village 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 Village. It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment was performed as of the fiscal year end.

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

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the Village's geographical boundaries during the fiscal year under audit. There was no PACE Program operating within the Village.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate 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 unit that failed to provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, 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 Honorable Mayor, Village Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

Tampa, Florida
June 26, 2026

CBIZ CPAs P.C.

201 East Kennedy Boulevard
Suite 1500
Tampa, FL 33602

P: 813.397.4800

Independent Accountants' Report on Compliance Pursuant to Section 218.415, Florida Statutes

To the Honorable Mayor, Village Council and Village Manager
Village of Estero, Florida

We have examined the Village of Estero, Florida (the "Village") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2025. Management of the Village is responsible for the Village's compliance with the specified requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Village complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Village complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Village complied, in all material respects, with Section 218.415, Florida Statutes for the fiscal year ended September 30, 2025.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes and it is not suitable for any other purpose.

CBIZ CPAs P.C.

Tampa, Florida
June 26, 2026

June 26, 2026

Joanne Ribble
District One

Larry Fiesel
District Two

Jon McLain
Vice Mayor
District Three

Katy Errington
Mayor
District Four

Jim Boesch
District Five

Jim Ward
District Six

Jim Wilson
District Seven

Steve Sarkozy
Village Manager

Robert D. Pritt
Interim
Village Attorney

Corrective Action Plan

This letter will confirm receipt of your management letter reviewed by us.

Current Year Finding: During the audit of the financial statements ended September 30, 2025, an error was identified in the recognition of grant revenues and prepaids in the prior years related to the American Rescue Plan Act ("ARPA"). Specifically, the Village recognized the grant funds received as revenue when received in fiscal year 2022 before all eligibility requirements had been met. In addition, the Village recorded prepaid amounts which should have been expensed during the year.

Current Year Management's Response: Management concurs with the finding. The accounting treatment related to the recognition of American Rescue Plan Act (ARPA) grant revenues and certain prepaid expenditures was applied consistently in prior fiscal years and was reviewed as part of the Village's annual financial statement audits. During the fiscal year 2025 audit, the Village's newly engaged independent auditors identified that the timing of revenue recognition and classification of certain prepaid expenditures should be revised to better comply with applicable governmental accounting standards.

Management relied upon accounting practices and interpretations that had been accepted in prior years and appreciates the current auditors' recommendations and clarification regarding the appropriate accounting treatment. Upon identification of the issue, management worked with the auditors to record the necessary adjustments and ensure the financial statements were fairly presented.

To prevent similar issues in the future, management has enhanced its year-end financial reporting review procedures, including additional review of grant agreements, eligibility requirements, deferred inflows of resources, and prepaid expenditure classifications. Management believes these procedures will strengthen financial reporting and help ensure continued compliance with applicable GASB standards.

Village of Estero | 9401 Corkscrew Palms Circle | Estero, FL 33928 | Phone: 239.221.5035 | Fax: 239.494.5343 | www.Estero-fl.gov

Steven Sarkozy
Steven Sarkozy (Jun 26, 2026 12:16:47 EDT)

Steven R. Sarkozy
Village Manager

Britt Martin

Britt Martin
Interim Finance Director

Village of
ESTERO

April 28, 2026

BEFORE ME, the undersigned authority, personally appeared Kevin Greenville, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the Village of Estero which is a local government entity of the State of Florida;

2. The governing body of the Village of Estero adopted Ordinance No. 2018-09 and No. 2018-10 implementing an impact fee: and

3. The Village of Estero has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Kevin Greenville, Chief Financial Officer

STATE OF FLORIDA
COUNTY OF LEE

SWORN TO AND SUBSCRIBED before me this 28 day of April 2026.

Notary Public

Print Name: Carolin Sacco

Personally known ✓ or produced identification________

Type of identification produced:
Known time

My Commission Expires:
11/28/2028

Notary Public State of Florida
Carolin M Sacco
My Commission HH 578410
Expires 11/28/2028