City of Fort Myers, FL

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Fiscal Year Ended September 30, 2023

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2023



Prepared by:
Financial Services Department

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



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CITY OF FORT MYERS, FL

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2023

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INTRODUCTORY SECTION





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City of Fort Myers, Florida
FINANCIAL SERVICES ADMINISTRATION
PO Box 2217
Fort Myers, FL 33902-2217
239.321.7147

June 4, 2024

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

We are pleased to present to you the Annual Comprehensive Financial Report of the City of Fort Myers (City) for the fiscal year ended September 30, 2023. State law requires that a complete set of financial statements, presented in conformance with accounting principles generally accepted in the United States (GAAP), be audited by licensed, independent certified public accountants in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* within nine months after the end of the fiscal year. This report has been published to fulfill those statutory requirements.

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

In compliance with the laws of the State of Florida, the City's financial statements have been audited by Marcum LLP, a firm of licensed, independent certified public accountants. The independent auditor issued an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented in the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

Geographic Location, Population, and History

Fort Myers, incorporated in 1885, is the oldest city in Lee County and serves as the county seat. Fort Myers is located on the lower west coast of Florida, midway between Tampa and Miami, and has a current population of approximately 97,711 residents. The City encompasses 48.82 total square miles, including waterways, and is bordered to the north and west by the Caloosahatchee River, which is part of the intercoastal waterway connecting the Atlantic Ocean and the Gulf of Mexico.

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

In 1885, Fort Myers was incorporated and in 1887 Lee County was carved from Monroe County. Over time the original wooden buildings of downtown were replaced with masonry and brick buildings, many of which still exist today. 1924 marked the construction of a wooden bridge spanning the Caloosahatchee, aptly named the Edison Bridge, after our most famous winter resident. Although the boom times came and went throughout the years, Fort Myers grew to become the governmental, commercial, and social center of Southwest Florida.



Colonel Abraham Myers

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

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

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

City Structure

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

Types of Services

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

Component Unit

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

Budget Process

The City's budget is prepared by the City Manager and the Budget Division and is adopted by the City Council after two public hearings. The steps in the City's formal budget adoption process are established by state law, commonly known as the Truth in Millage Act, or "TRIM", and are detailed later in this section of the book. Annual budgets are legally adopted for the General Fund, Debt Service Funds, Enterprise Funds, Internal Service Funds, Trust and Agency Funds and certain Special Revenue Funds. In addition, project budgets are approved for the Capital Project Funds. To ensure budgetary compliance throughout the fiscal year, reports that compare the budget to actual results of operating funds are prepared and distributed to the City Council on a quarterly basis. Similar reports of budget to actual results for capital funds are prepared and distributed to Departments monthly and City Council quarterly. The legal level of budgetary control is defined at the Department level within a fund. All operating budget appropriations lapse at fiscal year end to the extent that they have not been expended.

The City Council is required to adopt a final budget no later than the close of the preceding fiscal year to which the budget applies. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, department (e.g. Public Works), and division (e.g. Recreation). In accordance with the City's Budget Policy, the department head, or designee, and budget staff have the authority to approve the transfer of funds within a department, within a fund, as long as the transfer does not change the total of the approved budget for that fund. In most cases, divisions are required to transfer funds only to meet unanticipated needs or to reflect organizational changes.

Internal Control

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

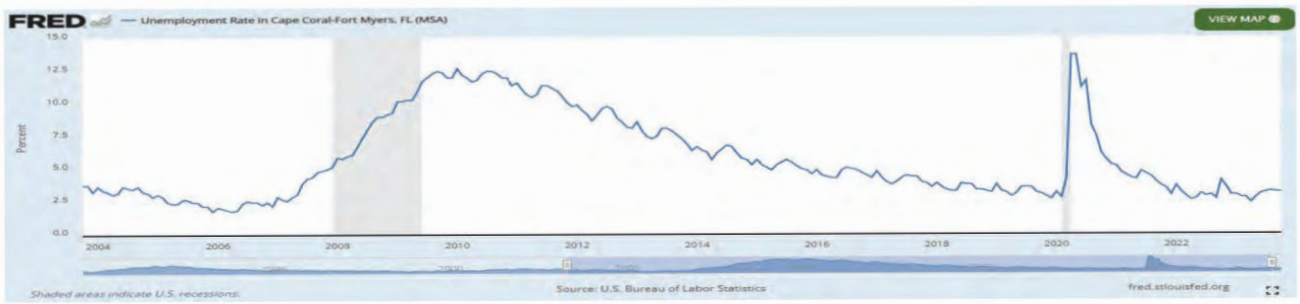
ECONOMIC CONDITION AND MAJOR INITIATIVES

Local Economy

The City is part of the Cape Coral-Fort Myers Metropolitan Statistical Area (MSA), with a 2022 population of 822,453. According to the latest data from U.S. Census Bureau's population estimates, Fort Myers is expected to continue growing, reaching 100,000 residents soon.

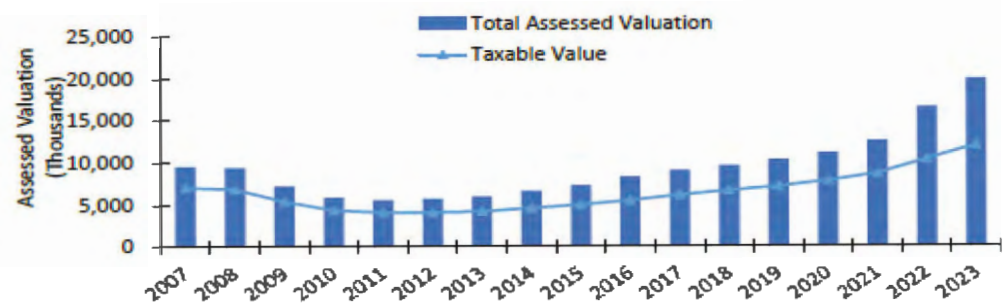
Located in city limits, the Barbara B. Mann Performing Arts Hall, located on the campus of Florida South-Western State College, is an 1,874-seat facility that features the largest proscenium stage. The Mann Hall is host to prominent entertainers, dance performances, popular ensembles, and classical music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

The City's economy is centered on the retail, healthcare, and accommodation industries. Over 80% of adults in the city have graduated from high school, while nearly one-quarter have a college education. The City has seen the job market increase by 1.9% over the past year, with future job growth over the next ten years predicted to be 44%, which is higher than the U.S. average of 33.5%. The Cape Coral - Fort Myers MSA unemployment rate as of September 2023 is 3.2%, a positive improvement from 4% on September 30, 2022, per the U.S. Bureau of Labor Statistics.



Southwest Florida is still recovering from the widespread destruction from Hurricane Ian that hit the area on September 28, 2022. Despite the impact of the hurricane, SmartAsset's December 2022 edition on the top boomtowns in America ranked Fort Myers #5 in the top 10. The boom in population, incomes and housing over a five-year period beginning in 2016 supported the ranking. Notably, the City's population increased by almost 20% (4th highest), workers earned roughly 47% more over the same period and the number of housing units went up by nearly 28%. U.S. News identified that Fort Myers was #3 in their report titled "Fastest-Growing Places in the U.S. in 2023-2024".

Property values play a leading role in determining the strength of the City's tax base and represent 47.89% of total revenue for the General Fund. Total assessed and taxable values have continued to increase year over year since 2012. In 2023, total assessed valuations increased 20.1% over the prior year and taxable values increased 10.1% over the prior year. The following chart illustrates the trends in both assessed and taxable values, along with trends in exemptions, by type since 2007.



Real estate indicators continued to be a bright spot for the region. Single-family building permits for the coastal counties had a year-over-year improvement of approximately 110 percent. Single-family home sales had a year-over-year improvement of 74 percent.

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

Major Initiatives

Beyond the need for the continued recovery from Hurricane Ian, there are challenges of growth management, structural balance in the budget, labor and supply constraints that are driving price escalations and inflation, affordable housing needs and resources for department staffing. Pressure on staffing resources in our Police Department is strong, in part due to the school resource officer program. The Police Department has developed a recruitment program called True Blue, aimed at filling out the many open positions, hoping to keep the community safe.

In recognition of the need to fund critical utility capital improvements, the City's 5-Year capital improvement budget increased from $693 million to $813 million. A plan on funding future years is currently taking place.

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

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

LONG-TERM FINANCIAL PLANNING

Planning

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

- Comprehensive Plan - Updated by Community Development – Planning Division, the Comprehensive Plan provides long-term direction to guide and control both development and redevelopment in the City as required under Florida Statutes. Further, the plan identifies level of service needs and deficiencies within plan elements which initiates capital improvement project requests for consideration in the Capital Plan to ensure concurrency. This plan can be viewed at: https://www.cityftmyers.com/1539/Comprehensive-Plan-LDC

- Strategic Plan – Defines broad goals and objectives both short and long-term to be achieved by the City to ensure continuous and effective service delivery to its citizenry. This plan also establishes Departmental responsibilities for accountability of its execution as well as allocation of resources according to priorities. This plan is located in the annual budget document and can be found at: https://www.cityftmyers.com/1499/Budget

- General Fund Long-Term Financial Modeling & Sustainability Analysis – For several years in conjunction with budget development, consultants perform a review of the sufficiency of revenues collected in the City's General Fund versus projected cost requirements. This information is incorporated into an interactive model that provides a diagnostic, 10-year view of the City's finances. For the development of the fiscal year 2024 budget, the City did not engage consultants to perform this analysis. Instead, the budget staff performed similar analyses to ensure sustainability into the future. This plan is located in the annual budget document and can be found at: https://www.cityftmyers.com/1499/Budget

Capital Planning

The City's annual budget process includes the preparation of the five-year Capital Improvement Program (CIP), which typically includes the construction of infrastructure and municipal facilities as well as the acquisition of large or specialized equipment. The capital planning process is critical to the City's well-being because it provides the opportunity to take a planned and programmed approach to allocating financial resources in the most responsive and efficient manner necessary to meet the level of service identified in the City's Comprehensive Plan.

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

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

Financial Policies

The City's financial policies compiled below set forth the basic framework for the overall fiscal management of the City. These policies are built upon the City's values of Accountability and Integrity as well as its Mission Statement to provide exceptional municipal services in a fiscally responsible manner. Development of the Strategic Plan continues and as warranted, the City will revise policies and procedures in the process to further growth and financial security. Operating independently of changing circumstances and conditions, the financial policies guide the decision-making process of the City Manager, Mayor, City Council and Administration. These policies provide guidelines for evaluating both current activities and proposals for future programs. These policies are:

- Budget Policy – Adopted by City Council by Resolution 2022-41
- Debt Policy – Adopted by City Council by Resolution 2008-34
- Fund Balance Policy – Adopted by City Council by Resolution 2022-4
- Investment Policy – Adopted by City Council by Resolution 2021-2
- Procurement Policy – Ordinance 3889 adopted 1/6/2020

Fund Balance

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

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

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

The unrestricted fund balance in the General Fund at year end was 36.4% of total General Fund budgeted appropriations. The unrestricted fund balance exceeds the minimum requirement of the goal set by the City Council for budgetary and planning purposes. Net assets for the Utility, Solid Waste, and Stormwater funds net assets at the end of the fiscal year were 29.2%, 47.1%, and 66.8% respectively. The unrestricted net assets exceed the minimum requirement of the goal set by the City Council for budgetary and planning purposes.

Tax Abatements

The CRA determines the use of tax increment rebates and other incentives as necessary to encourage development within the CRA's redevelopment areas. The CRA Board of Commissioners are responsible for monitoring compliance with abatement agreements with the help of their Executive Director and staff. The CRA is a very effective economic development tool, which is done through the proper management of operations while utilizing studies, plans, and guidance documents. Some of these documents are:

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

Tax abatement participation from Lee County is budgeted along with transfer's in from the General Fund of CRA annual funds. Property tax increment abatement expenditures are budgeted per CRA district. The City's strategic priorities of Economic Prosperity are met using tax abatements, with the objective of expanding and diversifying the local economy using the CRA's tax abatement incentive. Some of the benefits anticipated due to the abatements are the increase of housing stock, providing hotel support to the downtown convention center, improvement of downtown buildings, increase of commercial activity, addition of low-moderate income housing options, and the increase of workforce housing. The City makes tax abatement payments after determining that program requirements are met.

Table 1: Summary of Rebates for Completed Projects - Benefits

Project Name (Developer)	Purpose*	Property Tax Abatements Paid				
		FY 2019 & Prior	FY 2020	FY 2021	FY 2022	FY 2023
Orthopedic Specialists of SW Florida (GRW, LLC.; The MacSydney Company, LLC.)	Development of Project	$ 216,537	$ 111,054	$ 123,286	$ 124,114	$ 126,655
The Banyan (fka: Hotel Indigo): Laxmi Lodging	Development of Project	744,421.00	319,802.00	356,232.32	388,042	409,578
David Plummer (McGregor-Clifford, LLC.)	Development of Project	4,962.74	2,880.87	3,915.96	5,553	7,044
Grand Central Fort Myers, LLC.	Development of Project	-	-	422,474.24	858,205	1,278,842
Luminary Hotel (MainSail, Fort Myers LLLP.)	Development of Project	-	-	-	221,984	424,244
West End of City Walk (City Walk Fort Myers, LLC.)	Development of Project	-	-	-	-	550,000
Royal Palm Gardens Apartments, LLLP.: Jones Walker Palm Gardens Apartments	Development of Project	-	-	-	11,323	25,331
Edison Grand (2500 Edwards Drive Owner, LLC)	Development of Project	-	-	-	120,334	308,915
Silver Hills at Fort Myers Phase I (ESH Fort Myers, LLC)	Development of Project - NEW	-	-	-	-	-

**Please see footnote #22 in the Notes to the Financial Statement for details of tax abatement and purpose of each one.*

In order to avoid duplicating efforts, a more detailed discussion about tax abatements can be found in the notes to the financial statements (see Note 22). Additional information on this can be obtained by contacting the CRA through their webpage at https://fortmyerscra.com/ or by requesting it through an email at fmcra@cityftmyers.com.

Credit Ratings

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

On June 17, 2022, Fitch Ratings affirmed the A+ rating on the City's outstanding non-ad valorem revenue bonds and the rating outlook is stable. In addition, on July 12, 2022, Fitch affirmed the A+ rating on the City's outstanding utility system refunding and revenue bonds and the rating outlook is stable. On October 28, 2022, Standard and Poor's affirmed its AA credit rating on the City's capital improvement revenue bonds and the outlook on all ratings is stable. Moody's upgraded non-ad valorem debt of forty-one Florida issuers, including the City, on January 25, 2023, concluding a review that was initiated on November 3, 2022 in conjunction with the release of the new US Cities and Counties Methodology.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fort Myers for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. This was the thirty-fourth consecutive year that the City has achieved this prestigious award. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest

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

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

Acknowledgements

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

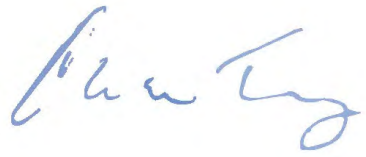
Appreciation is also extended to our external auditors, Marcum LLP, for their assistance and to the Mayor, City Council Members, and department heads for the vital role they have played in enabling the City to remain fiscally responsible to the citizens of Fort Myers.

Respectfully,

Respectfully,



Marty K. Lawing
City Manager



Christine Tenney, CGFO
Director of Financial Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fort Myers
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO

Organizational Chart

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

List of Elected Officials



Mayor Kevin B. Anderson



Ward 1
Teresa Watkins Brown



Ward 2
Johnny W. Streets, Jr.



Ward 3
Terolyn Watson



Ward 4
Liston Bochette, III



Ward 5
Fred Burson



Ward 6
Darla Bonk

Fort Myers, FL Location Map





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FINANCIAL SECTION





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MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Myers, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Community Redevelopment Agency of the City of Fort Myers (the "CRA"), a component unit of the City, which represents 2%, 16% and 2%, respectively, of the assets, net position and revenues of the governmental activities and 1%, 1% and 2%, respectively, of the assets, fund balance/net position and revenues/additions of the aggregate remaining fund information as of September 30, 2023. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the CRA, is based solely on the reports of the other auditors.

Basis for Opinions

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

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Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages B1 through B16, the budgetary comparison data on pages E1 through E3, the pension schedules on pages E4 through E16, and the other postemployment benefits plan schedules on page E17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

Tampa, FL
June 4, 2024

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

The MD&A provides an overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. It is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activities, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

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

FINANCIAL HIGHLIGHTS:

- The combined total assets at $1.05 billion, plus deferred outflows of resources totaling $64.03 million, exceeded combined total liabilities of $680.49 million and deferred inflows of $13.21 million at the close of the fiscal year by $418.44 million (net position).
    - Of this amount, $3.34 million represents unrestricted net position, which may be used to meet the government's future obligations to citizens and creditors.
- The government's net position increased by $62.58 million, or 17.6% from prior year, which comprises a increase in governmental activities of $11.56 million and an increase in business-type activities of $51.01 million.
    - Governmental activities experienced an increase in net position before transfers of $9.23 million from the prior year.
    - Business-type activities experienced an increase in net position before transfers of $53.34 million from the prior year.
- At the fund level, the Governmental funds fund balances are $112.95 million.
    - Approximately 11.2% of this amount, $12.63 million, is in unassigned fund balance, and the remainder is non spendable, restricted, committed, or assigned for open contracts, programs, debt, etc.
- At the fund level, the Governmental funds combined ending fund balances increased by $8.61 million, or 8.3% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements.

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

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

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

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

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental activities (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government-wide financial statements reflect three (3) distinct activities:

1) **Governmental activities:** reflect the City's basic services, including general government, community and economic development, planning and zoning, police, fire, public works, and parks and recreation.

2) **Business-type activities:** these activities include a water and wastewater utility, solid waste collection, building permits and inspections, stormwater management, golf courses, a yacht basin, downtown parking garages, and a Skatium (ice-skating recreational facility).

3) **Component Unit:** The government-wide financial statements include not only the City itself (known as the primary government), but also the Community Redevelopment Agency, a legally separate entity for which the City is financially responsible. Financial information for this blended component unit is included in the governmental-type funds as a non-major special revenue fund.

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

Fund Financial Statements

The fund financial statements provide more detailed information about the most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: (1) governmental funds, (2) proprietary funds, and (3) fiduciary funds.

(1) Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on

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

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

The City maintains twenty-five individual governmental funds (2 major, 19 special revenue, 2 capital project 1 debt service, and 1 permanent government fund type). Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, and the FEMA Disaster Grant Fund, which are considered to be major funds. Data from the other twenty-three governmental funds are combined into a single, aggregated presentation titled Other Governmental Funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Combining Statements and Schedules section of this report.

The City adopts an annual appropriated budget for most of the governmental funds with the exception of: SAGA Administration, Law Enforcement Equipment, Hurricane Shelter, Public Private Parking, East Riverdale Community Center, Patron of the Palms, and the two capital projects funds, which are budgeted on a project length basis. A budgetary comparison schedule has been provided for the General Fund and the FEMA Disaster Grant Fund as major funds and are located in the Required Supplementary Information section of this report.

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

(2) Proprietary funds. The City maintains two different types of proprietary funds: Enterprise Funds and Internal Service Funds.

Enterprise Funds: are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains nine individual enterprise funds (2 major, and 7 nonmajor enterprise fund type) and uses them to account for its Water and Wastewater Operations, Solid Waste Operations, Building Permits and Inspections, Stormwater Management, Fort Myers Country Club, Eastwood Golf Course, the Yacht Basin, Downtown Parking Garages, and the Skatium.

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water-Wastewater Fund and the Solid Waste Fund, both of which are considered to be major funds of the City. The remaining enterprise funds are combined into a single, aggregated presentation titled "Other Enterprise Funds". The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds and the internal service funds are provided in the form of combining statements in the Combining Statements and Schedules section of this report.

The basic proprietary fund financial statements can be found beginning on page C8 of this report.

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

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

The fiduciary fund financial statements can be found on pages C11 and C12 of this report.

Notes to the financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page D1 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents Required Supplementary Information (RSI) concerning the budget to actual data for the General Fund and certain information for the City's pension plans and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found beginning on page E1 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on the budgetary comparison schedule, pensions and OPEB. The combining and individual fund statements and schedules can be found beginning on page F1 of this report.

Statistical information presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary

information indicates about the City's overall financial health, this information is not audited. The statistical section found beginning on page G2 of this report.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

Statement of Net Position Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, at the close of the most recent fiscal year, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $418.43 million.

City of Fort Myers, Florida
Summary of Net Position

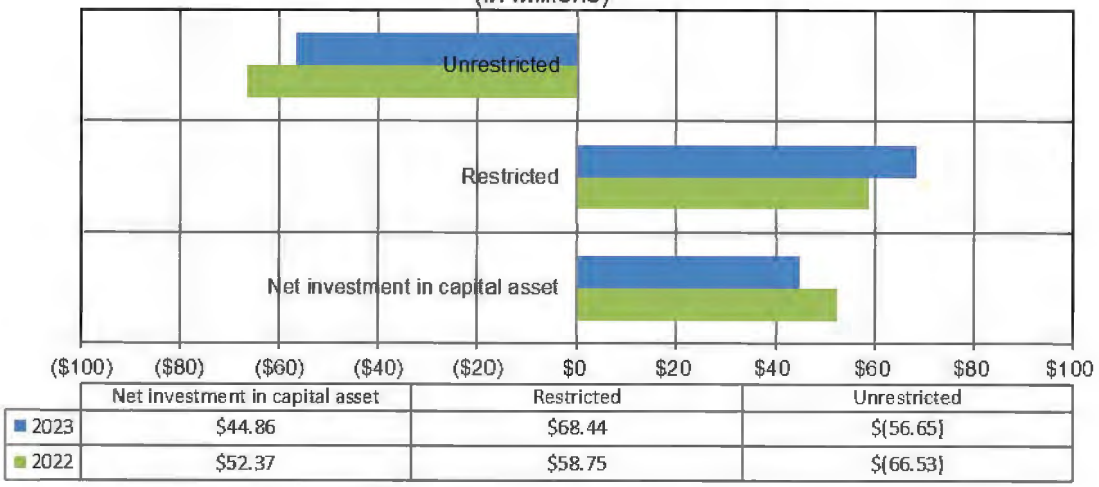
Table 1 – Dollars in Millions	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	$ 183.63	$182.86	$156.17	$178.06	$ 339.80	$ 360.92
Capital assets	208.99	208.77	499.32	457.25	708.31	666.02
Total assets	392.62	391.63	655.49	635.31	1,048.11	1,026.94
Deferred Outflow of Resources	53.66	79.45	10.37	16.18	64.03	95.63
Liabilities						
Long-term liabilities	310.07	166.13	248.17	256.79	558.24	422.92
Other liabilities	69.17	254.61	53.08	81.67	122.25	336.28
Total liabilities	379.24	420.74	301.25	338.46	680.49	759.20
Deferred Inflow of Resources	10.39	5.75	2.83	2.26	13.22	8.01
Net Position						
Net Invested in capital assets, net of related debt	44.86	52.37	247.67	178.88	292.53	231.25
Restricted	68.44	58.75	54.11	55.12	122.55	113.87
Unrestricted	(56.65)	(66.53)	60.00	76.77	3.35	10.24
Total net position	$ 56.65	$ 44.59	$361.78	$310.77	$ 418.43	$ 355.36

The largest portion of the City's net position, $292.53 million, or 69.9%, reflects its investment in capital assets (e.g., land, buildings, equipment, vehicles and infrastructure), less any related

outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

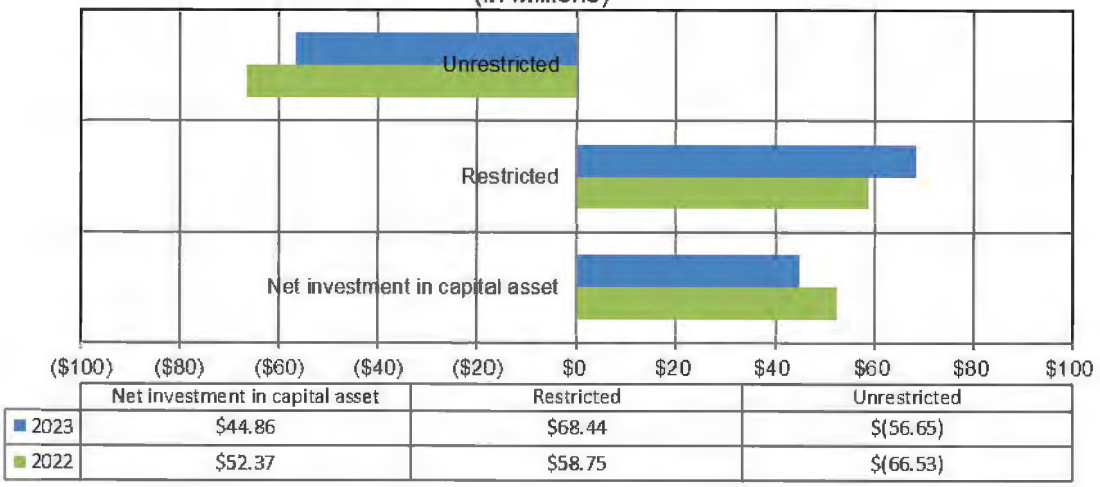
Restricted net assets represent resources of $122.55 million that are subject to external restrictions on how they may be used. Restrictions related to capital projects represent 15.9% of the total restricted net position and reflect the City's commitment to providing services and resources to its citizens. The remaining balance of $3.35 million is unrestricted and usually may be used to meet the City's ongoing obligations to its citizens and creditors.

Net Position - Governmental Activities
September 30, 2023 and 2022
(in Millions)



	Net investment in capital asset	Restricted	Unrestricted
2023	$44.86	$68.44	$(56.65)
2022	$52.37	$58.75	$(66.53)

Net Position - Governmental Activities
September 30, 2023 and 2022
(in Millions)



	Net investment in capital asset	Restricted	Unrestricted
2023	$44.86	$68.44	$(56.65)
2022	$52.37	$58.75	$(66.53)

The government's net position increased by $62.57 million, or 17.6%, which comprises a increase in governmental activities of $11.56 million and an increase in business-type activities of $51.01 million. The major reason for these increases are discussed in the following section,

which describes the results of the revenue and expense operations for governmental and business-type activities.

Statement of Activities Analysis

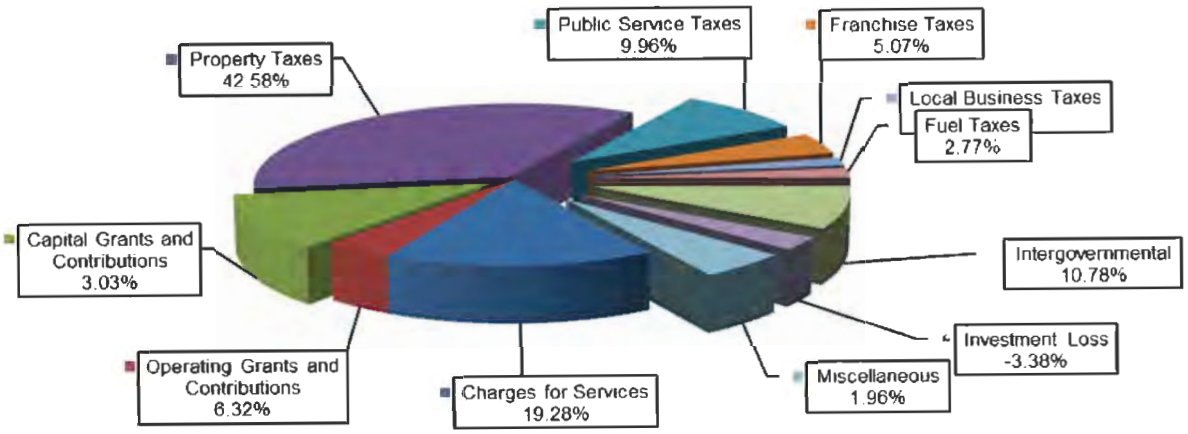
City of Fort Myers, Florida
Summary of Changes in Net Position

Table 2 – Dollars in Millions	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for services	$ 32.55	$ 29.42	$ 142.20	$ 126.60	$ 174.75	$ 156.02
Operating grants and contributions	8.52	9.64	-	-	8.52	9.64
Capital grants and contributions	23.26	4.62	11.42	2.52	34.68	7.14
General Revenues:						
Property tax	72.14	64.97	-	-	72.14	64.97
Other taxes	33.95	29.67	-	-	33.95	29.67
Other	33.38	14.24	5.35	(3.44)	38.73	10.80
Total Revenues	203.80	152.56	158.97	125.68	362.77	278.24
Expenses:						
General governmental	11.87	18.48	-	-	11.87	18.48
Police	75.58	61.01	-	-	75.58	61.01
Fire	46.55	34.47	-	-	46.55	34.47
Protective inspections	2.25	1.67	-	-	2.25	1.67
Physical environment	24.86	7.59	-	-	24.86	7.59
Transportation	12.85	14.45	-	-	12.85	14.45
Economic development	6.82	11.24	-	-	6.82	11.24
Culture and recreation	7.80	6.69	-	-	7.80	6.69
Interest on long term debt	5.99	5.84	-	-	5.99	5.84
Water-Wastewater	-	-	71.84	63.29	71.84	63.29
Solid waste	-	-	16.95	15.74	16.95	15.74
Building permits & inspections	-	-	4.45	4.12	4.45	4.12
Stormwater	-	-	4.28	5.30	4.28	5.30
Golf courses	-	-	4.75	4.20	4.75	4.20
Yacht basin	-	-	0.29	6.06	0.29	6.06
Downtown parking garages	-	-	1.56	1.47	1.56	1.47
Skatium	-	-	1.51	1.43	1.51	1.43
Total Expenses	194.57	161.44	105.63	101.61	300.20	263.05
Increase (decrease) in net position before transfers	9.23	(8.88)	53.34	24.07	62.57	15.19
Transfers	2.33	6.26	(2.33)	(6.26)	-	-
Increase (decrease) in net position	11.56	(2.62)	51.01	17.81	62.57	15.19
Net position - beginning of year, as originally stated	44.59	47.21	310.77	292.96	355.36	340.17
Net position - restatement (note 17)	0.50	-	-	-	0.50	-
Net position - beginning of year, as restated	45.09	47.21	310.77	292.96	355.86	340.17
Net position - ending	$ 56.65	$ 44.59	$ 361.78	$ 310.77	$ 418.43	$ 355.36

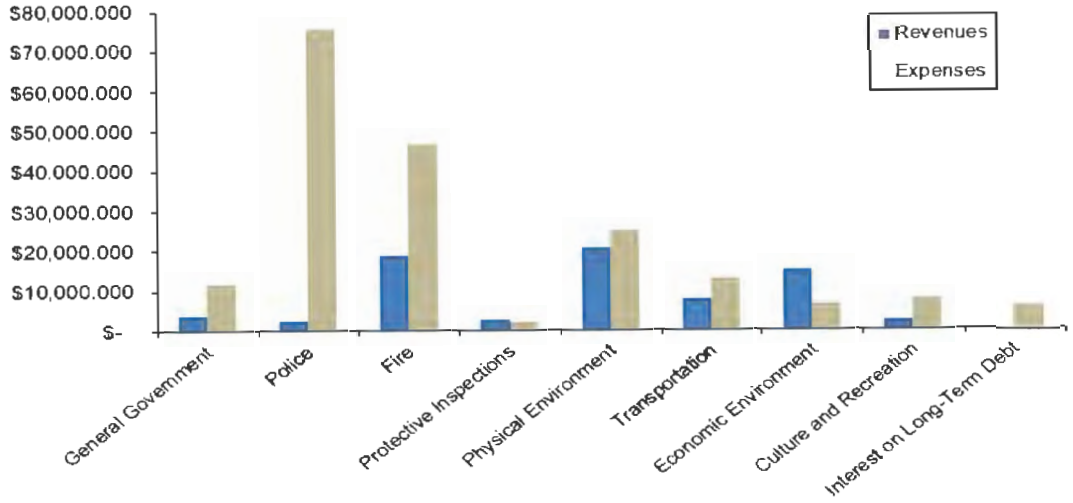
Governmental Activities. During the current fiscal year, net position for governmental activities increased by $11.56 million, this is an increase of $14.18 million, or 541.2%, from the prior fiscal year. Revenues increased by $51.24 million, or 33.6%, from the prior fiscal year. The major reason for this change is due to:

- Capital grants & contributions increased by $18.64 million, or 403.5%, mainly due to:
  - FEMA grant of $14.26 million for the recovery efforts from Hurricane Ian,
  - Difference in this year's Road Impact Fees contribution for road improvements of $2.66 million, and
  - $1 million contribution from Park Impact Fees for Centennial Park improvements.
- Other general revenues increased by $19.14 million, or 134.4% due to:
  - A change in investment revenues; prior year the investment results were a negative $5.16 million while this year results were a positive $5.37million,
  - Market value gain on investment activity in the amount of $5.97 million, and
  - Hurricane Ian recovery funds from the City's insurance of $2.76 million
- Property tax general revenues increased by $7.17 million, or 11%, due to the increase in assessed property values and increase in development.

Revenues by Source - Governmental Activities



Expenses and Program Revenues - Governmental Activities



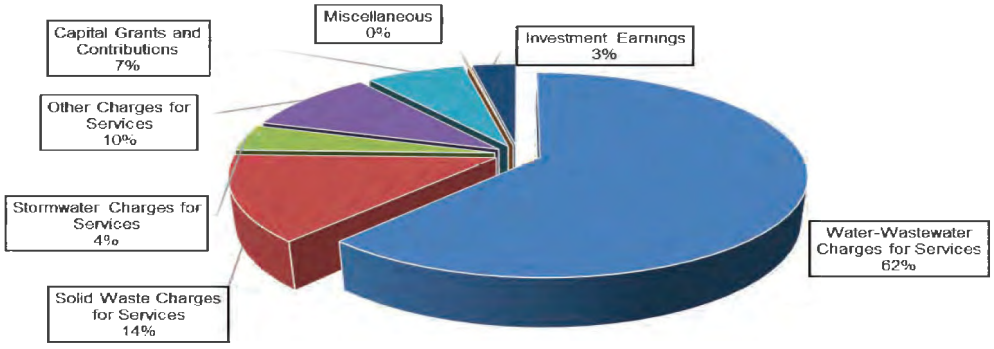
Governmental expenses increased by $33.13 million, or 20.5%, from the prior fiscal year. The major reason for this change is due to:

- Police Department expenses increased by $14.57 million, or 23.9%, mainly due to the payment of deferred outflows related to Police pension obligations.
- Fire Department expenses increased by $12.08 million, or 35%, mainly due to due to the payment of deferred outflows related to Police pension obligations.
- Physical environment expenses increased by $17.27 million, or 227.5% due to expenditures related to Hurricane Ian disaster recovery, specifically debris collection, processing, and disposal services.

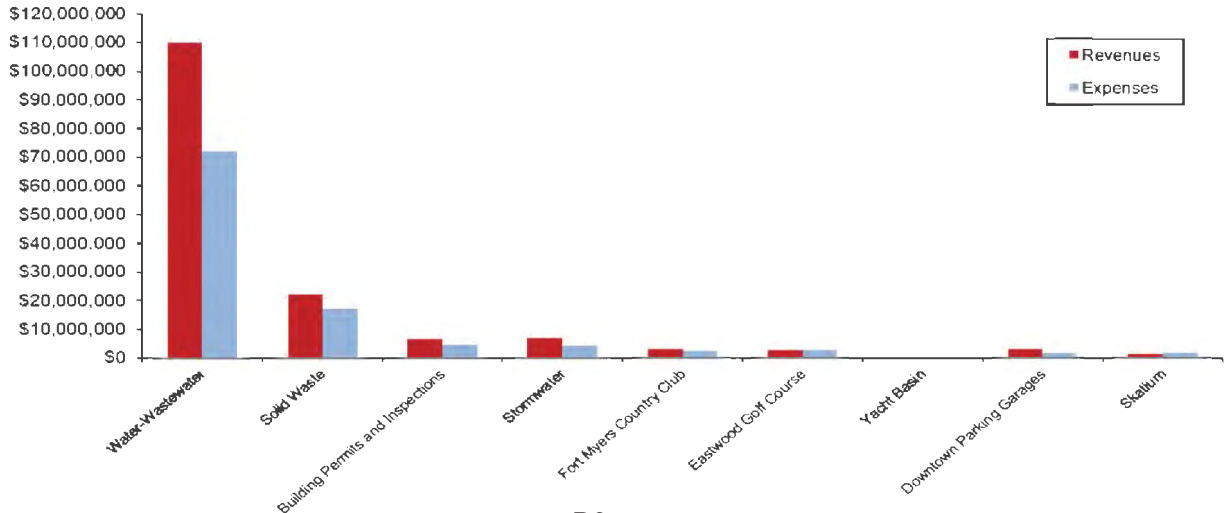
Business-type Activities. During the current fiscal year, net position for business-type activities increased by $51.01 million, this is an increase of $33.2 million, or 186.4%, from the prior fiscal year. Revenues increased by $33.29 million, or 26.5%, from the prior fiscal year. The major reason for this change is due to:

- Charges for services increased by $15.6 million, or 12.3%, mainly due growth, plus 2% increases in Stormwater and Solid Waste assessment fees, change in parking garage rate structure and sunset of the 25% rate reduction in building and permit fees.
- Capital grants & contributions increased by $8.9 million, or 353.2%, mainly due to the donated water and sewer lines for ownership and maintenance by the City.
- Other revenues increased by $8.79 million, or 255.5% mainly due to a change in investment revenues. Last year the investment results were a negative $3.46 million while this year results were a positive $5.08 million.

Revenues by Source - Business-Type Activities



Expenses and Program Revenues - Business-Type Activities



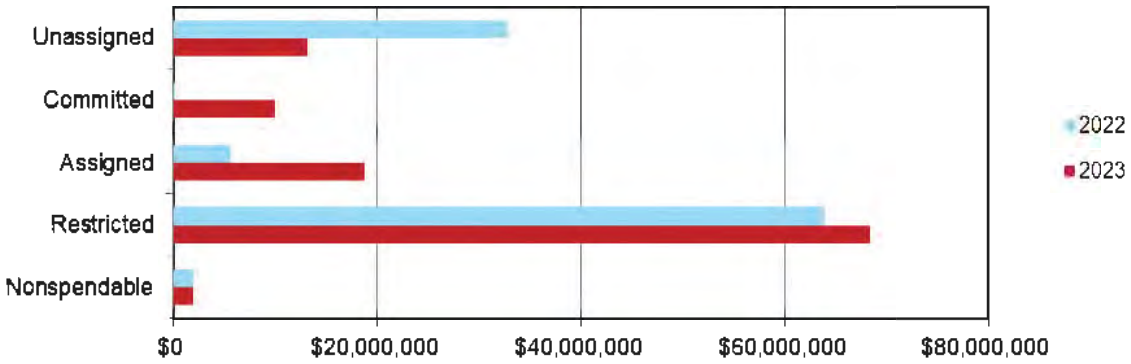
Business-type expenses increased by $4.02 million, or 4%, from the prior fiscal year. The major reason for this change is due to:

- Water-wastewater expenses increased by $8.55 million, or 13.5%, mainly due to the increased cost of routine materials and supplies and costs related to wastewater treatment plant mixer, motor, and belt press repairs.
- Yacht Basin expenses decreased by $5.77 million, or 95.2% due to the closure of the area due to the damage caused by Hurricane Ian.

FUND LEVEL FINANCIAL ANALYSIS

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

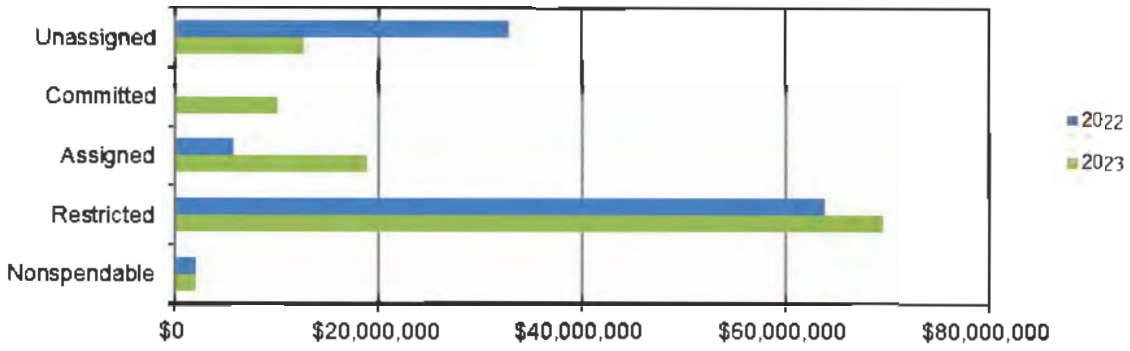
Governmental Fund
Components of Fund Balance
September 30, 2023 and 2022



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

At the end of the fiscal year, the City's governmental funds reported combined fund balances of $112.95 million, an increase of $8.61 million, or 8.3%, in comparison with the prior year. Approximately 11.2% of this amount, $12.63 million, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form, $1.95 million, 2) restricted for particular purposes, $69.51 million, 3) committed for particular purposes, $10.03 million, or 4) assigned for particular purposes, $18.84 million.

General Fund
Components of Fund Balance
September 30, 2023 and 2022



The General Fund is the primary operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $28.75 million, while total fund balance increased to $59.51 million. The fund balance of the City's General Fund increased $15.21 million, or 34.3%, during the current fiscal year.

Revenues increased by $15.99 million, or 11.5%, from the prior fiscal year. The major reason for this change is due to:

- Tax revenue increased by $11.62 million, or 12.9%, mainly due to property tax revenue increasing by $6.47 million and electrical franchise tax increase of $2.5 million.
- Miscellaneous revenue increased by $6 million, or 1,351.4%, mainly due to a change in investment revenues; this years investment results were a positive $5.37million.

General Fund expenditures increased by $13.49 million, or 10.9%, from the prior fiscal year. The major reason for this change is due to:

- Police Department expenditures increased by $5.7 million, or 9.9% due to pension related costs.
- Fire Department expenditures increased by $5.84 million, or 17.6% due to pension related costs.
- Capital purchases increased by $2.33 million, mainly due to police asset purchases.

The second Major Fund is the FEMA Disaster Grant fund. Revenues increased by $17.12 million, or 15,245.3%, from the prior fiscal year. The major reason for this change is due to:

- Intergovernmental revenues of $14.47 million, or 84% of total fund revenues. This revenue mainly consists of Hurricane Ian disaster relief reimbursements from the State of Florida Division of Emergency Management
- Miscellaneous revenues of $2.76 million, or 16% of total fund revenues. This revenue mainly consists of Hurricane Ian disaster relief reimbursements from insurance reimbursements from Florida Municipal Insurance Trust

FEMA Disaster Grant fund expenditures increased by $29.51 million, or 918.1%, consisting of post-hurricane recovery efforts consisting mainly of personnel cost, operational expenditures, and repairs. This fund's activity is the result of recovery efforts from Hurricane Ian.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water-Wastewater Fund at the end of the year amounted to $29.42 million, and total growth in net position for the year was $43.16 million. Revenues increased by $39.08 million, or 47.1%, from the prior fiscal year. The major reason for this change is due to:

- Transfers in increased by $8.17 million, due to $7.98 million from the General Line of credit.
- Charges for services increased by $10.64 million, or 13.7%, mainly due to water and sewer rates increasing 4% and reclaimed water rates increasing 10%.
- Miscellaneous revenue increased by $4.07 million, or 69.7%, due to the net reimbursement to City for Philly Mixer and Neuros equipment of $2.18 million and $2.4 million increase in utility impact fees to help fund capital outlay.
- Interest income increased by $6.3 million, or 305.5%, mainly due to a change in investment revenues. Last year the investment results were a negative $2.06 million while this year results were a positive $4.23 million.
- Capital grants increased by $9.93 million, or 674.3%, mainly due to the donated water and sewer lines for ownership and maintenance by the City.

Water-Wastewater expenses increased by $8.29 million, or 11.7%, from the prior fiscal year. The major reason for this change is due to:

- Materials and supplies expenses increased by $6.18 million, or 71.3% due to mainly due to the increased cost of routine materials and supplies and costs related to wastewater treatment plant mixer, motor, and belt press repairs.
- Depreciation expenses increased by $1.19 million, or 6.4% due to additional depreciation expenses due to increased capital assets.

Unrestricted net position of the Solid Waste Fund at the end of the year amounted to $10.85 million, and total growth in net position for the year was $3.02 million. Revenues increased by $2.23 million, or 11.2%, from the prior fiscal year. The major reason for this change is due to:

- Charges for services increased by $1.3 million, or 6.5% due to a 2% rate increase for residential services.
- Interest income increased by $662 thousand, or 157%, mainly due to a change in investment revenues. Last year the investment results were a negative $422 thousand while this year results were a positive $240 thousand.

Solid Waste expenses increased by $766 thousand, or 4.2%, from the prior fiscal year. The major reason for this change is due to:

- Contractual services expenses increased by $1.43 million, or 30%, mainly due to the increase in solid waste fees from increased construction activity.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget Compared to Final Budget. The differences between the original budget and the final amended budget reflect a $22.7 million increase in recognized revenues and appropriations for the general fund. The significant changes are as follows:

Revenues:

- $2.5 million increase for fire and insurance premium taxes.
- $10.2 million increase from Transfers In due to grant funds received and insurance proceeds for the Chamber of Commerce.
- $9.4 million increase in Miscellaneous revenues recognized from prior year surplus for the creation of a new stabilization fund, carryover of purchase order encumbrances, grant and contractual arrangements not spent, capital projects not completed in FY2022, and an adjustment to transfers to TIFs based on final valuation.

Expenditures:

- $6.2 million was budgeted for emergency contingencies due to Hurricane Ian in general government, these funds were not used. $1.5 million increase to general government primarily for contributions to the Chamber of Commerce and budget carryovers for legal fees, Neighborhood improvement program, Black History Society, and operating supplies for special projects.
- $4.05 million increase to public safety to adjust for police and fire retirement costs and the purchase of new equipment.
- $10 million increase in transfers out for Capital funding primarily for the utility capital improvement project funded by ARPA grant funds.

Final Budget Compared to Actual Results. The significant differences between the final budgeted revenues and actual revenues are summarized as follows:

Revenues:

- Taxes were $4.4 million over the budgeted amount driven primarily by utility service taxes, communications service tax, franchise fees, and business taxes.
- General Fund permits and fees were $4.5 million over the budget due to higher-than-expected permit and plan review fees collected.
- State shared revenues and half cent sales tax were $1.7 million over the expected budget.
- $12.09 million in funds were budgeted to recognize the use available fund balance to balance the fund, there were no expenditures required resulting in no expenditures offsetting the budget

Expenditures:

- Actual expenditures for general government were $5.5 million less than budgeted primarily driven by savings from professional services. The main reason for this saving was from the $6.2 million budgeted for emergency contingencies but were not used.
- Police and Fire departments expenditures were combined $6.1 million over budget, this was due to payments toward pension costs.
- Economic environment is less than budget by $3.8 million, mainly due to the Towles Garden Project that was budgeted at $4.2 million but only $1.02 million was paid this fiscal year.

CAPITAL & LEASE ASSETS AND DEBT & LEASE OBLIGATION ADMINISTRATION

Capital and Lease Assets. The City's capital assets for its governmental and business-type activities as of September 30, 2023, amounts to $708.31 million (net of accumulated depreciation). The total increase in the City's capital assets for the current fiscal year was $42.29 million, or 6.3% (governmental activities increase by $.22 million and business-type activities increased by $42.07 million).

City of Fort Myers, Florida
Capital and Lease Assets
(Net of Depreciation)

Table 3- Dollars in millions	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 38.87	$ 29.79	$ 2.71	$ 2.71	$ 41.58	$ 32.50
Antiques and exhibits	0.25	0.25	-	-	0.25	0.25
Intangibles-easements	4.72	4.72	0.55	0.38	5.27	5.10
Buildings	55.06	58.29	53.00	56.77	108.06	115.06
Improvements and Infrastructure	80.10	87.79	21.36	22.96	101.46	110.75
Utility Systems	-	-	320.73	284.96	320.73	284.96
Equipment	10.58	11.65	10.23	9.86	20.81	21.51
Intangibles-software	0.02	-	-	-	0.02	-
Right to Use Lease Equipment	0.02	0.03	-	-	0.02	0.03
Right to Use Lease Real Estate	1.07	1.27	-	-	1.07	1.27
SBITAs	1.99	-	-	-	1.99	-
Construction in progress	16.31	14.98	90.74	79.61	107.05	94.59
Total capital assets	$208.99	$208.77	$499.32	$457.25	$708.31	$666.02

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

- In governmental activities, Land increased with the purchase of two properties: $8.08 million for the purchase of land for a new Police Department headquarters building, and $987 thousand for the purchase of land for building Fire Station #18
- In business-type activities, utility systems increased due to water line infrastructure of $4.86 million, sewer line infrastructure of $9.65 million, wellfield expansion improvements of $18.28 million, and a new storage tank pump of $13.83 million.

Additional information on the City's capital assets can be found in Note 8 beginning on page D45 of this report.

Long-term debt & Lease Obligation Administration. At the end of the current fiscal year, the City had total bonded debt and loans payable outstanding of $380.64 million, a decrease of $25.75 million, or 6.3%. Governmental Activities total debt outstanding increased by $1.25 million, or 15.9%. Business-Type Activities decreased by $27.0 million, or 10.9%.

City of Fort Myers, Florida
Bonded Debt and Loans Payable

Table 4 - Dollars in millions (not including unamortized activity)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue Bonds	$ 100.03	$ 105.39	$ -	$ -	$ 100.03	$ 105.39
Utility Revenue Bonds	-	-	174.09	184.93	174.09	184.93
Finance Purchase Obligations	6.57	7.02	-	13.07	6.57	20.09
Leases Payable	1.13	1.31	0.61	0.85	1.74	2.16
Notes and Loans	52.89	45.65	45.32	48.17	98.21	93.82
Total long-term debt	$ 160.62	$ 159.37	$ 220.02	$ 247.02	$ 380.64	$ 406.39

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

- The governmental activities notes and loans increased by $7.24 million, or 15.9%, due to the standard payment of outstanding debt and the use of $9 million in the general line of credit for the water/wastewater payment of their finance purchase obligation.
- Business-type revenue bonds decreased $10.84 million, or 5.9%, due to the standard annual debt service payment.
- Business-type finance purchase obligations decreased $13.07 million, or 100%, due to the City and Siemens Industry, Inc. entered into a mutual agreement to terminate the contract.

Additional information on the City's long-term debt can be found in Note 15 beginning on page D72 of this report and in the City's Continuing Disclosure Report, published separately and can be downloaded by visiting the City's website at https://www.cityftmyers.com/1529/Bondholders-Report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors currently affect the City and were considered in developing the 2023-2024 fiscal year budget.

- The increase of $1.3 billion, or 12.91%, in the City's certified taxable property values, due to an increase of 10.85% in existing properties and $212.6 million in new construction.
- The City's budget levied a millage rate of 6.6999, a reduction from 6.9999, providing an Ad Valorem revenue budget of $74.94 million, which is an increase in revenue of $5.0 million.
- Included in the millage rate of 6.6999 is 0.07335 that equates to $750,000, funding a contribution towards the Affordable Housing Trust Fund.
- The fire assessment fee remains the same for all property categories with resulting revenue generation increasing from $13.3 million to $13.6 million, or $.3 million due to added properties in the City. This fee revenue pays for fire rescue response, while alleviating full reliance on the General Fund for funding of such service. The cost recovery from this assessment is 42.7% of the total Fire Department budget which is an increase of 1.6% over the prior year.
- Water and sewer rates increase by 5%, and a conservative growth factor of 1.5% is included in their service revenue budget.

- Stormwater assessment fee revenue is projected to total $6.6 million, from $6.4 million, an increase of 4.3% due to growth. There is no change in the assessment rate.
- There is no change in the residential solid waste assessment rates.
- The Yacht Basin has no expected revenues for FY2024 as a result of damage incurred from Hurricane Ian.
- New Disaster Recovery division was added for project and compliance management of grant funds.
- Pressure on staffing resources in our Police Department due to the school resource officer program's net cost to the City on an annual basis estimated at $1.6 million.
- During the development of the capital improvement program, it was evident that construction, materials, and labor prices have escalated due in part to material shortages and inflation. This in turn creates challenges with funding projects.
- Increases in salaries were incorporated into the budget for all employees, however the General Union contract is the only contract currently in effect. Negotiations are on-going for the Police and Fire Unions.
- Pension costs for all 3 City pension plans decrease citywide budgets in total by $1.82 million.
- The City has transitioned from a fully funded insurance model into a self-funded insurance model, creating the Health Insurance Self-Funding Internal Service Fund.
- The seasonally adjusted unemployment rate for the region increased 0.2 points from the previous month but was 11.1 percentage points below the high unemployment rate during the COVID crisis.
- The region had month-to-month increases in both total employed and unemployed workers up 8,820 and 1,474, respectively.
- Real estate indicators continued to be a bright spot for the region. Single-family building permits for the coastal counties had a year-over-year improvement of approximately 110 percent. Single-family home sales had a year-over-year improvement of 74 percent.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF FORT MYERS FLORIDA

City of Palms



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CITY OF FORT MYERS, FLORIDA
Statement of Net Position
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 52,908,667	$ 23,614,289	$ 76,522,956
Investments	30,791,037	21,623,880	52,414,917
Accounts receivable, net	3,935,519	10,218,318	14,153,837
Special assessments receivable	34,191	-	34,191
Interest receivable	396,026	120,008	516,034
Due from other governments	7,158,508	6,928,811	14,087,319
Inventories	965,003	294,014	1,259,017
Prepaid items	2,102,027	5,022,516	7,124,543
Notes receivable, net	1,076,001	-	1,076,001
Assets held for resale	634,068	-	634,068
Restricted assets:			
Cash and cash equivalents	34,700,206	58,599,853	93,300,059
Investments	46,524,194	28,090,983	74,615,177
Leases receivable	2,273,947	111,409	2,385,356
Interest receivable	6,083	1,443,651	1,449,734
Unamortized bond insurance costs	115,563	109,352	224,915
Capital assets:			
Land and non-depreciable capital assets	60,153,958	94,000,309	154,154,267
Depreciable and Amortizable capital assets, net	148,840,014	405,317,333	554,157,347
Total Assets	392,615,012	655,494,726	1,048,109,738
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,590,011	5,630,187	7,220,198
Deferred outflows related to other postemployment benefits	1,764,837	494,933	2,259,770
Deferred outflows related to pensions	50,309,097	4,242,115	54,551,212
Total Deferred Outflows of Resources	53,663,945	10,367,235	64,031,180
LIABILITIES			
Accounts and contracts payable	4,333,016	18,607,136	22,940,152
Accrued and other liabilities	8,017,349	174,158	8,191,507
Accrued interest payable	1,741,879	3,739,339	5,481,218
Accrued retirement payable	1,317,910	-	1,317,910
Due to other governments	28,361	469,846	498,207
Unearned revenues	16,028,004	-	16,028,004
Customer deposits	1,943,901	12,700,733	14,644,634
Noncurrent liabilities:			
Due within one year	14,621,084	14,736,093	29,357,177
Due in more than one year	331,207,858	250,822,418	582,030,276
Total Liabilities	$ 379,239,362	$ 301,249,723	$ 680,489,085

CITY OF FORT MYERS, FLORIDA
Statement of Net Position
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to leases	$ 2,212,068	$ 108,978	$ 2,321,046
Deferred charge on refunding	-	1,495,828	1,495,828
Deferred inflows related to other postemployment benefits	4,356,482	1,221,735	5,578,217
Deferred inflows related to pensions	3,820,279	-	3,820,279
Total Deferred Inflows of Resources	10,388,829	2,826,541	13,215,370
NET POSITION			
Net investment in capital assets	44,864,359	247,674,593	292,538,952
Restricted for:			
Capital projects	5,663,916	14,133,216	19,797,132
Culture and recreation	222,891	-	222,891
Debt service	6,540,456	18,823,477	25,363,933
Economic environment	17,392,041	-	17,392,041
Impact fee projects	36,132,817	10,080,159	46,212,976
Physical environment		267,668	267,668
Public safety:			
Nonexpendable	2,000	-	2,000
Renewal and replacement	-	10,809,719	10,809,719
Transportation	2,487,286	-	2,487,286
Unrestricted	(56,655,000)	59,996,865	3,341,865
Total Net Position	$ 56,650,766	$ 361,785,697	$ 418,436,463

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

CITY OF FORT MYERS, FLORIDA
Statement of Activities
For the Year Ended September 30, 2023

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 11,906,896	$ 2,653,708	$ -	$ 1,000,000	$ (8,253,188)	$ -	$ (8,253,188)
Police	75,581,098	622,658	1,824,346	-	(73,134,094)	-	(73,134,094)
Fire	46,549,570	17,723,169	510,420	607,860	(27,708,121)	-	(27,708,121)
Protective inspections	2,204,157	2,760,025	-	-	555,868	-	555,868
Physical environment	24,861,980	6,418,378	3,965	14,261,931	(4,177,706)	-	(4,177,706)
Transportation	12,847,542	307,800	1,045,078	6,364,086	(5,130,578)	-	(5,130,578)
Economic environment	6,822,360	710,286	5,069,560	-	(1,042,514)	-	(1,042,514)
Culture and recreation	7,804,991	1,356,449	65,513	1,023,113	(5,359,916)	-	(5,359,916)
Interest on long-term debt	5,985,123	-	-	-	(5,985,123)	-	(5,985,123)
Total governmental activities	194,563,717	32,552,473	8,518,882	23,256,990	(130,235,372)	-	(130,235,372)
Business-type Activities:							
Water-Wastewater	71,836,757	98,259,707	-	11,401,570	-	37,824,520	37,824,520
Solid Waste	16,949,004	21,690,439	-	-	-	4,741,435	4,741,435
Building Permits and Inspections	4,453,260	6,398,872	-	-	-	1,945,612	1,945,612
Stormwater	4,275,405	6,661,676	-	17,015	-	2,403,286	2,403,286
Fort Myers Country Club	2,177,431	2,797,496	-	-	-	620,065	620,065
Eastwood Golf Course	2,573,393	2,457,801	-	-	-	(115,592)	(115,592)
Yacht Basin	292,923	-	-	-	-	(292,923)	(292,923)
Downtown Parking Garages	1,559,683	2,814,039	-	-	-	1,254,356	1,254,356
Skatium	1,507,252	1,123,800	-	-	-	(383,452)	(383,452)
Total business-type activities	105,625,108	142,203,830	-	11,418,585	-	47,997,307	47,997,307
Total primary government	$ 300,188,825	$ 174,756,303	$ 8,518,882	$ 34,675,575	(130,235,372)	47,997,307	(82,238,065)
General revenues:							
Taxes:							
Property taxes					72,144,752	-	72,144,752
Public service taxes					18,053,346	-	18,053,346
Fuel taxes					3,925,674	-	3,925,674
Local business tax					3,292,784	-	3,292,784
Franchise taxes					8,680,183	-	8,680,183
Intergovernmental, unrestricted					17,285,414	-	17,285,414
Investment earnings					5,372,226	5,081,740	10,453,966
Miscellaneous					10,718,217	262,266	10,980,483
Net transfers					2,326,662	(2,326,662)	-
Total general revenues, special items and transfers					141,799,258	3,017,344	144,816,602
Change in net position					11,563,886	51,014,651	62,578,537
Net position - beginning of year, as originally stated					44,586,880	310,771,046	355,357,926
Net position - restatement (note 17)					500,000	-	500,000
Net position - beginning of year, as restated					45,086,880	310,771,046	355,857,926
Net position - ending					$ 56,650,766	$ 361,785,697	$ 418,436,463

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

CITY OF FORT MYERS, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	FEMA Disaster Grant	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 30,139,301	$ 1,080,191	$ 38,211,996	$ 69,431,488
Investments	11,118,614	-	49,418,134	60,536,748
Receivables:				
Accounts receivable, net	3,840,908	-	95,335	3,936,243
Notes receivable	461,501	-	614,500	1,076,001
Special assessments receivable	34,191	-	-	34,191
Interest receivable	33,217	47	322,917	356,181
Leases	2,273,947	-	-	2,273,947
Due from other funds	20,333,754	-	-	20,333,754
Due from other governmental agencies	3,120,917	63,955	3,972,052	7,156,924
Prepaid items	1,303,136	-	31,508	1,334,644
Advances to other funds	617,000	-	-	617,000
Assets held for resale	-	-	634,068	634,068
Total assets	73,276,486	1,144,193	93,300,510	167,721,189
LIABILITIES				
Accounts and contracts payable	1,108,970	776,954	1,406,452	3,292,376
Accrued and other liabilities	7,521,251	1,979	20,001	7,543,231
Due to other funds	-	16,429,173	3,904,581	20,333,754
Due to other governmental agencies	28,361	-	-	28,361
Funds held in escrow	312,366	-	565	312,931
Customer deposits	255,563	-	-	255,563
Unearned revenue	1,435,966	-	14,592,038	16,028,004
Advances from other funds	-	-	617,000	617,000
Total liabilities	10,662,477	17,208,106	20,540,637	48,411,220
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - code enforcement fees	264,818	-	-	264,818
Unavailable revenue - rental income	628,182	-	-	628,182
Unavailable revenue - grants, contributions	-	63,955	3,186,045	3,250,000
Deferred inflows - leases	2,212,068	-	-	2,212,068
Total deferred inflows of resources	3,105,068	63,955	3,186,045	6,355,068
FUND BALANCES (DEFICITS)				
Nonspendable:				
Advances to other funds	617,000	-	-	617,000
Prepaid items	1,303,136	-	31,508	1,334,644
Public safety principal, nonexpendable	-	-	2,000	2,000
Restricted for:				
Donations received	-	-	1,214,510	1,214,510
Community redevelopment agency	-	-	8,836,370	8,836,370
Capital projects	-	-	5,383,198	5,383,198
Debt service	-	-	8,277,554	8,277,554
Economic environment	-	-	3,829,373	3,829,373
Law enforcement programs	-	-	433,131	433,131
Physical environment	-	-	116,453	116,453
Public safety	-	-	562,558	562,558
Transportation	-	-	40,855,382	40,855,382
Committed to:				
Law enforcement programs	-	-	29,245	29,245
Affordable housing	3,724,263	-	-	3,724,263
Emergencies	6,271,601	-	-	6,271,601
Assigned to:				
Subsequent year's expenditures	12,134,793	-	-	12,134,793
Capital projects	99,161	-	2,546	101,707
Cemetery maintenance	205,243	-	-	205,243
Culture and recreation	109,176	-	-	109,176
Economic environment	304,108	-	-	304,108
Land acquisition	5,750,210	-	-	5,750,210
Law enforcement programs	84,144	-	-	84,144
Submerged land lease	151,384	-	-	151,384
Unassigned	28,754,722	(16,127,868)	-	12,626,854
Total fund balances (deficits)	59,508,941	(16,127,868)	69,573,828	112,954,901
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 73,276,486	$ 1,144,193	$ 93,300,510	$ 167,721,189

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

CITY OF FORT MYERS, FLORIDA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2023

Amounts reported for governmental activities in the statement of net position	
Total fund balances - governmental funds	$ 112,954,901
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	205,043,306
Some revenues have been unearned on the balance sheet because they were not measurable and available at year end.	4,143,000
Long-term liabilities, including revenue bonds payable, are not due and payable in the current period, and, therefore, are not reported in the funds.	(332,836,408)
Deferred outflows related to deferred charge on refunding	1,590,011
Deferred outflows related to other postemployment benefits	1,657,208
Deferred outflows related to pensions	49,345,835
Deferred inflows related to other postemployment benefits	(4,090,802)
Deferred inflows related to pensions	(3,820,279)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	22,663,988
Rounding	*6*
Net position of governmental activities	$ 56,650,766

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

CITY OF FORT MYERS, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023

	General Fund	FEMA Disaster Grant	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	$ 101,587,434	$ -	$ 6,915,739	$ 108,503,173
Permits and fees	21,294,591	-	8,481,326	29,775,917
Intergovernmental revenue	14,929,005	14,471,518	8,473,480	37,874,003
Charges for services	9,460,065	-	-	9,460,065
Fines and forfeitures	575,055	-	201,705	776,760
Miscellaneous	6,449,798	2,762,485	3,261,492	12,473,775
Contributions - private source	81,487	-	546,989	628,476
Capital grants and contributions	-	-	219,945	219,945
Total revenues	154,377,435	17,234,003	28,100,676	199,712,114
EXPENDITURES				
Current:				
General government	16,160,117	4,377,476	1,178	20,538,771
Police	63,626,903	5,724,456	1,281,280	70,632,639
Fire	38,991,808	2,575,580	307,266	41,874,654
Protective inspections	1,793,528	322,223	-	2,115,751
Physical environment	7,683,282	16,901,371	163	24,584,816
Transportation	421,656	296,729	4,101,303	4,819,688
Economic environment	979,449	208,369	8,103,326	9,291,144
Culture and recreation	4,729,679	2,122,065	21,450	6,873,194
Principal	171,311	-	9,958,936	10,130,247
Debt service interest	-	-	5,949,618	5,949,618
Capital outlay:				
Police	1,930,985	-	-	1,930,985
Fire	148,278	-	-	148,278
Physical environment	103,400	-	-	103,400
Economic environment	-	-	12,477,363	12,477,363
Culture and recreation	148,318	-	-	148,318
Total expenditures	136,888,714	32,528,269	42,201,883	211,618,866
Excess (deficiency) of revenues over expenditures	17,488,721	(15,294,266)	(14,101,207)	(11,906,752)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	6,026,571	-	-	6,026,571
Leases	3,485	-	-	3,485
Transfers in	11,017,600	-	26,440,725	37,458,325
Transfers out	(21,236,676)	(200,000)	(13,584,856)	(35,021,532)
Finance purchase obligations	1,912,685	-	-	1,912,685
Issuance of revenue note	-	-	9,638,887	9,638,887
Total other financing sources (uses)	(2,276,335)	(200,000)	22,494,756	20,018,421
Net change in fund balances	15,212,386	(15,494,266)	8,393,549	8,111,669
Fund balances - beginning of year, as originally stated	44,296,555	(633,602)	60,680,279	104,343,232
Fund balances - restatement (note 17)	-	-	500,000	500,000
Fund balances - beginning of year, as restated	44,296,555	(633,602)	61,180,279	104,843,232
Fund balances - ending	$ 59,508,941	$ (16,127,868)	$ 69,573,828	$ 112,954,901

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

CITY OF FORT MYERS, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2023

Net change in fund balances - total governmental funds	$	8,111,669
Amounts reported for governmental activities in the statement of activities are different		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		(1,293,809)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		75,174
Certain revenues collected after year end, but not available for the current period's expenditures, are reported as deferred inflows in the funds.		(2,494,279)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(1,421,325)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		6,865,226
Internal service funds are used by management to charge the costs of information technology, fleet management, risk management, and warehousing to individual funds and customers. Losses arising from the internal customers are added as expenses on the statement of activities as chargebacks. Revenues and expenses with outside customers are included also, as are nonoperating revenues and expenses. This amount is the effect of reporting internal service funds with governmental activities.		1,721,224
Rounding		6
Change in net position of governmental activities	$	11,563,886

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

CITY OF FORT MYERS, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-type Activities				Governmental Activities
	Water-Wastewater	Solid Waste	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 3,994,625	$ 6,888,805	$ 12,730,859	$ 23,614,289	$ 15,865,801
Investments	-	7,601,405	14,022,475	21,623,880	16,778,483
Restricted cash and cash equivalents	-	-	-	-	2,311,584
Receivables:					
Accounts receivable, net	8,577,976	1,640,342	-	10,218,318	45,928
Leases receivable	-	-	111,409	111,409	-
Interest receivable	68,459	21,747	29,802	120,008	-
Restricted interest receivable	-	-	1,852	1,852	-
Due from other governmental agencies	6,964,711	20,834	460	6,986,005	1,584
Inventories	287,801	-	6,213	294,014	965,003
Prepaid items	4,962,516	-	60,000	5,022,516	767,383
Total current assets	24,856,088	16,173,133	26,963,070	67,992,291	36,735,766
Noncurrent assets:					
Restricted cash and cash equivalents	57,417,110	706,618	476,125	58,599,853	-
Restricted investments	26,715,129	821,990	553,864	28,090,983	-
Restricted interest receivable	1,440,631	1,168	-	1,441,799	-
Unamortized bond insurance costs	109,352	-	-	109,352	-
Land and improvements	963,763	-	1,748,973	2,712,736	-
Construction in progress	84,642,917	95,565	6,000,574	90,739,056	-
Intangible	469,966	-	78,551	548,517	20,400
Buildings, net	49,109,137	1,453,214	2,433,852	52,996,203	674
Improvements other than buildings, net	-	-	21,361,588	21,361,588	-
Equipment, net	3,696,232	5,016,837	1,515,992	10,229,061	1,938,310
Utility systems, net	320,730,481	-	-	320,730,481	-
Subscription, net	-	-	-	-	1,991,285
Total noncurrent assets	545,294,718	8,095,392	34,169,519	587,559,629	3,950,669
Total assets	570,150,806	24,268,525	61,132,589	655,551,920	40,686,435
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	5,630,187	-	-	5,630,187	-
Deferred outflows related to postemployment benefits	247,015	118,184	129,734	494,933	107,629
Deferred outflows related to pensions	2,260,069	929,851	1,052,195	4,242,115	963,262
Total deferred outflows of resources	8,137,271	1,048,035	1,181,929	10,367,235	1,070,891
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	16,536,826	909,746	1,160,564	18,607,136	1,041,373
Accrued and other liabilities	129,367	6,453	38,338	174,158	161,186
Due to other governmental agencies	406,163	-	120,877	527,040	-
Customer deposits	12,615,124	-	85,609	12,700,733	1,688,338
Accrued interest payable	3,732,942	-	6,397	3,739,339	4,781
Compensated absences	200,997	107,536	112,361	420,894	34,090
Claims and judgments	-	-	-	-	2,199,488
Leases payable	-	-	59,584	59,584	5,560
Subscription liabilities	-	-	-	-	477,637
Finance purchase obligations	-	-	-	-	159,962
Loans and notes payable	2,614,000	-	311,615	2,925,615	-
Revenue bonds payable	11,330,000	-	-	11,330,000	-
Total current liabilities	47,565,419	1,023,735	1,895,345	50,484,499	5,772,415
Noncurrent liabilities:					
Net pension liability	10,127,909	4,166,887	4,715,139	19,009,935	4,316,610
Compensated absences	364,843	123,324	152,445	640,612	201,571
Other postemployment benefits	1,622,250	776,164	852,013	3,250,427	706,842
Claims and judgments	-	-	-	-	6,307,116
Leases payable	-	-	548,014	548,014	-
Subscription liabilities	-	-	-	-	1,307,752
Finance purchase obligations	-	-	-	-	215,352
Loans and notes payable	40,923,019	-	1,403,509	42,326,528	-
Revenue bonds payable	185,046,902	-	-	185,046,902	-
Total noncurrent liabilities	238,084,923	5,066,375	7,671,120	250,822,418	13,055,243
Total liabilities	285,650,342	6,090,110	9,566,465	301,306,917	18,827,658
DEFERRED INFLOWS OF RESOURCES					
Deferred charge on refunding	1,495,828	-	-	1,495,828	-
Deferred inflows of resources related to leases	-	-	108,978	108,978	-
Deferred inflows related to other postemployment benefits	609,754	291,736	320,245	1,221,735	265,680
Total deferred inflows of resources	2,105,582	291,736	429,223	2,826,541	265,680
NET POSITION					
Net investment in capital assets	209,316,499	6,559,061	31,799,033	247,674,593	1,779,625
Restricted for:					
Capital projects	13,501,865	-	631,351	14,133,216	-
Debt service	18,823,477	-	-	18,823,477	-
Impact fee projects	10,080,159	-	-	10,080,159	-
Physical environment	267,668	-	-	267,668	-
Renewal and replacement	9,119,774	1,529,776	160,169	10,809,719	-
Unrestricted	29,422,711	10,845,877	19,728,277	59,996,865	20,884,363
Total net position	$ 290,532,153	$ 18,934,714	$ 52,318,830	$ 361,785,697	$ 22,663,988

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

CITY OF FORT MYERS, FLORIDA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities				Governmental Activities
	Water-Wastewater	Solid Waste	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Charges for services	$ 88,357,560	$ 21,605,328	$ 22,129,848	$ 132,092,736	$ 22,743,628
Rent	-	-	100,330	100,330	-
Miscellaneous	9,902,144	85,112	315,640	10,302,896	597,114
Total operating revenues	98,259,704	21,690,440	22,545,818	142,495,962	23,340,742
OPERATING EXPENSES					
Personnel services	10,907,631	4,940,033	5,251,845	21,099,509	4,817,228
Materials and supplies	14,846,765	232,546	977,978	16,057,289	4,690,856
Contractual services	6,142,662	6,199,169	3,779,751	16,121,582	991,857
General and administrative	3,136,362	737,593	1,956,092	5,830,047	1,412,357
Utilities	3,952,173	42,081	536,021	4,530,275	1,276,217
Repairs and maintenance	3,096,749	210,236	348,137	3,655,122	3,329,349
Rentals	2,150,014	2,973,615	1,146,553	6,270,182	690,230
Travel	14,366	3,335	4,913	22,614	10,594
Insurance	465,500	125,000	197,300	787,800	1,812,632
Self insurance claims	-	-	-	-	1,503,153
Depreciation and amortization	19,709,069	1,485,397	2,798,140	23,992,606	1,637,509
Total operating expenses	64,421,291	16,949,005	16,996,730	98,367,026	22,171,982
Operating income	33,838,413	4,741,435	5,549,088	44,128,936	1,168,760
NONOPERATING REVENUES (EXPENSES)					
Interest income	4,234,928	240,526	606,286	5,081,740	645,868
Gain on disposal of capital assets	39,600	222,000	-	261,600	31,670
Interest expense and bond insurance costs	(7,415,463)	-	(134,086)	(7,549,549)	(14,943)
Total nonoperating revenues (expenses)	(3,140,935)	462,526	472,200	(2,206,209)	662,595
Income (loss) before contributions and transfers	30,697,478	5,203,961	6,021,288	41,922,727	1,831,355
Capital grants and contributions	11,401,570	-	17,015	11,418,585	-
Transfers in	8,169,382	-	1,316,293	9,485,675	-
Transfers out	(7,111,836)	(2,183,000)	(2,517,500)	(11,812,336)	(110,131)
Change in net position	43,156,594	3,020,961	4,837,096	51,014,651	1,721,224
Net position - beginning	247,375,559	15,913,753	47,481,734	310,771,046	20,942,764
Net position - ending	$ 290,532,153	$ 18,934,714	$ 52,318,830	$ 361,785,697	$ 22,663,988

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

CITY OF FORT MYERS, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities				Governmental Activities
	Water-Wastewater	Solid Waste	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 86,826,567	$ 21,705,883	$ 22,800,443	$ 131,332,893	$ 24,431,821
Other operating receipts	9,902,145	85,112	24,315	10,011,572	597,114
Payments to suppliers and service providers	(31,713,171)	(10,385,393)	(11,197,176)	(53,295,740)	(16,660,681)
Payments to employees for services	(10,801,908)	(4,924,395)	(5,246,705)	(20,973,008)	(4,979,619)
Other operating payments	229,895	(19,509)	(518,228)	(307,842)	-
Net cash provided by operating activities	54,443,528	6,461,698	5,862,649	66,767,875	3,388,635
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	8,169,382	-	1,316,293	9,485,675	-
Transfers out	(7,111,836)	(2,183,000)	(2,517,500)	(11,812,336)	(110,131)
Net cash provided by (used for) noncapital financing activities	1,057,546	(2,183,000)	(1,201,207)	(2,326,661)	(110,131)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital grants and contributions	2,040,390	-	17,015	2,057,405	-
Proceeds from notes and bonds	1,394,300	-	-	1,394,300	-
Acquisition and construction of capital assets	(50,679,444)	(1,918,086)	(4,098,343)	(56,695,873)	(727,620)
Principal paid on notes and bonds	(13,402,000)	-	(297,612)	(13,699,612)	-
Interest paid on notes and bonds	(9,609,018)	-	(90,876)	(9,699,894)	(17,186)
Principal paid on leases	-	-	(242,126)	(242,126)	(22,237)
Interest paid on leases	-	-	(44,712)	(44,712)	-
Principal paid on subscription liabilities	-	-	-	-	(539,091)
Principal paid on finance purchase obligations	(13,030,353)	-	(35,400)	(13,065,753)	(164,209)
Proceeds from sale of capital assets	39,600	222,000	-	261,600	31,671
Net cash (used for) capital and related financing activities	(83,246,525)	(1,696,086)	(4,792,054)	(89,734,665)	(1,438,672)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	(812,584)	(1,476,468)	(2,289,052)	(1,037,356)
Proceeds from sale of investments	49,634,247	-	2,745,866	52,380,113	1,407,386
Interest on investments	2,713,633	144,713	263,971	3,122,317	320,564
Net cash provided by (used for) investing activities	52,347,880	(667,871)	1,533,369	53,213,378	690,594
Net increase (decrease) in cash and cash equivalents	24,602,429	1,914,741	1,402,757	27,919,927	2,530,426
Balances - beginning of year	36,809,306	5,680,682	11,804,227	54,294,215	15,646,959
Balances - end of year	$61,411,735	$ 7,595,423	$ 13,206,984	$ 82,214,142	$ 18,177,385
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	$ 33,838,413	$ 4,741,435	$ 5,549,088	$ 44,128,936	$ 1,168,760
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	19,709,069	1,485,397	2,798,140	23,992,606	1,637,509
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(1,869,820)	91,213	629,031	(1,149,576)	(144)
(Increase) decrease in bad debt	68,077	9,342	7,017	84,436	-
(Increase) decrease in inventories	(29,181)	-	3,126	(26,055)	(174,118)
(Increase) decrease in prepaid items	2,813,550	-	(5,516)	2,808,034	29,372
(Decrease) increase in customer deposits payable	564,835	-	(63,443)	501,392	1,688,338
(Decrease) increase in accounts payable - supplier	(895,606)	119,352	(2,760,641)	(3,536,895)	(1,170,775)
(Decrease) increase in accounts payable - other	138,470	(679)	(7,964)	129,827	-
(Decrease) increase in compensated absences	2,324	(45,739)	4,830	(38,585)	24,643
(Decrease) increase in total other postemployment benefits liability	(430,398)	(203,512)	(349,976)	(983,886)	(189,182)
Decrease in deferred outflows of resources related to other postemployment benefits	31,235	14,618	33,203	79,056	13,834
Increase in deferred inflows of resources related to other postemployment benefits	317,898	152,441	137,763	608,102	138,279
(Decrease) increase in net pension liability	(2,253,069)	(891,753)	(1,386,626)	(4,531,448)	(729,176)
Decrease in deferred outflows of resources related to net pension liability	2,437,731	989,583	1,263,039	4,690,353	951,295
(Decrease) in deferred inflows of resources related to net pension liability	-	-	11,578	11,578	-
Net cash provided by operating activities	$54,443,528	$ 6,461,698	$ 5,862,649	$ 66,767,875	$ 3,388,635
Schedule of non-cash investing, capital, and financing activities:					
Interest receivable / unrealized gain	$ 1,521,295	$ 95,813	$ 342,315	$ 1,959,423	$ 325,304
Right to use equipment, real estate, and software	-	-	27,615	27,615	2,694,285
Donation of utility improvements	9,361,180	-	-	9,361,180	-

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

CITY OF FORT MYERS, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	Pension Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	$ 18,576,639	$ 48,368
Investments, at fair value		
U.S. government and agency securities	42,077,133	-
Municipal bonds	1,909,990	-
Corporate stock	119,082,501	-
Corporate bonds	20,520,471	-
Convertible bonds	17,184,755	-
Convertible preferred	1,302,638	-
Mortgage backed securities	18,722,989	-
Mutual funds:		
Fixed income	21,675,162	-
Equity	84,968,196	-
International equity	22,589,434	-
Commingled funds - Real estate	17,988,237	-
Limited partnerships:		
Real estate	25,271,902	-
International equity	20,996,520	-
Real estate investment trusts	18,161,311	-
International securities:		
Bonds and notes	1,615,945	-
Stocks	12,226,523	-
Total investments	446,293,707	-
Receivables		
Employer contributions	1,532,316	-
Interest and dividends	678,803	-
Total receivables	2,211,119	-
Prepaid items - benefits	867,093	-
Total assets	467,948,558	48,368
LIABILITIES		
Payables		
Due to other governmental agencies		48,368
Benefit payments	34,144	-
Investment expenses	318,204	-
Administrative expenses	13,221	-
Total liabilities	365,569	48,368
FIDUCIARY NET POSITION		
Fiduciary net position restricted for pensions	$ 467,582,989	$ -

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

CITY OF FORT MYERS, FLORIDA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2023

	Pension Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Employer	$ 28,553,887	$ -
State of Florida	2,485,053	-
Plan members	5,037,571	-
Total contributions	36,076,511	-
Investment earnings:		
Interest and dividends	9,285,031	-
Net increase in the fair value of investments	38,163,733	-
Total investment (loss)	47,448,764	-
Less: investment expenses	1,694,117	-
Net investment (loss)	45,754,647	-
Fees collected for other governments	-	3,041,890
Total additions (reductions)	81,831,158	3,041,890
DEDUCTIONS		
Benefits paid	33,587,675	-
Administrative expenses	551,575	-
Payments of fees to other governments	-	3,041,890
Total deductions	34,139,250	3,041,890
Change in fiduciary net position	47,691,908	-
FIDUCIARY NET POSITION		
Fiduciary net position - beginning	419,891,081	-
Fiduciary net position - ending	$ 467,582,989	$ -

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF FORT MYERS FLORIDA

City of Palms

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Description of government-wide financial statements

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

2. Reporting Entity

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Reporting Entity – Continued

year ended September 30, 2023, in the Combining Statements and Schedules section. Standalone financial statements for the CRA are available by contacting the Executive Director of the CRA.

***Other Related Organizations*:** The City of Fort Myers Housing Authority is a separate legal entity. Authority commissioners are appointed by the Mayor and approved by the City Council and may be removed. There is no financial benefit or burden to the City and the City has no authority over day-to-day operations. As such, this organization is not included in the accompanying financial statements.

3. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds and component units that are fiduciary in nature (i.e. Pension Trust Funds) are excluded from the government-wide financial statements.

Generally, interfund activity has been eliminated from the government-wide financial statements. Notable exceptions are other charges of the City's water and wastewater function. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

4. Basis of presentation – fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

> The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those that are required to be accounted for in another fund. Revenue is derived primarily from property taxes, state and federal distributions, grants, and other intergovernmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Basis of presentation – fund financial statements – Continued

The FEMA Disaster Grant fund is a special revenue fund used to account for the expenditures related to the damage caused by Hurricane Irma and Hurricane Ian, and the associated cleanup costs to be reimbursed by the Federal government.

The City reports the following major enterprise funds:

The Water-Wastewater Fund accounts for the activities related to providing water, wastewater and reclaimed water services to the public.

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

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

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

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

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

During the course of its operations, the City has numerous transactions between funds to provide services, construct assets and service debt. To the extent that certain transactions between funds were not paid or received as of September 30, 2023, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year are recorded as advances to and advances from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (the governmental and internal service funds) are eliminated so that only the net amount

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Basis of presentation – fund financial statements – Continued

is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

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

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

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

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

Property taxes, public service taxes, franchise taxes, fuel taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual. These have been recognized as revenues of the current fiscal period when they also meet the availability criteria (within 60 days of year end). Revenues from Federal and State reimbursement type grants are recognized when the qualifying expenditures have been incurred and all eligibility requirements have been

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). For special assessments, only the portion of the receivable due within the current period is considered to be susceptible to accruals as revenue of the current period. All other revenue items are considered to be measurable and available only when the City receives the cash.

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

6. Budgetary information

Budgetary basis of accounting

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Budgetary information – Continued

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

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

Excess of expenditures over appropriations

For the year ended September 30, 2023, two funds had expenditures over appropriations:

- the FEMA Disaster Grant major fund has $32.5 million in expenditures over budget due to the declared emergency allowing for such expenditures.
- Public Art Special Revenue funds which incurred investment management fees of $74.

7. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

a. Cash and cash equivalents

The City considers all highly liquid investments with original maturities of three months or less when purchased, as well as investments in the City's cash and investment pool, to be cash equivalents.

b. Investments

Investments for the City are reported at fair value and include obligations of the U.S. Treasury, Government Sponsored Enterprise Securities, mortgage-backed securities, asset-backed securities, municipal and corporate bonds. Money market investments with a remaining maturity at the time of purchase of one year or less are reported at amortized cost. The difference between cost and fair value of investments held is recorded as net unrealized gains or losses and is included in net investment earnings. Purchases and sales of investments are recorded on the trade dates. Net realized gains and losses on sale of investments are reflected in current operating results as investment earnings along with interest and dividends.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance – Continued

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

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

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

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

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

c. Receivables

All trade, property tax and other receivables in the financial statements are shown net of allowance for uncollectible amounts. All receivables are reviewed periodically and, when determined to be uncollectible, are turned over to a collection agency. Once turned over to the collection agency, the amount is included in the uncollectible balance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance – Continued

d. Inventories

Inventories for all funds, except for the enterprise funds, consist primarily of expendable supplies held for consumption and are stated at cost (first-in, first-out method). For the enterprise funds, the City uses the consumption method of accounting, which provides that expenditures are recognized when inventory is used. Inventory in the Skatium Enterprise Fund is held primarily for resale and stated at cost. The Skatium inventory uses the first-in, first-out method and it is valued at replacement cost. All inventories, regardless of fund, are counted on a periodic basis.

e. Prepaid items

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

f. Restricted assets

The proceeds of the City's enterprise fund revenue bonds, as well as other resources set aside in accordance with bond covenants and local ordinance, are classified as restricted on the fund level Statement of Net Position of the enterprise funds. These include the following: operating accounts for the Water-Wastewater enterprise fund that are used for the accumulation of resources equal to operating costs for specified periods; renewal and replacement accounts used for the accumulation of resources to provide for replacement of existing system assets; debt service accounts used for the accumulation of resources needed to meet debt service requirements as they become due; capital project accounts used for acquisition and construction of assets funded by revenue bond proceeds; the impact fee construction account used for the accumulation and expenditure of amounts restricted by local ordinance for future plant expansion; and customers' deposits account restricted from use by local ordinance.

In addition, certain assets are restricted to the other enterprise funds due to the proper use of the assets. The most notable of these are customer deposit accounts and resources accumulated to repay outstanding debt. Restricted assets are not presented on the balance sheets of the governmental funds under the modified accrual basis of accounting; however, certain assets of these funds are restricted in terms of use. Such assets, consisting primarily of cash and receivables, include debt proceeds, permit fees, state and federal forfeiture awards, state and federal grants and amounts held for debt service. All applicable assets in the enterprise funds and in the governmental funds have been restricted in amounts sufficient to meet restrictive purposes.

g. Capital assets

The City's capital assets (roads, bridges, sidewalks, and similar assets), are reported in the applicable governmental or business-type activities column in the government-wide financial

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance – Continued

statements. The City defines capital assets, including infrastructure, as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

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

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

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

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

h. Deferred outflows/inflows of resources

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance – Continued

service funds' combining statement of net position. Notes 10 and 12 provide more information on these items.

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

i. Long-term obligations

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance – Continued

j. Net position

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

k. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted resources, such as bond or grant proceeds, and unrestricted resources. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

l. Fund balance flow assumption

In determining the classification of total spendable fund balance remaining at the end of the fiscal year, when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, it is the City's policy that expenditures will be applied first to restricted fund balance and then to unrestricted fund balance (committed, assigned, and unassigned). When unrestricted fund balance (committed, assigned, and unassigned) is available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as needed.

m. Fund balance policy

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – Nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as the long-term amount of advances to other funds as well as property acquired for resale.

Restricted – This component consists of amounts that are subject to externally enforceable legal restrictions, which are imposed either (a) by third parties, such as creditors (through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance – Continued

providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed Fund Balance – This component consists of amounts that can only be used for specific purposes imposed by formal action (resolution) of the City Council, the City's highest level of decision making authority. The committed amounts are not subject to legal enforceability by external parties, as in restricted fund balance; however, these amounts cannot be used for any other purpose unless the City Council removes or changes the limitation by taking the same form of action (resolution) it employed to previously commit those amounts.

Assigned Fund Balance – This component consists of amounts that are constrained by the City's intent to be used for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the following management officials to express intentions for assigned fund balance: (a) City Council, or (b) the City Manager, Director of Finance, or other subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes. Included in this category is any fund balance carry-forward used to balance the subsequent year's budget.

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

8. Revenues and expenditures/expenses

a. Program Revenues

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

b. Property Taxes

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

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuations for the General Fund. For the 2022-2023 fiscal year, the City levied taxes of 6.9999 mills for the General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Revenues and expenditures/expenses – Continued

All taxes are due from property owners on March 31. However, property owners may pay a discounted tax of 1% beginning November of the taxable year for each month prior to the March 31 due date. Taxes become delinquent on April 1 and are subject to the issuance of tax sale certificates if unpaid by June 1.

At September 30, 2023, delinquent property taxes are not material to the basic financial statements of the City and therefore have not been accrued as taxes receivable.

c. Compensated Absences

Employees earn vacation and sick leave in varying amounts based on length of service. Employees may also earn up to 120 hours of compensatory time. Upon termination, employees are paid 100% of the accumulated vacation and compensatory time at current base hourly rates. Vacation accumulation is capped at a maximum number of hours depending on employee category and bargaining unit. Upon termination of employment, if the employee is eligible to receive retirement benefits, either regular or early benefits, whether or not the benefits begin at termination or are deferred, the employee receives 33% of accumulated sick leave paid at the employee's current base hourly rate. The current portion of compensated absences payable is the amount estimated to be used or paid in the following fiscal year.

Liability for accrued compensated absences of the governmental activities is not reported in the balance sheet of the governmental funds and, accordingly, represents a reconciling item between the fund and government-wide presentations. All compensated absences are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. All compensated absences are liquidated as part of salary expense in the division and fund that pays the salaries of the employees.

These funds include the General Fund, Street Maintenance Special Revenue Fund, State Housing Partnership Special Revenue Fund, Fort Myers Redevelopment Agency Special Revenue Fund, Water–Wastewater Enterprise Fund, Solid Waste Enterprise Fund, the Building Permits and Inspection Enterprise Fund, Stormwater Enterprise Fund, Fort Myers Country Club Enterprise Fund, Eastwood Golf Course Enterprise Fund, Yacht Basin Enterprise Fund, Skatium Enterprise Fund, Fleet Maintenance Internal Service Fund, Information Technology Services Internal Service Fund and the Risk Management Internal Service Fund.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds and the internal service funds are charges to customers for sales and services. The Water-Wastewater Utility Enterprise Fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Revenues and expenditures/expenses – Continued

connecting new customers to the system. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

9. Other Policies

a. Use of Estimates

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

b. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded as a reservation of budget, is employed as an extension of the statutorily required budgetary process. All encumbrances lapse at year end. Contracts that require completion after the fiscal year end must be re-appropriated in the subsequent year. Note 13 provides disclosure on the City's outstanding encumbrances as of September 30, 2023.

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

1. GASB Statement No. 91, "Conduit Debt Obligations". Issued May 2019, this statement enhances the comparability and consistency of conduit debt obligation reporting by state and local government users. The City has reviewed the criteria of GASB Statement No. 91 and has determined that there is currently no financial impact to the City's financial accounting and reporting.

2. Statement No. 94, GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Issued March 2020, this statement requires that public-private and public-public partnership (PPPs) that meet the definition of a lease apply the guidance of GASB Statement No. 87, Leases, and provides accounting and financial reporting requirements for all other PPPs. The City has reviewed the criteria of GASB Statement No. 94 and has determined that there is currently no financial impact to the City's financial accounting and reporting.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. Adoption of New Accounting Standards – Continued

3. In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The provisions of this Statement are effective for the City's financial year September 30, 2023.

4. GASB Statement No. 99, "Omnibus 2022", issued April 2022, this statement seeks to enhance comparability in Accounting and financial reporting and addresses a variety of topics and will apply the relevant sections and update the City's ACFR accordingly:

- Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for the fiscal year 2023.
- Clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, effective for the fiscal year 2023.

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this $205,043,306 are as follows:

Capital Assets:	
Land	$ 38,865,235
Antiques and Exhibits	251,871
Construction in progress	16,313,643
Intangibles - easements	4,723,209
Buildings	80,505,835
Less: Accumulated depreciation for buildings	(25,443,639)
Improvements	54,847,234
Less: Accumulated depreciation for improvements	(43,144,837)
Equipment	30,563,357
Less: Accumulated depreciation for equipment	(21,917,258)
Infrastructure	313,313,325
Less: Accumulated depreciation for infrastructure	(244,915,730)
Right to use leased equipment	22,253
Less: Accumulated depreciation and amortization for leased equipment	(6,067)
Right to use leased real estate	1,271,191
Less: Accumulated depreciation and amortization for leased real estate	(206,316)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	$ 205,043,306

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

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

Another element of that reconciliation explains that "long-term liabilities, including revenue bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $332,836,408 are as follows:

Long-term liabilities:

Revenue bonds payable	$ 100,030,000
Less: Bond insurance costs (to be amortized over the life of the debt)	(115,563)
Add: Issuance premium (to be amortized over life of debt)	6,227,450
Financing purchase obligations	6,198,973
Leases payables	1,129,706
Loans and notes payable	52,895,137
Accrued interest payable	1,737,098
Accrued retirement payable	1,317,911
Compensated absences	5,445,279
Total other postemployment benefits liability	10,883,574
Net pension liability	147,086,843
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$ 332,836,408

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

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

Capital outlay	$ 12,477,363
Non-capitalizable expenditures in capital outlay	(613,757)
Current year depreciation and amortization	(14,972,489)
Finance purchase obligations not reported in capital outlay	1,815,074
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ (1,293,809)

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

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

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

Debt issued or incurred:		
Capital improvement revenue notes	$	9,638,887
Finance purchase obligations		1,912,685
Principal repayments:		
General revenue bonds		(5,360,000)
Loans and notes		(2,390,000)
Finance purchase obligations		(2,193,451)
Leases		(186,796)
Net adjustment to increase changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	1,421,325

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds." The details of this are as follows:

Amortization of bond premiums	$	445,588
Amortization of bond insurance costs		(8,940)
Amortization of deferred charge on refunding		(130,844)
Change in accrued interest expense		168,681
Change in retirement payable		15,332,470
Change in compensated absences		(294,157)
Change in total other postemployment benefits liability		(47,820)
Change in net pension liability		(8,599,752)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	6,865,226

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

The FEMA Disaster Grant major governmental fund had a deficit fund balance of $(16,127,868) at September 30, 2023. The deficit fund balance results from expenditures incurred from natural disaster Hurricane Ian for which related revenue was not recognized. The deficit will be eliminated upon receipt of reimbursement from the Federal Emergency Management Agency for the disaster assistance.

Deficit Net Position

The Yacht Basin nonmajor enterprise fund had a deficit net position of $(933,057) at September 30, 2023. The deficit net position results from the impairment and loss of capital assets as a result from natural disaster Hurricane Ian.

NOTE 4 – CASH DEPOSITS AND INVESTMENTS

Cash Deposits with Financial Institutions

At September 30, 2023, the City had the following deposits, investments and maturities:

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1-5	More than 5 years
Cash on hand	$ 127,444	NA	NA	NA
Demand deposits	23,137,730	NA	NA	NA
Local Government Investment Pool:				
Florida PRIME	96,943,147	NA	NA	NA
FL SAFE	10,533,128	NA	NA	NA
Money market	24,589,732	NA	NA	NA
U.S. Treasury securities	24,982,591	-	24,982,591	-
Agency securities	26,590,107	4,108,677	19,290,238	3,191,192
Corporate bonds	40,912,835	-	38,507,534	2,405,301
Municipal bonds	9,863,156	2,903,680	6,959,476	-
Asset backed securities	25,778,777	-	21,651,162	4,127,615
Mortgage backed securities	13,346,887	-	9,277,384	4,069,503
Corporate stocks	95,943	NA	NA	NA
Total investments	$ 296,901,477	$ 7,012,357	$ 120,668,385	$ 13,793,611

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

Primary government	
Cash, cash equivalents and investments	$ 161,717,094
Restricted cash, cash equivalents and investments	135,136,015
Custodial funds:	
Cash, cash equivalents and investments	48,368
Total	$ 296,901,477

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

Cash Deposits with Financial Institutions – Continued

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to the City. These deposits include demand deposits and nonnegotiable certificates of deposit, and are insured by the Federal Deposit Insurance Corporation or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Under this Act, financial institutions that qualify as public depositories pledge securities that have a market value equal to 50% - 125% of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

Investments

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

1. City's Investments

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

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

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

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

The City's cash and investment pool consists of the Local Government Surplus Funds Trust Fund investment account, the Florida Surplus Asset Fund Trust and cash. Cash balances and requirements of all funds are considered in determining the amount to be invested. Interest

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

earned on pooled cash and investments is allocated monthly to funds based on their monthly ending cash balance.

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

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

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

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

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

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operation of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional fifteen days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed fifteen days."

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

As of September 30, 2023, SBA's ending fiscal year, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The following disclosures pertain to Florida PRIME as of September 30, 2023:

- Credit Quality Disclosure: Florida PRIME is rated by Standard and Poor's, and the current rating is "AAAm".
- Interest Rate Risk Disclosure: The dollar weighted average days to maturity (WAM) of the Florida PRIME is 35 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.
- Foreign Currency Risk Disclosure: Florida PRIME was not exposed to any foreign currency risk during the fiscal year ending September 30, 2023.

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

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

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

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

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

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

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

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

Per the Indenture of Trust, the Trustees may temporarily suspend the right of redemption or postpone the date of payment for redeemed shares during any period (i) when there shall have occurred any state of war, national emergency, act of God, banking moratorium or suspension of payments by banks in the State of Florida or any general suspension of trading or limitation of prices on the New York Stock Exchange ("NYSE") or American Stock Exchange (now known as NYSE AMEX) (other than customary week-end or holiday closings) or (ii) when any emergency exists as a result of which disposal by the Funds of its investments is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the applicable Fund fairly to determine the value of its net assets. Such suspension or postponement shall not alter or affect a Participant's beneficial interest hereunder as measured by its Shares or the accrued interest and earnings thereon. Such suspension or payment shall

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

take effect at such time as the Trustees shall specify but not later than the close of business on the business day next following the declaration of suspension, and thereafter there shall be no right of redemption or payment until the Trustees shall declare the suspension or postponement at an end, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in subsection (a) or in this subsection (b) shall have expired, as to which the determination of the Trustees shall be conclusive. In the case of a suspension of the right of redemption or a postponement of payment for redeemed Shares, a Participant may either (i) withdraw its request for redemption or (ii) receive payment based on the net asset value existing after the termination of the suspension.

Although investors in certain Term Series may have redemption rights, Term Series are designed to be held for the full term of that Series. Shares in certain Term Series may be redeemed prior to the maturity date of that Series upon a seven days' advance notice of redemption to the Operational Manager and a penalty will likely be assessed. The penalty, which may be substantial, could include the amount necessary to recoup for the Series any penalty charges, losses and other costs attributable to the early redemption.

The following disclosures pertain to FL SAFE as of September 30, 2023:

- Credit Quality Disclosure: FL SAFE is rated by Standard and Poor's, and the current rating is AAAm for the FL SAFE Stable NAV Fund and AAAf / S1 for the FL SAFE Variable NAV Fund.

- Interest Rate Risk Disclosure: The dollar weighted average days to maturity (WAM) of the Florida PRIME is 28 days for the FL SAFE Stable NAV Fund. Rising interest rates could cause the value of the Funds' investments – and therefore its share price as well – to decline. Conversely, any decline in interest rates is likely to cause the Funds' yield to decline, and during periods of low interest rates, the Funds' yield may approach zero.

- Liquidity Risk. A Fund could experience significant net redemptions of its shares at a time when it was unable to find willing buyers for its portfolio securities or could only sell its portfolio securities at a material loss.

- Redemption risk: The Funds may experience periods of heavy redemptions that could cause the applicable fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. Redemptions by a few large Participants may have a significant adverse effect on the ability to maintain a stable $1.00 share price or the net asset value of the Series, as applicable.

The City uses the market approach to measure the fair value of investments as of September 30, 2023, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets.

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

Investment Type	Fair Value	Investments That Are Not Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Matrix, Model Based) (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 127,444	$ -	$ 127,444	$ -	$ -
Demand deposits	23,137,730	-	23,137,730	-	-
Local Govt Investment Pool	-	107,476,274	-	-	-
Money market funds	-	24,589,734	-	-	-
U.S. Treasury securities	24,982,591	-	24,982,591	-	-
Agency securities	26,590,107	-	-	26,590,107	-
Corporate bonds	40,912,835	-	-	40,912,835	-
Municipal bonds	9,863,156	-	-	9,863,156	-
Asset backed securities	25,778,777	-	-	25,778,777	-
Mortgage backed securities	13,346,887	-	-	13,346,887	-
Corporate stocks	95,943	-	95,943	-	-
Total investments	$ 164,835,469	$ 132,066,008	$ 48,343,707	$116,491,762	$ -

Concentration of Credit Risk

Investments in U.S. Treasury securities comprised 8.4% of total investments. The City's investment policy provides for diversification of investments by limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities).

Interest Rate Risk

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

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

1. City's Investments – Continued

Credit Risk

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

As of September 30, 2023, the City's investments in money market funds were rated AAAm by Standard & Poor (S&P) and Aaa-mf by Moody's Investors Service (Moody's). Treasury and agency securities were rated Aaa by Moody's and AA+ by S&P. The City's investments in corporate bonds were rated Aaa by Moody's and not rated by S&P.

2. City's Pension Plan Investments

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

At September 30, 2023, the City's three pension plans had the following cash and investments:

Description	Fair Value	Credit Rating: Standard & Poor's	Credit Rating: Moody's
General Employees' Pension Plan:			
Cash	$ 989,595		
Money market	6,272,046	AAAm	Aaa-mf
U.S. government and agency securities	3,922,133	AA+	Aaa
Municipal bonds	1,523,800	A to AAA	A2 to Aaa
Corporate stock	50,032,205	Not rated	Not rated
Corporate bonds	10,557,402	BBB- to AAA	Baa3 to Aaa
Mortgage backed securities	14,015,865	AA+ to AAA	Aaa
Mutual funds:			
Fixed income	15,797,592	Not rated	Not rated
Equity	11,534,727	Not rated	Not rated
Limited partnership - International equity	20,996,520	Not rated	Not rated
Real estate investment trusts	18,161,311	Not rated	Not rated
International securities:			
Bonds and notes	784,649	BBB- to AA+	Baa3 to Aaa
Stocks	6,203,576	Not rated	Not rated
Total Cash and Investments	160,791,421		

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

Description	Fair Value	Credit Rating: Standard & Poor's	Credit Rating: Moody's
Police Officers' Retirement System:			
Cash	$ 1,011,369		
Money market	5,556,943	AAAm	Aaa-mf
U.S. government and agency securities	31,216,311	AA+	Aaa
Corporate stock	6,501,529	Not rated	Not rated
Corporate bonds	3,939,873	BBB+ to A-	A3 to A1
Convertible bonds	17,184,755	CCC to A-	Not rated
Convertible preferred	1,302,638	Not rated	Not rated
Mutual funds:			
Equity	73,433,469	Not rated	Not rated
International equity	22,589,434	Not rated	Not rated
Commingled funds - Real estate	12,531,148	Not rated	Not rated
Total Cash and Investments	175,267,469		

Description	Fair Value	Credit Rating: Standard & Poor's	Credit Rating: Moody's
Firefighters' Retirement System:			
Cash	$ 4,410,169		
Money market	336,517	AAAm	Aaa-mf
U.S. government and agency securities	6,938,689	AA+	Aaa
Municipal bonds	386,190	AA- to AAA	Aaa to Aa3
Corporate stock	62,548,767	Not rated	Not rated
Corporate bonds	6,023,196	BBB- to A+	Ba1 to A3
Mortgage backed securities	4,707,124	AA+	Aaa
Mutual funds:			
Fixed income	5,877,570	Not rated	Not rated
Commingled funds - Real estate	5,457,089	Not rated	Not rated
Limited partnerships - Real estate	25,271,902	Not rated	Not rated
International securities:			
Bonds and notes	831,296	Baa1- to A3	BBB- to A-
Stocks	6,022,947	Not rated	Not rated
Total Cash and Investments	128,811,456		
Total Pension Plans' Cash and Investments	$ 464,870,346		

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

Fair Value Measurements

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

Each of the City's Pension Plans categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Each Plan has the following recurring fair value measurements as of September 30, 2023:

General Employees' Pension Plan
Investments Measured at Fair Value

Investments	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
U.S. government and agency securities	$ 3,922,133	$ -	$ 3,922,133	$ -
Municipal bonds	1,523,800	-	1,523,800	-
Corporate stock	50,032,205	50,032,205	-	-
Corporate bonds	10,557,402	-	10,557,402	-
Mortgage backed securities	14,015,865	-	14,015,865	-
Mutual funds: Fixed income	15,797,592	15,797,592	-	-
Mutual funds: Equity	11,534,727	11,534,727	-	-
International securities: Bonds and notes	784,649	-	784,649	-
International securities: Stocks	6,203,576	6,203,576	-	-
Total investments by fair value level	114,371,949	83,568,100	30,803,849	-
Investments measured at the net asset value (NAV):				
Real estate investment	18,161,311			
Limited partnership - International equity	20,996,520			
Total investments measured at the NAV	39,157,831			
Total investments	$ 153,529,780			

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

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

General Employees' Pension Plan

Investments Measured at the NAV

Investments	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments measured at the net asset value (NAV):				
Real estate investment trust [1]	$ 18,161,311	$ -	Quarterly	90 days
Limited partnership - International equity [2]	20,996,520	-	Monthly	30 days
Total investments measured at the NAV	$ 39,157,831			

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

   Investment in this Fund is generally not redeemable due to the closed-ended nature of the Fund. Instead, distributions from the Fund will be received as the underlying investments of the Fund are disposed of and monetized. The fair value of the investment in this type has been determined by using the NAV per share (or its equivalent) of the Plan's ownership interest in the Fund.

2. *Limited partnership – International equity*. This type consists of a limited partnership with a capital account for each Partner. Each Partner's capital account shall be credited with the cash contributions made by the Partner to the Partnership pursuant to the agreement and each Partner's allocable share of Partnership income or gains and decreased by (i) each Partner's allowable share of Partnership deductions or losses and (ii) the amount of all distributions made with respect to such Partner's Partnership interest pursuant to the agreement. The investment objective focuses on the achievement of an annualized total return that exceeds the respective benchmarks at lower than market risk over a market cycle of three to five years. Diversification is generally broad within the global portfolios, comprised of various industry groups and countries. The fair value of the investments in this type has been determined by using the NAV per share (or its equivalent) of the portfolio value. A Limited Partner may withdraw all or any part of his Capital Account as of the last business day of any month, provided that if the requested withdrawal would reduce his Capital Account below the amount of the initial contribution, he may, at the option of the General Partner, be deemed to be retiring from the Partnership and any distribution required shall be made within sixty days after the effective date of the withdrawal to which that distribution relates. A Limited Partner desiring to make a withdrawal from his Capital Account shall, not less than thirty days before the date on which such withdrawal is to be made, give written notice to the Partnership

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

(which notice may be waived by the General Partner) of (i) such Limited Partners' intention to make a withdrawal and (ii) the amount of the withdrawal or the manner in which the amount of the withdrawal is to be determined. Payments for withdrawals will be made no later than fifteen business days after the effective date of the withdrawal, provided that payments for withdrawals deemed to be retirements will be made as provided in Section 11.5 per the subscription agreement. All withdrawals from a Limited Partner's Capital Account may be subject to a redemption fee of up to ½ to 1% of the amount withdrawn, such amount to be paid to the Partnership. The redemption fee may be waived by the General Partner, in its sole discretion.

Police Officers' Retirement System
Investments Measured at Fair Value

Investments	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
U.S. government and agency securities	$ 31,216,311	$ -	$ 31,216,311	$ -
Corporate stock	6,501,529	6,501,529	-	-
Corporate bonds	3,939,873	-	3,939,873	-
Convertible bonds	17,184,755	-	17,184,755	-
Convertible preferred	1,302,638	1,302,638	-	-
Mutual funds: Equity	73,433,469	73,433,469	-	-
Mutual funds: International equity	22,589,434	22,589,434	-	-
Total investments by fair value level	156,168,009	103,827,070	52,340,939	-
Investments measured at the net asset value (NAV):				
Comingled funds - Real estate	12,531,148			
Total investments measured at the NAV	12,531,148			
Total investments	$ 168,699,157			

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

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

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

Police Officers' Retirement System

Investments Measured at the NAV

Investments	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments measured at the net asset value (NAV):				
Commingled funds - Real estate	$ 12,531,148	$ -	Quarterly	45 - 60 days
Total investments measured at the NAV	$ 12,531,148			

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

The other fund included in this type consists of an actively managed, open-end, commingled private real estate portfolio that is structured as a limited partnership. The purpose of the Fund is to actively manage a core portfolio of primarily equity real estate investments located in the U.S. The fair values of the investments in this Fund have been determined using the NAV per unit (or its equivalent) of the Plan's ownership in the Fund. A third-party firm is engaged by the Fund to administer the Fund's valuation policies and procedures, including managing the Fund's independent appraisal process and reviewing the Fund's independent appraisals. The Fund's real estate investments are generally appraised every quarter starting with the first full quarter after an investment is made. An independent appraisal of the underlying real estate for each investment is performed annually. This annual inspection includes a property inspection and market analysis. In the interim quarters, the valuation is updated by the independent appraiser

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

through a restricted appraisal report. In these appraisals, the prior cash flow assumptions for the real estate investments are updated for factual changes and changes in market conditions are evaluated. All appraisals are certified by members of the Appraisal Institute who hold the MAI designation. Appraisals and appraisal reports are required to comply with the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Foundation. The Fund intends to make quarterly distributions, generally within 45 days of quarter end, in such amounts as the Advisor determines in its discretion. New investors automatically participate in the Fund's distribution reinvestment plan whereby an investor's distributions from the Fund are automatically reinvested in additional units on the same basis as additional contributions are invested in the Fund. Investors may request redemption of all or a portion of their units as of the end of a calendar quarter by delivering written notice to the Fund at least 60 days prior to the end of the quarter. Redemption requests are subject to certain restrictions and the availability of cash. Should redemption requests exceed 50% of available cash, the Fund will apply such 50% of available cash to redeem each requesting investor on a pro rata basis according to the ratio of the requesting investor's units to the total units of all investors then requesting redemptions. Any redemption request that is not fully honored in any given quarter will be deemed effective in following quarters until completed. Redemptions of units are made based on the Fund's NAV as of the redemption date.

Firefighters' Retirement System
Investments Measured at Fair Value

Investments	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
U.S. government and agency securities	$ 6,938,689	$ -	$ 6,938,689	$ -
Municipal bonds	386,190	-	386,190	-
Corporate stock	62,548,767	62,548,767	-	-
Corporate bonds	6,023,196	-	6,023,196	-
Mortgages	4,707,124	-	4,707,124	-
Mutual funds: Fixed income	5,877,570	5,877,570	-	-
International securities: Bonds and notes	831,296	-	831,296	-
Total investments by fair value level	87,312,832	68,426,337	18,886,495	-
Investments measured at the net asset value (NAV):				
Comingled funds - Real estate	5,457,089			
International equity	6,022,947			
Limited partnership - Real estate	25,271,902			
Total investments measured at the NAV	36,751,938			
Total investments	$ 124,064,770			

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

NOTE 4 – CASH DEPOSITS AND INVESTMENTS – Continued

2. City's Pension Plan Investments – Continued

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

Firefighters' Retirement System
Investments Measured at the NAV

Investments	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments measured at the net asset value (NAV):				
Commingled funds - Real estate [1]	$ 5,457,089	$ -	Quarterly	45 days
International equity [2]	6,022,947	-	Monthly	5 days
Limited partnerships - Real estate [3]	25,271,902	-	Quarterly	90 days
Total investments measured at the NAV	$ 36,751,938			

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

2. International equity. This type consists of an open-ended mutual fund that invests in stocks of companies that are primarily in Europe, Australasia, and the Far East, providing exposure to economies that may be at different stages of the business cycle or offer growth opportunities unavailable in United States and Canadian markets. The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the NAV per unit. A different net asset value is

NOTE 4 – CASH DEPOSITS AND INVESTMENTS – Continued

2. City's Pension Plan Investments – Continued

calculated for each series of units of a Fund. The net asset value of a particular series of units is computed by calculating the value of the series' proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. A Fund may apply a fee of 2% of the current value of units if the unitholder redeems or switches out units within seven days of purchasing or previously switching into a Fund.

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

For the year ended September 30, 2023, the annual money-weighted rate of return on pension plan investments for each Plan was as follows:

General Employees' Pension Plan	13.68%
Police Officers' Retirement System	9.45%
Firefighters' Retirement System	10.09%

The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. A schedule of each Plan's investment returns is presented on page E16.

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

a. General Employees' Pension Plan

Investment Policy

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

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

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

Target Allocations

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

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

The following was the Board's adopted asset allocation policy as of September 30, 2023:

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

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

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

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

Concentration of Credit Risk

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

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

Investment	Amount of Investment	% of Net Position
Limited partnership - International equity	$ 20,996,520	13.0%
Real estate investment trusts	18,161,311	11.2%
Total Plan investments 5% or more of the fiduciary net position	$ 39,157,831	24.2%

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the General Employees' Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2023, the Plan's investment portfolio was held with a third-party custodian as required by the statute.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As noted above, the Plan's investment policy states that foreign securities, regardless of asset class, shall not exceed 25% of the market value of the Plan's assets. The Plan's actual investment in foreign securities at September 30, 2023, was $784,649 for bonds and notes and $6,203,576 for stocks or 4.0% of the Plan's total assets at market value. The Plan also held foreign investments that comprised a limited partnership in international equity, which amounted to $20,996,520 or 13.1% of the Plan's total assets at fair market value as of September 30, 2023.

Interest Rate Risk

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

At September 30, 2023, the General Employees' Pension Plan investments, other than money market, stocks, stock related funds, mutual funds, limited partnership and real estate investment trusts, were as follows:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. government and agency securities	$ 3,922,133	$ -	$ 2,816,666	$ 1,105,467	$ -
Municipal bonds	1,523,800	-	161,341	935,231	427,228
Corporate bonds	10,557,402	139,265	4,201,268	4,705,827	1,511,042
Mortgage backed securities	14,015,865	7,892	1,197,467	1,437,563	11,372,943
Mututal funds - fixed income	15,797,592	-	15,797,592	-	-
International securities - bonds and notes	784,649	6,164	683,037	95,448	-
Total Investments	$ 46,601,441	$ 153,321	$ 24,857,371	$ 8,279,536	$ 13,311,213

b. Police Officers' Retirement System

Investment Policy

The Board of Trustees (the Board) for the Police Officers' Retirement System (PORS) established a Statement of Investment Policy that applies to those funds under control of the Board. The investment objective of the Board is to preserve the purchasing power of the Fund's assets and earn an above average real rate of return (after inflation) over the long term while minimizing, to a reasonable extent, the short term volatility of results. The Board determined that one or more

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

outside investment managers shall be retained to assure that all investments are managed in both a prudent and professional manner and in compliance with the stated investment guidelines. In performing its investment duties, the Board and its investment managers shall comply with the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A) – (C).

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

Investment policy decisions may be recommended by the investment manager, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by a majority vote of the Board. The investment policy shall be filed promptly with the Department of Management Services, plan sponsor and consulting actuary. The effective date of the investment policy and any amendment thereto shall be the 31st calendar day following the filing date with the plan sponsor. As of September 30, 2023, the effective Investment Policy Statement was adopted on June 6, 2019.

Target Allocations

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

The following was the Board's adopted asset allocation policy as of September 30, 2023:

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

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

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

The fixed income portfolio shall comply with the following guidelines:

- Investments in all corporation fixed income securities shall be limited to those securities rated BBB or higher by Standard & Poor's or Baa by Moody's rating services. Investments in securities rated below A will be limited to 20% of the total fixed income portfolio. Fixed income securities that are downgraded below the minimum rating by both entities shall be sold at the earliest beneficial opportunity.
- Investments in collateralized mortgage obligations (CMOs) shall be backed by the full faith of the U.S. government, an agency thereof, or that are rated AAA by a major rating service. The CMOs shall be restricted to planned amortization class, non-accelerated securities or very accurately defined maturity securities.

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

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

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

Concentration of Credit Risk

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

- Equity securities: Investments in equity securities, including convertibles, shall not exceed 70% (at cost value) or 75% (at market value) of the Fund's total portfolio; no more than 25% of the Fund's total market value may be invested in foreign equity securities; no more than 5% at market value of the total equity portfolio may be

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

invested in the shares of a single corporate issuer; investments in those corporations whose stock has been publicly traded for less than one year is limited to 15% of the equity portfolio; investments issued by corporations with total market capitalization of $3 billion or less shall not exceed 20% of total equity portfolio value (at market).

- Convertible securities: All such securities shall be classified as equities and shall be limited to 25% of the Fund's total portfolio value; no more than 10% at market value of an investment manager's convertible portfolio may be invested in the shares of a single corporate issuer; investments in foreign convertibles are limited to 25% (at market) of the investment manager's portfolio.
- Corporate fixed income securities: No more than 25% of the Fund's total market value may be invested in foreign equity securities; no more than 10% at market of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer.
- Investments in CMOs shall be limited to 15% of the market value of the investment managers' total portfolio.
- Master limited partnerships (MLP): No more than 10% at market value of an investment manager's MLP may be invested in a single issuer unless the issuer makes up more than 10% of the Alerian MLP Index; no more than 15% of the total fund assets (at market value) may be invested in MLPs.
- Investments in real estate shall not exceed 15% at market valuation of the value of total Fund assets.

At September 30, 2023, PORS did not hold any investments that represent 5% or more of the Plan's investments and 5% or more of the Plan's fiduciary net position.

Investment	Amount of Investment	% of Net Position
Commingled Funds - Real estate	$ 9,590,294	6.0%
Total Plan investments 5% or more of the fiduciary net position	$ 9,590,294	6.0%

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Police Officers' Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2023, the Plan's investment portfolio was held with a third-party custodian as required by the statute.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As noted above, the Plan's investment policy states that no more

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

than 25% of the Fund's total market value may be invested in foreign equity securities and investments in foreign convertibles are limited to 25% (at market) of the investment manager's portfolio. The Plan's foreign investment as of September 30, 2023, comprised mutual funds in international equity, which amounted to $22,589,434 or 12.77% of the Plan's total assets at fair market value.

Interest Rate Risk

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

At September 30, 2023, the Police Officers' Retirement System pension plan investments, other than money market, stocks, mutual funds, commingled funds and master limited partnership, were as follows:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. government and agency securities	$ 31,216,311	$ -	$ 9,438,793	$ 3,552,049	$ 18,225,469
Corporate bonds	3,939,873	-	647,858	3,292,015	-
Convertible bonds	17,184,755	49,764	15,139,220	1,995,771	-
Convertible preferred	1,302,638	1,302,638	-	-	-
Total investments	$ 53,643,577	$ 1,352,402	$ 25,225,871	$ 8,839,835	$ 18,225,469

c. Firefighters' Retirement System

Investment Policy

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

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

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

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

Target Allocations

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

The following was the Board's adopted asset allocation policy as of September 30, 2023:

Asset Class	Target	Range	Benchmark Index
Domestic Equity	50%	40% - 65%	Russell 3000
Broad Market Fixed Income	15%	10% - 30%	Bloomberg Barclays U.S. Aggregate
Global Fixed Income *	5%	0% - 10%	Bloomberg Barclays Global Aggregate
International Equity	15%	5% - 20%	MSCI-ACW ex. US
Real Estate *	15%	0% - 20%	NCREIF NFI-ODCE

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

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

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

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

Concentration of Credit Risk

Not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company. For fixed income, the value of bonds issued by any single corporation shall not exceed 3% of the total fund. Investments in corporate common stock and convertible bonds shall not exceed 75% of the fund assets at market value. Investments in real estate shall not exceed 15% of the market value of the total Plan at the time of purchase. Foreign securities, regardless of asset class, shall not exceed 25% of the market value of the Plan's assets.

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

Investment	Amount of Investment	% of Net Position
Limited partnerships - Real estate	$ 9,857,562	7.6%
Total Plan investments 5% or more of the fiduciary net position	$ 9,857,562	7.6%

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Firefighters' Retirement System pension plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2023, the Plan's investment portfolio was held with a third-party custodian as required by the statute.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates that will adversely affect the fair value of an investment or a deposit. As noted above, the Plan's investment policy states that foreign securities, regardless of asset class, shall not exceed 25% of the market value of the Plan's assets. The Plan's foreign investment as of September 30, 2023, comprised international equity, which amounted to $6,022,947 or 4.7% of the Plan's total assets at fair market value, and international bonds and notes, which amounted to $831,296 or 0.6% of the Plan's total assets at fair market value.

NOTE 4 – CASH DEPOSITS AND INVESTMENTS - Continued

2. City's Pension Plan Investments – Continued

Interest Rate Risk

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

At September 30, 2023, the Firefighters' Retirement System plan investments, other than money market, stocks, mutual funds and limited partnership, were as follows:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. government and agency securities	$ 6,938,689	$ 1,010,928	$ 2,998,491	$ 94,544	$ 2,834,726
Municipal bonds	386,190	-	-	150,229	235,961
Corporate bonds	6,023,196	71,607	2,034,015	3,352,758	564,816
Mortgage backed securities	4,707,124	-	-	-	4,707,124
Mututal funds - fixed income	5,877,570	-	5,877,570	-	-
International securities - bonds and notes	831,296	-	434,956	199,541	196,799
Total Investments	$ 24,764,065	$ 1,082,535	$ 11,345,032	$ 3,797,072	$ 8,539,426

NOTE 5 – RESTRICTED ASSETS

Certain assets of the proprietary funds at September 30, 2023 are restricted for certain purposes. These assets comprise cash and cash equivalents, investments, and interest receivable.

	Business Type Activities		
Description and Purpose	Water - Wastewater Fund	Solid Waste Fund	Nonmajor Business-type Funds
Customer deposits for services	$ 12,744,230	$ -	$ 127,766
Sinking fund accounts, for debt service obligations	22,556,419	-	-
Pledged impact fees, for debt service obligations	6,751,578	-	-
Unpledged impact fees, for capital project needs	3,325,634	-	-
Renewal and replacement, funding capital project needs	9,097,421	1,528,608	158,316
Proceeds from debt issuance, for the acquisition, construction and equipping of various capital projects	11,868,910	-	16,004
Capital project accounts	17,788,047	-	706,377
Other purposes	-	-	21,526
Total restricted assets	$ 84,132,239	$ 1,528,608	$ 1,029,989

NOTE 5 – RESTRICTED ASSETS - Continued

Restricted cash and cash equivalents of $2,311,584 in the Risk Management Internal Service Fund relates to the City's self-insurance activities which encompass payments for worker's compensation claims and supplemental insurance policies. Note 14 provides more information about the City's Risk Management.

NOTE 6 – RECEIVABLES

Trade Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for certain funds and aggregated columns. Receivables as of September 30, 2023 for the City's governmental activities, individual major governmental funds, nonmajor governmental funds in the aggregate, internal service funds and applicable allowances for uncollectible accounts are as follows:

	General Fund	Other Governmental Funds	Total
Receivables:			
Accounts	$ 854,750	$ 95,335	$ 950,085
Utility Service Taxes and Franchise Fees	2,800,906	-	2,800,906
Code Enforcement	888,038	-	888,038
Accounts, gross	4,543,694	95,335	4,639,029
Less: Allowance for Uncollectibles	(702,786)	-	(702,786)
Accounts, net	3,840,908	95,335	3,936,243
Other Receivables:			
Special assessments	34,191	-	34,191
Interest	33,217	322,964	356,181
Leases	2,273,947	-	2,273,947
Notes	461,501	11,055,901	11,517,402
Less: Allowance for Uncollectibles, Notes	-	(10,441,401)	(10,441,401)
Other receivables, net	2,802,856	937,464	3,740,320
Total net receivables	$ 6,643,764	$ 1,032,799	$ 7,676,563

Significant Uncollectible

The allowance for uncollectible accounts receivable in the General Fund consists primarily of 702,786 for code enforcement fees. The amount of $10,441,401 for the allowance for uncollectible notes receivable in the Nonmajor Governmental Funds relates to mortgage assistance provided by the Attainable Workforce Housing Fund, State Housing Initiative Partnership (SHIP) Fund and Community Development Block Grant Fund. The Attainable Workforce Housing Fund provides loans to eligible residents with income of 150% of the Area Median Income (AMI) for Lee County and the Fort Myers-Cape Coral Metropolitan Statistical Area (MSA). The SHIP program provides a deferred payment loan with no interest to eligible recipients with incomes up to 120 percent AMI to fund the gap between what the financial institution will lend and what the homebuyer can afford to pay for an existing or newly constructed single-family home within the City. The SHIP and CDBG programs also provide ten-year deferred payment/no interest loans to homeowners with household incomes of up to 80 percent AMI for major rehabilitation.

NOTE 6 – RECEIVABLES - Continued

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

	Water Wastewater Fund	Solid Waste Fund	Other Business-Type Funds	Total
Receivables:				
Accounts/Leases, gross	$ 10,070,180	$ 1,788,546	$ 134,998	$ 11,993,724
Less: Allowance for Uncollectibles	(1,492,204)	(148,204)	(23,589)	(1,663,997)
Accounts, net	8,577,976	1,640,342	111,409	10,329,727
Other Receivables:				
Interest - unrestricted	68,459	21,747	29,802	120,008
Interest - restricted	1,440,631	1,168	1,852	1,443,651
Total net receivables	$ 10,087,066	$ 1,663,257	$ 143,063	$ 11,893,386

Lease Receivables

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

The future lease payments as of September 30, 2023 were as follows:

	Governmental Activities		Business-Type Activities		Total
Fiscal Year	Principal	Interest	Principal	Interest	
2024	$ 118,350	$ 101,162	$ 20,196	$ 4,733	$ 244,441
2025	103,261	96,246	21,151	3,778	224,436
2026	102,001	91,576	44,666	2,390	240,633
2027	107,360	86,801	25,396	344	219,901
2028	112,987	81,774	-	-	194,761
2029 - 2033	449,778	332,904	-	-	782,682
2034 - 2038	226,447	268,985	-	-	495,432
2039 - 2043	245,236	214,398	-	-	459,634
2044 - 2048	304,982	154,552	-	-	459,534
2049 - 2053	335,113	78,179	-	-	413,292
2054 - 2058	168,432	17,048	-	-	185,480
Total	$ 2,273,947	$ 1,523,625	$ 111,409	$ 11,245	$ 3,920,226

NOTE 6 – RECEIVABLES - Continued

The City's lease receivables for government and business-type activities at September 30, 2023 were as follows:

Governmental Activities:	
Building and office space leases - annual installments totaling $254,710 plus interest at a rate of 3.45% - 4.63%, due dates ranging from October 1, 2022 to May 1, 2040.	$ 815,140
Land and land improvements - annual installments totaling $77,528 plus interest at a rate of 3.45% - 4.63%, due dates ranging from October 1, 2022 to December 1, 2057.	1,458,807
Total Governmental Activities Lease Receivable	$ 2,273,947
Business-Type Activities:	
Building and office space leases - annual installments totaling $85,566 plus interest at a rate of 4.63%, due dates ranging from October 1, 2022 to April 1, 2027.	$ 111,409
Total Business-Type Lease Receivable	$ 111,409

NOTE 7 – ASSETS HELD FOR RESALE

Community Development Block Grant

The U.S. Department of Housing and Urban Development's (HUD) Neighborhood Stabilization Program (NSP) is part of the national effort to restore homes and renew neighborhoods affected the hardest by the ongoing housing crisis. The NSP signals opportunity for homebuyers and stronger neighborhoods with reinvestments that go straight to the heart of the communities.
In fiscal year 2009, the City received $2,297,318 of Neighborhood Stabilization Program 1 (NSP1) funding, which was allocated through HUD's Community Development Block Grant (CDBG) Program under the Housing and Economic Recovery Act of 2008. In fiscal year 2011, the City received $1,537,642 from an NSP3 funding allocation, which was released by HUD as authorized in the Dodd Frank Wall Street Reform and Consumer Protection Act to continue to assist state and local governments in the redevelopment of abandoned and foreclosed residential properties. To date, the City has completed over forty-five units under the NSP Program. The City will use program income to develop additional housing.

As of September 30, 2023, the City held two single-family homes, which comprise new construction on foreclosed, city-owned property, as assets held for resale for a total of $634,068. The City used NSP1 funds to build two of the existing single-family homes, and one home closed on October 21, 2023, and the other home is currently under contract.

NOTE 8 – CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2023, was as follows:

	Balance October 1, 2022	Increases	Decreases	Balance September 30, 2023
Governmental Activities				
Capital assets, not being depreciated:				
Land	$ 29,793,837	$ 9,071,398	$ -	$ 38,865,235
Antiques and Exhibits (1)	251,871	-	-	251,871
Construction in progress	14,978,669	2,376,695	(1,041,721)	16,313,643
Intangibles-easements	4,723,209	-	-	4,723,209
Total capital assets, not being depreciated	49,747,586	11,448,093	(1,041,721)	60,153,958
Capital assets, being depreciated and amortized:				
Buildings	80,747,989	-	(180,710)	80,567,279
Improvements	54,179,890	667,344	-	54,847,234
Equipment	43,720,050	3,113,859	(1,909,809)	44,924,100
Intangibles-software	145,587	24,000	-	169,587
Infrastructure	313,238,151	75,174	-	313,313,325
Right to use lease equipment	37,518	53,514	(18,751)	72,281
Right to use lease real estate	1,487,941	-	(216,750)	1,271,191
Right to use software	-	2,694,285	-	2,694,285
Total capital assets, being depreciated	493,557,126	6,628,176	(2,326,020)	497,859,282
Less accumulated depreciation and amortization for:				
Buildings	(22,453,088)	(3,071,275)	19,953	(25,504,410)
Improvements	(41,525,377)	(1,619,460)	-	(43,144,837)
Equipment	(32,074,849)	(4,138,098)	1,873,255	(34,339,692)
Intangibles-software	(145,587)	(3,600)	-	(149,187)
Infrastructure	(238,105,919)	(6,809,811)	-	(244,915,730)
Right to use lease equipment	(11,866)	(56,620)	18,704	(49,782)
Right to use lease real estate	(217,806)	(141,046)	152,536	(206,316)
Right to use software	-	(709,314)	-	(709,314)
Total accumulated depreciation	(334,534,492)	(16,549,224)	2,064,448	(349,019,268)
Total capital assets being depreciated, net	$ 159,022,634	$ (9,921,048)	$ (261,572)	$ 148,840,014
Total governmental activities capital assets, net	$ 208,770,220	$ 1,527,045	$ (1,303,293)	$ 208,993,972

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

NOTE 8 – CAPITAL ASSETS – Continued

	Balance October 1, 2022	Increases	Decreases	Balance September 30, 2023
Business-Type Activities				
Capital assets, not being depreciated:				
Land	$ 2,712,736	$ -	$ -	$ 2,712,736
Intangibles	380,881	167,636	-	548,517
Construction in progress	79,615,429	78,875,261	(67,751,634)	90,739,056
Total capital assets, not being depreciated	82,709,046	79,042,897	(67,751,634)	94,000,309
Capital assets, being depreciated and amortized:				
Buildings	129,175,588	287,755	-	129,463,343
Improvements other than buildings	39,177,698	100,052	-	39,277,750
Equipment	37,288,728	3,730,343	(1,307,012)	39,712,059
Utility Systems	516,145,213	50,623,232	-	566,768,445
Right to use lease equipment	431,117	10,997	(146,207)	295,907
Right to use lease real estate	679,506	16,618	-	696,124
Total capital assets, being depreciated	722,897,850	54,768,997	(1,453,219)	776,213,628
Less accumulated depreciation and amortization for:				
Buildings	(73,030,748)	(4,009,737)	-	(77,040,485)
Improvements other than buildings	(16,218,164)	(1,697,998)	-	(17,916,162)
Equipment	(27,634,978)	(3,169,334)	1,307,010	(29,497,302)
Utility Systems	(231,188,649)	(14,849,315)	-	(246,037,964)
Right to use lease equipment	(227,359)	(200,453)	146,207	(281,605)
Right to use lease real estate	(57,008)	(65,769)	-	(122,777)
Total accumulated depreciation	(348,356,906)	(23,992,606)	1,453,217	(370,896,295)
Total capital assets being depreciated, net	374,540,944	30,776,391	(2)	405,317,333
Total business-type activities capital assets, net	$ 457,249,990	$ 109,819,288	$ (67,751,636)	$ 499,317,642

Depreciation and amortization expenses were charged to the functions of the primary government as of September 30, 2023, as follows:

Governmental Activities:		**Business-Type Activities:**	
General government	$ 3,357,249	Water-Wastewater	$ 19,709,069
Public Safety:		Solid Waste	1,485,397
Police	1,440,423	Building Permits and Inspections	323,807
Fire	1,915,556	Stormwater	1,273,009
Protective inspections	32,024	Fort Myers County Club	359,462
Physical environment	116,194	Eastwood Golf Course	611,192
Transportation	7,378,784	Yacht Basin	27,434
Economic environment	175,497	Downtown Parking Garages	201,556
Culture and recreation	2,133,497	Skatium	1,680
Total depreciation and amortization expense - governmental activities	$16,549,224	Total depreciation and amortization expense - business-type activities	$23,992,606

NOTE 9 – ACCRUED AND OTHER LIABILITIES, UNEARNED REVENUE

1. Accrued and Other Liabilities

Accrued and other liabilities at September 30, 2023 were as follows:

	Salaries and Benefits	Due to Fiduciary Funds	Other Liabilities	Total
Governmental Activities:				
General Fund	$ 6,022,315	$ 1,212,117	$ 599,186	$ 7,833,618
FEMA Disaster Grant	-	-	1,979	1,979
Nonmajor Governmental Funds	-	-	20,566	20,566
Internal Service Fund	-	-	161,186	161,186
Total Governmental Activities	$ 6,022,315	$ 1,212,117	$ 782,917	$ 8,017,349
Business-type Activities:				
Water-Wastewater Fund	$ -	$ -	$ 129,367	$ 129,367
Solid Waste Fund	-	-	6,453	6,453
Nonmajor Business-type Funds	-	-	38,338	38,338
Total Business-type Activities	$ -	$ -	$ 174,158	$ 174,158

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

2. Unearned Revenue

Unearned revenues represent revenues collected in advance of services performed and will be recognized when the services are rendered. The components of unearned revenue as of September 30, 2023 are as follows:

	Cemetery lots	Code Enforcement billings	Rental income	Grant receipts	Total
Governmental Activities:					
General Fund	$ 21,580	$ 1,405,679	$ 8,707	$ -	$ 1,435,966
Nonmajor Governmental Funds	-	-	-	14,592,038	14,592,038
Total Governmental Activities	$ 21,580	$ 1,405,679	$ 8,707	$14,592,038	$ 16,028,004

NOTE 10 – PENSION OBLIGATIONS

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

NOTE 10 – PENSION OBLIGATIONS - Continued

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

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System	Total
Net pension liability	$ 50,604,657	$ 74,822,017	$ 44,986,713	$ 170,413,387
Deferred outflows of resources related to pensions	11,292,558	26,620,187	16,638,467	54,551,212
Deferred inflows of resources related to pensions	-	689,051	3,131,228	3,820,279
Pension expense	10,390,663	16,785,238	12,714,539	39,890,440

1. General Employees' Pension Plan

Plan Description

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

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

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

Inactive plan members or beneficiaries currently receiving benefits	635
Inactive plan members entitled to but not yet receiving benefits	462
Active plan members	488
Total plan membership	1,585

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

- Normal retirement: Date of retirement is the first of month coincident with or next following the earlier of (1) the attainment of age 62 and the completion of five years of credited service, (2) the age when credited service plus age equals 80, or (3) 30 years of credited service, regardless of age. The benefit amount is 2.1% of the average final compensation multiplied by credited service prior to April 2, 1998 plus 3.0% of the average final compensation multiplied by credited service after April 2, 1998 through September 17,

NOTE 10 – PENSION OBLIGATIONS - Continued

1. General Employees' Pension Plan – Continued

2012, plus Rate A or B for service after September 17, 2012. Rate A is 1.8% and Rate B is 3.0%.

- Early retirement: Date of retirement is the earlier of the attainment of age 55 and the completion of seven years of credited service, or age 60 and five years of credited service. The benefit amount is determined using the same calculations as for normal retirement and reduced by 4.0% for each year prior to normal retirement.
- Termination of employment: Vested members (members with seven or more years of credited service) receive their accrued benefit payable at retirement age. Non-vested members (members with less than seven years of credited service) receive a return of their accumulated contributions.
- Disability benefits: Total and permanent benefits, as determined by the Board, for eligible members that have at least five years of credited service. The benefit amount is determined using the same calculations as for normal retirement, based on total service and the average final compensation as of the date of disability.
- Pre-retirement death benefits: Vested benefits are paid for ten years at the member's normal (unreduced) or early (reduced) retirement date. Beneficiaries of non-vested members receive a return of their accumulated contributions.

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

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

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

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

Deferred Retirement Option Program (DROP). City employees are eligible for the Deferred Retirement Option Program (DROP) upon the satisfaction of normal retirement requirements. Participation in the DROP may not exceed sixty months. At the member's election, the rate of return may be (1) the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 3.0%

NOTE 10 – PENSION OBLIGATIONS - Continued

1. General Employees' Pension Plan – Continued

per annum compounded monthly. Members may elect to change the form of return one time. Participating members receive their distribution as a cash lump sum (options available) at the termination of employment. As of September 30, 2023, the balance of the DROP amounts maintained by the GEPP was $2,772,141.

Net Pension Liability

The GEPP's net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the GEPP at September 30, 2023 were as follows:

Total pension liability	$ 212,522,600
Plan fiduciary net position	(161,917,943)
GEPP net pension liability	$ 50,604,657
Plan fiduciary net position as a percentage of the total pension liability	76.19%

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2022, updated to September 30, 2023, using the following actuarial assumptions applied to all periods included in the measurement:

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

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

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

The most recent actuarial experience study used to review the other significant assumptions was dated August 20, 2019.

NOTE 10 – PENSION OBLIGATIONS - Continued

1. General Employees' Pension Plan – Continued

The long-term expected rate of return on the GEPP investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the GEPP's target asset allocation as of September 30, 2023, are summarized in the following table:

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

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

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

NOTE 10 – PENSION OBLIGATIONS - Continued

1. General Employees' Pension Plan – Continued

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2022	$ 205,478,847	$ 145,091,247	$ 60,387,600
Changes for the year:			
Service cost	3,418,705	-	3,418,705
Interest	14,661,625	-	14,661,625
Differences between expected and actual experience	1,950,915	-	1,950,915
Contributions - employer	-	8,682,161	(8,682,161)
Contributions - members	97,622	1,727,314	(1,629,692)
Net investment (loss)	-	19,609,319	(19,609,319)
Benefit payments, including refunds of employee contributions	(13,085,114)	(12,965,932)	(119,182)
Administrative expense	-	(226,166)	226,166
Net changes	7,043,753	16,826,696	(9,782,943)
Balances at September 30, 2023	$ 212,522,600	$ 161,917,943	$ 50,604,657

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
GEPP net pension liability	$ 73,178,619	$ 50,604,657	$ 31,621,371

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2023, the GEPP recognized pension expense of $10,390,663. At September 30, 2023, GEPP reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 975,458
Net difference between projected and actual earnings on pension plan investments	10,317,100
Total	$ 11,292,558

NOTE 10 – PENSION OBLIGATIONS - Continued

1. General Employees' Pension Plan – Continued

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

Year ended September 30:		
2024	$	2,588,836
2025		3,065,004
2026		7,475,405
2027		(1,836,687)

2. Police Officers' Retirement System

Plan Description

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

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

Plan changes. The Plan was updated during the fiscal year by Ordinance No. 3970 adopted on March 20, 2023 and Ordinance No. 3957, adopted on August 15, 2022. The ordinances made changes primarily to the IRC compliance issues, except that the maximum DROP participation period is from 5 years to 8 years. Neither of the Plan changes had any immediate impact on the funding requirements.

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

Inactive plan members or beneficiaries currently receiving benefits	198
Inactive plan members entitled to but not yet receiving benefits	32
Active plan members	215
Total plan membership	445

NOTE 10 – PENSION OBLIGATIONS - Continued

2. Police Officers' Retirement System – Continued

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

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

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

- Members that retired after November 5, 1990 and prior to December 1, 2002 receive 3.0% at age 60 and each October 1 thereafter.

NOTE 10 – PENSION OBLIGATIONS - Continued

2. Police Officers' Retirement System – Continued

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

Contributions. Member contribution requirements are established by City Code Section 62-75, which may be amended by the City Council. Members of the Plan are required to contribute 10% of their annual covered salary. The City is required to contribute, at an actuarially determined rate, the remaining amount required in order to pay current costs and amortized unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes, less amounts received from the State of Florida for insurance surcharges on policies sold within the City. The State's contribution to the PORS for fiscal year 2023 was $1,339,854. The City recognizes these on-behalf payments as revenues and expenditures in the governmental funds financial statements.

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

Deferred Retirement Option Program (DROP). PORS employees are eligible for the Deferred Retirement Option Program (DROP) upon the satisfaction of normal retirement requirements. Participation in the DROP may not exceed sixty months. At the member's election, the rate of return may be (1) the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 3.0% per annum compounded monthly. Members may elect to change the form of return one time. Participating members receive their distribution as a cash lump sum (options available) at the termination of employment. As of September 30, 2023, the balance of the DROP amounts maintained by the PORS was $2,315,983.

Net Pension Liability

The PORS' net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the PORS at September 30, 2023 were as follows:

Total pension liability	$ 251,785,951
Plan fiduciary net position	(176,963,934)
PORS net pension liability	$ 74,822,017
Plan fiduciary net position as a percentage of the total pension liability	70.28%

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Police Officers' Retirement System – Continued

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2021, updated to September 30, 2023, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.7%
Salary increases	Service based
Discount rate	7.5%
Investment rate of return	7.5%, net of pension plan investment expense including inflation

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

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

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

The long-term expected rate of return on the PORS investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the PORS' target asset allocation as of September 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large Cap Equities	32.5%	7.2%
Domestic Small / Mid Cap Equities	7.5%	7.2%
Convertible Securities	10.0%	5.9%
Fixed Income Securities	25.0%	1.7%
International Equity	15.0%	2.9%
Real Estate	7.0%	5.9%
Infrastructure	3.0%	5.1%
Total	100.0%	

NOTE 10 – PENSION OBLIGATIONS - Continued

2. Police Officers' Retirement System – Continued

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

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2022	$ 237,952,856	$ 160,000,770	$ 77,952,086
Changes for the year:			
Service cost	4,540,411	-	4,540,411
Interest	17,727,782	-	17,727,782
Share plan allocation	305,692	-	305,692
Differences between expected and actual experience	3,043,005	-	3,043,005
Changes of assumptions	-	-	-
Contributions - employer	-	10,660,840	(10,660,840)
Contributions - state	-	1,339,854	(1,339,854)
Contributions - members	121,612	2,236,441	(2,114,829)
Net investment (loss)	-	14,779,902	(14,779,902)
Benefit payments, including refunds of employee contributions	(11,905,407)	(11,905,407)	-
Administrative expense	-	(148,466)	148,466
Net changes	13,833,095	16,963,164	(3,130,069)
Balances at September 30, 2023	$ 251,785,951	$ 176,963,934	$ 74,822,017

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
PORS net pension liability	$ 107,582,742	$ 74,822,017	$ 47,977,080

NOTE 10 – PENSION OBLIGATIONS - Continued

2. Police Officers' Retirement System – Continued

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

For the year ended September 30, 2023, PORS recognized pension expense of $16,785,238. At September 30, 2023, PORS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,954,829	$ 189,885
Changes of assumptions	3,851,712	499,166
Net difference between projected and actual earnings on pension plan investments	18,813,646	-
Total	$ 26,620,187	$ 689,051

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

Year ended September 30:	
2024	$ 7,582,615
2025	7,507,461
2026	10,740,464
2027	100,596

3. Firefighters' Retirement System

Plan Description

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

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

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Firefighters' Retirement System – Continued

Plan membership. As of October 1, 2022, the FRS Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	127
Inactive plan members entitled to but not yet receiving benefits	23
Active plan members	135
Total plan membership	285

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

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

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Firefighters' Retirement System – Continued

spouse. Death benefits are offset by amounts payable under terminated Travelers Contracts.

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

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

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

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

Contributions. Member contribution requirements are established by City Code Section 62-135, which may be amended by the City Council. Members of the Plan are required to contribute 8% of their annual covered salary. The City is required to contribute, at an actuarially determined rate, the remaining amount required in order to pay current costs and amortize the unfunded accrued liability, if any, as provided in Part VII of Chapter 112, Florida Statutes, less amounts received from the State of Florida for insurance surcharges on policies sold within the City. In no event will the City's contributions be less than 10% of the payroll of the City of Fort Myers Fire Department for the fiscal year. The State's contribution to the FRS for fiscal year–2023 was $1,145,199. The City recognizes these on-behalf payments as revenues and expenditures in the governmental funds financial statements.

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

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Firefighters' Retirement System – Continued

Deferred Retirement Option Program (DROP). FRS employees are eligible for the Deferred Retirement Option Program (DROP) upon the satisfaction of normal retirement requirements. The maximum period of participation in the DROP is sixty months but no later than eighty-four months after first eligibility for normal retirement. At the member's election, the rate of return may be (1) the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 3.0% per annum compounded monthly. Members may elect to change the form of return one time. Participating members receive their distribution as a cash lump sum (options available) at the termination of employment. As of September 30, 2023, the balance of the DROP amounts maintained by the FRS was $463,657.

Net Pension Liability

The FRS' net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the FRS at September 30, 2023 were as follows:

Total pension liability	$ 173,851,554
Plan fiduciary net position	(128,864,841)
FRS net pension liability	$ 44,986,713
Plan fiduciary net position as a percentage of the total pension liability	74.12%

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2021, updated to September 30, 2023, using the following actuarial assumptions applied to all periods included in the measurement:

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

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

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Firefighters' Retirement System – Continued

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

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

The long-term expected rate of return on the FRS investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the FRS' target asset allocation as of September 30, 2023, are summarized in the following table:

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent, a reduction from the prior discount rate of 7.70 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on the FRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Firefighters' Retirement System – Continued

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2022	$ 170,660,818	$ 114,799,064	$ 55,861,754
Changes for the year:			
Service cost	2,665,092	-	2,665,092
Interest	12,668,666	-	12,668,666
Share plan allocation	443,365	-	443,365
Differences between expected and actual experience	(3,914,034)	-	(3,914,034)
Changes of assumptions	-	-	-
Contributions - employer	-	9,210,886	(9,210,886)
Contributions - state	-	1,145,199	(1,145,199)
Contributions - members	43,983	1,073,816	(1,029,833)
Net investment (loss)	-	11,516,032	(11,516,032)
Benefit payments, including refunds of employee contributions	(8,716,336)	(8,716,336)	-
Administrative expense	-	(163,820)	163,820
Net changes	3,190,736	14,065,777	(10,875,041)
Balances at September 30, 2023	$ 173,851,554	$ 128,864,841	$ 44,986,713

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
FRS net pension liability	$ 67,593,122	$ 44,986,713	$ 26,449,986

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

For the year ended September 30, 2023, FRS recognized pension expense of $12,714,539. On September 30, 2023, FRS reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,694,895	$ 3,131,228
Changes of assumptions	4,350,787	-
Net difference between projected and actual earnings on pension plan investments	8,592,785	-
Total	$ 16,638,467	$ 3,131,228

NOTE 10 – PENSION OBLIGATIONS - Continued

3. Firefighters' Retirement System – Continued

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

Year ended September 30:		
2024	$	5,084,519
2025		3,730,854
2026		6,024,811
2027		(1,332,945)

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

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

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

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

As of September 30, 2023, the Mayor, City Manager, Assistant City Manager, Fire Chief and two City Council members were the only participants in the 401(a) Plan and the total fiscal year 2023 contributions were $54,489.

NOTE 10 – PENSION OBLIGATIONS - Continued

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System	Total
ASSETS				
Cash and cash equivalents	$ 7,261,641	$ 6,568,312	$ 4,746,686	$ 18,576,639
Investments, at fair value:				
U.S. government and agency securities	3,922,133	31,216,311	6,938,689	42,077,133
Municipal bonds	1,523,800	-	386,190	1,909,990
Corporate stock	50,032,205	6,501,529	62,548,767	119,082,501
Corporate bonds	10,557,402	3,939,873	6,023,196	20,520,471
Convertible bonds	-	17,184,755	-	17,184,755
Convertible preferred	-	1,302,638	-	1,302,638
Mortgage backed securities	14,015,865	-	4,707,124	18,722,989
Mutual funds:				
Fixed income	15,797,592	-	5,877,570	21,675,162
Equity	11,534,727	73,433,469	-	84,968,196
International equity	-	22,589,434	-	22,589,434
Commingled funds - Real estate	-	12,531,148	5,457,089	17,988,237
Limited partnerships:				
Real estate	-	-	25,271,902	25,271,902
International equity	20,996,520	-	-	20,996,520
Real estate investment trusts	18,161,311	-	-	18,161,311
International securities:				
Bonds and notes	784,649	-	831,296	1,615,945
Stocks	6,203,576	-	6,022,947	12,226,523
Total investments	153,529,780	168,699,157	124,064,770	446,293,707
Receivables:				
Due from Other Govts	-	-	-	-
Employer contributions	214,401	1,317,915	-	1,532,316
Interest and dividends	194,550	319,936	164,317	678,803
Total receivables	408,951	1,637,851	164,317	2,211,119
Prepaid items - benefits	856,199	10,894	-	867,093
Total assets	162,056,571	176,916,214	128,975,773	467,948,558
LIABILITIES				
Payables:				
Benefit payments	-	34,144	-	34,144
Investment expenses	136,074	75,303	106,827	318,204
Administrative expenses	2,554	6,562	4,105	13,221
Total liabilities	138,628	116,009	110,932	365,569
FIDUCIARY NET POSITION				
Fiduciary net position restricted for pensions	$ 161,917,943	$ 176,800,205	$ 128,864,841	$ 467,582,989

NOTE 10 – PENSION OBLIGATIONS - Continued

Statement of Changes in Fiduciary Net Position - Pension Trust Funds

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System	Total
ADDITIONS				
Contributions:				
Employer	$ 8,682,161	$ 10,660,840	$ 9,210,886	$ 28,553,887
State of Florida	-	1,339,854	1,145,199	2,485,053
Plan members	1,727,314	2,236,441	1,073,816	5,037,571
Total contributions	10,409,475	14,237,135	11,429,901	36,076,511
Investment earnings:				
Interest and dividends	4,447,646	2,436,505	2,400,880	9,285,031
Net increase in the fair value of investments	15,685,772	12,735,294	9,742,667	38,163,733
Total investment earnings	20,133,418	15,171,799	12,143,547	47,448,764
Less: investment expenses	524,099	542,503	627,515	1,694,117
Net investment (gain)	19,609,319	14,629,296	11,516,032	45,754,647
Total additions	30,018,794	28,866,431	22,945,933	81,831,158
DEDUCTIONS				
Benefits paid	12,965,932	11,905,407	8,716,336	33,587,675
Administrative expenses	226,166	161,589	163,820	551,575
Total deductions	13,192,098	12,066,996	8,880,156	34,139,250
Change in fiduciary net position	16,826,696	16,799,435	14,065,777	47,691,908
FIDUCIARY NET POSITION				
Fiduciary net position held in trust for pension benefits				
Fiduciary net position - beginning	145,091,247	160,000,770	114,799,064	419,891,081
Fiduciary net position - ending	$ 161,917,943	$ 176,800,205	$ 128,864,841	$ 467,582,989

NOTE 11 – DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Service (IRS) Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or the hardship distribution criteria as defined in IRS Code Section 457. Because the assets of the plan are held in trust and are the sole property of the participants, no balances or financial information relative to the plan is reported in the basic financial statements.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS

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

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

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

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

Employees covered by benefit terms. As of the valuation date of September 30, 2022, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	84
Active employees	848
Total members	932

Total OPEB Liability

The City's total OPEB liability of $14,840,844 was measured as of September 30, 2022, and was determined by an actuarial valuation as of September 30, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS - Continued

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

The discount rate was based on the municipal bond rate of 4.40% (based on the daily rate of Fidelity Investments' "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate was 2.19% as of the beginning of the measurement year.

Mortality rates were based on the mortality tables used in the July 1, 2021, actuarial valuation of the Florida Retirement System. The rates were derived from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.

Changes in the Total OPEB Liability

The following table presents the changes in the City's total OPEB liability for the year ended September 30, 2023.

Total OPEB Liability:

Balance, as of October 1, 2022	$	18,312,305
Changes:		
Service cost		1,236,940
Interest on the total OPEB liability		419,775
Changes in assumptions and other inputs		(4,365,307)
Benefit payments		(762,869)
Net change in the total OPEB liability		(3,471,461)
Balance, as of September 30, 2023	$	14,840,844

Changes in assumption and other inputs include the change in the discount rate from 2.19% as of the beginning of the measurement period to 4.40% as of September 30, 2022 (based on the Long-Term Municipal Bond rate). The adjustment reflects changes in the yields on 20-year general obligation municipal bonds between September 30,-2021, and September 30, 2022.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the City's total OPEB liability, calculated using the discount rate of 4.40%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower 3.40% or 1 percentage point higher (5.40%) than the current rate:

	1% Decrease (3.40%)	Current Discount Rate (4.40%)	1% Increase (5.40%)
Total OPEB Liability	$ 16,605,279	$ 14,840,844	$ 13,353,539

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS - Continued

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

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
Total OPEB Liability	$ 13,014,585	$ 14,840,844	$ 17,079,683

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

For the year ended September 30, 2023, the City recognized OPEB expense of $552,464. On September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Benefits paid after the measurement date	$ 826,863	$ -
Differences between expected and actual experience	1,432,907	609,387
Changes of assumptions and other inputs	-	4,968,830
Total	$ 2,259,770	$ 5,578,217

Deferred outflows of resources include $826,861 resulting from benefits paid after the measurement date. This amount will be recognized as a reduction of the OPEB liability in the year ended September 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	
2024	$ (1,036,293)
2025	(937,940)
2026	(716,710)
2027	(430,458)
2028	(400,292)
Thereafter	(623,617)

NOTE 13 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction commitments

The City has active construction projects as of September 30, 2023. The projects include the pavement reconstruction of McGregor Boulevard, which includes drainage rehabilitation,

NOTE 13 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS - Continued

construction of the Centennial Park Amphitheater, extensive renovation of the Eastwood Golf Course, Ardmore Road drainage improvements the property demolition for the proposed City of Fort Myers Police Department headquarters. At year end, the City's commitments with contractors are as follows:

Project	Prior Project Description	Spent-to-Date	Remaining Commitment
City Structures	Buildings	$ 74,306	$ 6,635,890
Public Safety		8,264,670	2,558,010
Technology	Equipment	120,269	996,235
Parks and Recreation	Parks and Beautification	1,078,881	12,868,530
Infrastructure	Transportation / Development	1,529,629	23,711,245

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

Encumbrances

As discussed in Note 1, 6., Budgetary information, Budgetary basis of accounting, encumbrance accounting is used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

	Governmental Activities				
	General Fund	Transportation Capital Projects Fund	General Capital Projects Fund	Other Governmental Funds	Total
Encumbrances Outstanding	$ 1,337,915	$ 3,609,951	$ 1,839,152	$ 6,420,486	$ 13,207,504

Transportation Capital Projects Fund – of this amount, $1,012,823 is restricted for the Nuna Avenue sidewalk improvement project and $494,922 is restricted for the McGregor Boulevard rehabilitation project.

General Capital Projects Fund – of this amount, $406,611 is restricted for the Forum Neighborhood Park which include pickleball courts, benches, shade structures, parking spaces, art sculptures, and bathrooms and $518,653 is restricted for Centennial Park improvements that include the refurbishment of the pavilion and purchase of playground equipment.

Road, Water, Wastewater and Fire Impact Fees Credits

The City offers road, water and wastewater, and fire impact fee credits to developers who construct or provide certain infrastructure improvements. Credits may be earned in special assessment districts, which are financed by the City, and residential and commercial projects. The credits may be used to offset future impact fees and have a standard life of twenty years for

NOTE 13 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS - Continued

road and fire credits and ten years for water and wastewater from date of issuance, unless a longer period is specifically authorized by City Council. The developer who earned them may use the credits or the credits may be transferred to another party under certain circumstances. If the credits are not used within the authorized timeframe, they will expire.
Chapter 122, Land Development Code allows the City to create water and sewer impact fee credits for capital improvements of utility mains. The credits are created when the construction is completed and accepted by the City for maintenance. The road impact fee credits include credits for land dedicated to the City. The City also participates with the Lee County Road Impact Fee Ordinance through an interlocal agreement. The Lee County Road Impact Fee Ordinance allows for the issuance of impact fee credits for land dedication for approved roads shown on the City's transportation element of the Capital Improvement Program.

As of September 30, 2023, there was approximately $2.43 million of total potential impact fee credits earned and outstanding.

	Available	Earned
Road	$ 1,567,125	$ 1,567,125
Fire	862,723	862,723
Total	$ 2,429,848	$ 2,429,848

Operating Agreements

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

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

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

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

NOTE 13 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS - Continued

In addition, the City entered into an operating and development agreement with a local foundation with the intent of creating a technology hub to unite the nonprofits in the region. The agreement includes substantial rehabilitation of the Southwest Florida Museum of History to its original design and character as a train station, plus the construction of a second stand-alone building connected to the train station that will be architecturally distinctive while providing an energy-efficient environment with state-of-the-art technology serving as a technology hub. To fund the rehabilitation and new construction, the foundation secured a $10,000,000 allocation of New Market Tax Credits through an A Note and a B Note.

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

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

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

NOTE 14 – RISK MANAGEMENT

The City, including its component units, uses the Risk Management Internal Service Fund to account for and finance risks for workers' compensation, general liability and property damage. The City self-insures its workers' compensation exposure and purchases commercial excess coverage for workers' compensation, which covers claims greater than $500,000. The City is self-insured for general liability risk in the amount of $200,000 per claim, which is in accordance with Florida Statute 768.28. The City purchased commercial excess coverage for general liability up to $2,000,000 per occurrence for claims that may exceed statutory limits. Commercial insurance is purchased to cover property damage and the coverage provides a loss limit of $150,000,000 in all risk property coverage which includes the perils of Named Windstorm, excess storm surge, and excess flood. Primary flood insurance through National Flood Insurance Program provides $9,373,000 in building coverage with $3,219,000 in coverage for personal property on scheduled structures. Settlements have not exceeded insurance coverage for the past four years. Settled claims have not exceeded the insurance provided by third-party carriers in any of the past five years.

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

NOTE 14 – RISK MANAGEMENT - Continued

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

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

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

1. Estimate ultimate losses for all past fiscal accident periods and prospective fiscal accident periods by coverage, net of specific excess reinsurance, based on various actuarial projection methods.
2. Subtract cumulative paid losses from the ultimate loss estimates by accident period to determine the estimated reserves, net of specific excess coverage, as of September 30, 2023.
3. Determine funding indications by discounting both the estimated reserve by accident period and the prospective year estimated ultimate loss estimates to reflect investment income, and then adding a margin for adverse deviation.

The liability for the claims is reported in the Risk Management Internal Service Fund. Activity in the balances of claims liabilities for the years ending September 30, 2023 and 2022 is as follows:

	2023	2022
Workers Compensation and General Liability:		
Unpaid claims, beginning of the fiscal year	$ 9,206,809	$ 9,486,960
Claims incurred, including IBNRs	36,169	1,067,912
Claim payments	(736,374)	(1,348,063)
Unpaid claims, end of the fiscal year	$ 8,506,604	$ 9,206,809

NOTE 15 – LONG-TERM LIABILITIES

Bonds and notes outstanding at September 30, 2023 consist of the following for governmental activities:

Governmental Activities	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding September 30, 2023	Maximum Annual Debt Service
Revenue Bonds						
Capital Improvement and Refunding Revenue Bonds	6/19/2014	$ 37,120,000	2.00% - 5.00%	12/1/2034	$ 25,630,000	$ 3,771,138
Capital Improvement and Refunding Revenue Bonds	9/22/2016	52,130,000	2.00% - 5.00%	12/1/2036	42,705,000	5,648,450
Capital Improvement and Refunding Revenue Bonds	10/25/2018	32,436,995	4.00% - 5.00%	12/1/2038	19,425,000	1,734,000
Taxable Capital Improvement Revenue Bonds	10/25/2018	13,220,000	2.97% - 4.13%	12/1/2048	12,270,000	1,081,220
Total Revenue Bonds					100,030,000	12,234,808
Notes from Direct Borrowings						
Capital Improvement and Refunding Revenue Note	4/21/2022	34,294,000	2.49%	12/1/2036	34,294,000	3,658,850
Taxable Capital Improvement and Refunding Revenue	4/21/2022	11,291,000	2.82%	12/1/2026	8,901,000	2,804,489
Capital Improvement Revenue Note	9/21/2022	30,000,000	variable	9/21/2025	9,700,137	9,700,137
Total Notes from Direct Borrowings					52,895,137	16,163,476
Total for Governmental Activities					$152,925,137	$ 28,398,284

Bonds and notes outstanding at September 30, 2023 consist of the following for business-type activities:

Business-type Activities	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding September 30, 2023	Maximum Annual Debt Service
Water-Wastewater:						
Revenue Bonds						
Utility System Refunding Revenue Bonds	9/12/2012	17,025,000	2.00% - 4.00%	10/1/2033	$ 3,705,000	$ 407,606
Utility System Refunding and Revenue Bonds	9/19/2019	113,740,000	2.00% - 4.00%	10/1/2049	109,870,000	8,687,750
Utility System Refunding Revenue Bonds	6/3/2020	40,270,000	5.00%	10/1/2028	32,675,000	9,003,750
Subordinate Utility System Refunding Revenue Bonds	6/3/2020	36,435,000	5.00%	10/1/2029	27,835,000	5,901,125
Total Revenue Bonds					174,085,000	24,000,231
Note from Direct Placement						
Utility System Refunding Revenue Note	4/6/2017	37,190,000	3.36%	10/1/2036	34,060,000	4,860,768
Utility System Refunding Revenue Note	8/19/2021	11,726,000	1.26%	10/1/2036	9,539,000	1,987,102
Total Note from Direct Placement					43,599,000	6,847,870
Total for Water-Wastewater					217,684,000	30,848,101
Yacht Basin:						
Note from Direct Borrowing						
Capital Improvement Revenue Note	10/4/2005	5,000,000	4.63%	9/1/2028	1,715,124	386,877
Total for Yacht Basin					1,715,124	386,877
Total for Business-type Activities					$219,399,124	$ 31,234,978

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

NOTE 15 – LONG-TERM LIABILITIES - Continued

Changes in governmental long term debt for the year ended September 30, 2023 are summarized as follows:

	Balance at October 1, 2022	Increases	Decreases	Balance at September 30, 2023	Due Within One Year
Revenue bonds payable	$ 105,390,000	$ -	$ 5,360,000	**$ 100,030,000**	$ 4,865,000
Unamortized premium	6,673,037	-	445,587	6,227,450	-
Net revenue bonds payable	112,063,037	-	5,805,587	106,257,450	4,865,000
Notes from direct borrowings	45,646,250	9,638,887	2,390,000	52,895,137	2,590,000
Financing purchase obligations	7,019,201	1,912,745	2,357,659	6,574,287	2,032,624
Leases Payable	1,316,502	27,797	209,033	1,135,266	112,821
Subscription liabilities	-	2,324,480	539,091	1,785,389	477,637
Net pension liability	170,660,060	36,794,765	56,051,373	151,403,452	-
Other postemployment benefits liability	14,077,994	690,412	3,177,989	11,590,417	-
Compensated absences	5,362,140	649,651	330,851	5,680,940	2,343,514
Claims and judgments	9,206,809	-	700,205	8,506,604	2,199,488
Governmental-type Totals	$ 365,351,993	$ 52,038,737	$ 71,561,788	$ 345,828,942	$ 14,621,084

On September 22, 2022, the City authorized the Capital Improvement Revenue Note, Series 2022C, to establish a revolving credit agreement in the amount of $30,000,000. Following an event of default, the Note shall bear interest at the default rate until such event of default is cured irrespective of a declaration of maturity. The default rate equals the rate of interest that would be borne absent the event of default plus 6%. If any payment is not made within fifteen days after it is due, a late fee of 4% of the delinquent payment becomes due and payable immediately. As of September 30, 2023, there was one drawdown of $9,638,887 for the costs of issuance.

Changes in business-type long term debt for the year ended September 30, 2023, are summarized as follows:

	Balance at October 1, 2022	Increases	Decreases	Balance at September 30, 2023	Due Within One Year
Water-Wastewater Fund					
Revenue bonds payable	$ 184,930,000	$ -	$ 10,845,000	$ 174,085,000	$ 11,330,000
Unamortized premium	24,593,965	-	2,302,063	22,291,902	-
Net revenue bonds payable	209,523,965	-	13,147,063	196,376,902	11,330,000
Notes from direct placement	46,156,000	-	2,557,000	43,599,000	2,614,000
Unamortized discount, Series 2017A	(66,750)	-	(4,768)	(61,981)	-
Net notes payable	46,089,250	-	2,552,232	43,537,019	2,614,000
Financing purchase obligations	13,030,353	-	13,030,353	-	-
Net pension liability	12,380,978	2,262,713	4,515,782	10,127,909	-
Other postemployment benefits liability	2,052,647	60,390	490,787	1,622,250	-
Compensated absences	583,515	99,744	97,419	585,840	200,997
Fund totals	283,640,708	2,422,847	33,833,636	252,229,920	14,144,997
Solid Waste Fund					
Net pension liability	5,058,639	909,084	1,800,836	4,166,887	-
Other postemployment benefits liability	979,676	28,893	232,405	776,164	-
Compensated absences	276,599	43,981	89,720	230,860	107,536
Fund totals	6,314,914	981,958	2,122,961	5,173,911	107,536
Other Enterprise Funds					
Note from direct borrowing	2,012,736	-	297,612	1,715,124	311,615
Financing purchase obligations	35,400	-	35,400	-	-
Leases payable	845,991	17,061	255,454	607,598	59,584
Net pension liability	6,101,763	1,445,357	2,831,981	4,715,139	-
Other postemployment benefits liability	1,201,988	63,745	413,720	852,013	-
Compensated absences	259,976	67,362	62,532	264,806	112,361
Fund totals	10,457,854	1,593,525	3,896,699	8,154,680	483,560
Business-type totals	$ 300,413,476	$ 4,998,330	$ 39,853,296	$ 265,558,511	$ 14,736,093

NOTE 15 – LONG-TERM LIABILITIES - Continued

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

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

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

	Governmental Activities					
	Revenue Bonds		Notes from Direct Borrowings		Total Governmental Activities	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 4,865,000	$ 4,015,900	$ 2,590,000	$ 1,068,410	$ 7,455,000	$ 5,084,310
2025	5,050,000	3,816,719	12,364,137	994,328	17,414,137	4,811,047
2026	5,280,000	3,583,069	2,740,000	918,132	8,020,000	4,501,201
2027	5,555,000	3,326,551	2,815,000	842,955	8,370,000	4,169,506
2028	5,775,000	3,080,617	2,888,000	770,456	8,663,000	3,851,073
2029-2033	32,695,000	11,822,293	15,569,000	2,722,628	48,264,000	14,544,921
2034-2038	32,095,000	4,834,247	13,929,000	704,458	46,024,000	5,538,705
2039-2043	4,430,000	1,668,093	-	-	4,430,000	1,668,093
2044 and thereafter	4,285,000	1,739,210	-	-	4,285,000	1,739,210
Total	100,030,000	$ 37,886,699	52,895,137	$ 8,021,367	152,925,137	$ 45,908,066
Current portion	(4,865,000)		(2,590,000)		(7,455,000)	
Unamortized premium	6,227,450		-		6,227,450	
Long term portion	$ 101,392,450		$ 50,305,137		$ 151,697,587	

NOTE 15 – LONG-TERM LIABILITIES - Continued

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

	Business-Type Activities							
	Water-Wastewater Revenue Bonds		Water-Wastewater Notes from Direct Placement		Nonmajor Enterprise Fund Note from Direct Borrowing		Total Business-Type Activities	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 11,330,000	$ 7,086,106	$ 2,614,000	$ 1,240,170	$ 311,615	$ 75,262	$ 14,255,615	$ 8,401,538
2025	11,855,000	6,595,584	2,657,000	1,191,317	326,718	60,159	14,838,718	7,847,060
2026	13,265,000	6,046,184	1,761,000	1,147,314	342,327	44,549	15,368,327	7,238,047
2027	13,955,000	5,385,072	1,217,000	1,111,805	358,682	28,194	15,530,682	6,525,071
2028	13,665,000	4,707,772	1,245,000	1,079,022	375,782	11,095	15,285,782	5,797,889
2029-2033	19,860,000	18,679,672	14,604,000	4,477,656	-	-	34,464,000	23,157,328
2034-2038	11,610,000	16,636,563	19,501,000	1,284,780	-	-	31,111,000	17,921,343
2039-2043	29,865,000	12,733,075	-	-	-	-	29,865,000	12,733,075
2044 and thereafter	48,680,000	7,119,600	-	-	-	-	48,680,000	7,119,600
Total	174,085,000	$ 84,989,628	43,599,000	$ 11,532,064	1,715,124	$ 219,259	219,399,124	$ 96,740,951
Current portion	(11,330,000)		(2,614,000)		(311,615)		(14,255,615)	
Unamortized premium / (discount)	22,291,902		(61,981)		-		22,229,921	
Long-term portion	$ 185,046,902		$ 40,923,019		$ 1,403,509		$ 227,373,430	

Leases Payable

The City is a lessee of buildings, office space and equipment under long-term, non-cancelable lease agreements. The leases expire at various dates and provide renewal options ranging from five to thirty years. The future principal and interest lease payments as of September 30, 2023, were as follows:

	Governmental Activities			Business Type Activities		
Year Ending September 30:	Principal	Interest	Total Payments	Principal	Interest	Total Payments
2024	$ 112,821	$ 49,160	$ 161,981	$ 59,584	$ 30,705	$ 90,289
2025	115,834	44,320	160,154	49,490	28,011	77,501
2026	127,965	39,034	166,999	51,348	25,348	76,696
2027	130,166	33,455	163,621	54,154	22,542	76,696
2028	138,332	27,705	166,037	57,112	19,583	76,695
2029-2033	510,148	56,235	566,383	335,910	47,569	383,479
Total Lease Payments	$ 1,135,266	$ 249,909	$ 1,385,175	$ 607,598	$ 173,758	$ 781,356

As of September 30, 2023, the City's lease payable is comprised of the following:

Governmental Activities:

Equipment leases - annual installments totaling $32,798 plus interest at rates ranging from 3.03% to 4.63%, due dates ranging from October 1, 2022 to October 1, 2026.	$ 21,507
Building and office space leases - annual installments totaling $287,252 plus interest at rates ranging from 3.45% to 5.34%, due dates ranging from October 1, 2022 to September 1, 2033.	1,113,759
Total Governmental Activities Lease Payable	$ 1,135,266

NOTE 15 – LONG-TERM LIABILITIES - Continued

Business-Type Activities:	
Equipment leases - annual installments totaling $150,181 plus interest at rates ranging from 3.45% to 4.48%, due dates ranging from October 1, 2022 to August 1, 2024.	$ 14,220
Building and office space leases - annual installments totaling $114,531 plus interest at a rate of 5.34%, due dates ranging from October 1, 2022 to September 1, 2033.	593,378
Total Business-Type Lease Payable	$ 607,598

Subscription Liabilities

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

SBITA debt service requirements to maturity for governmental activities as of September 30, 2023, are as follows:

Year Ending June 30:	Principal	Interest	Total Payments
2024	$ 477,637	$ 61,596	$ 539,233
2025	462,689	45,117	507,806
2026	330,970	29,155	360,125
2027	262,764	17,736	280,500
2028	251,329	8,671	260,000
Total SBITA Payments	$ 1,785,389	$ 162,275	$ 1,947,664

For the year ended September 30, 2023, the City had SBITAs with variable payments that were based on user seats which were expensed as incurred in the amount of $664,810.

For the year ended September 30, 2023, the City had no other payments, such as termination penalties, not previously included in the measurement of the subscription liability.

For the year ended September 30, 2023, the City had no commitments under SBITAs before the commencement of the subscription term or any losses associated with an impairment.

Arbitrage

The bonds and notes in Governmental and Business-type Activities are subject to arbitrage. The arbitrage rebate requirement requires issuers of tax-exempt debt to rebate to the U.S. Treasury investment income arising from proceeds of tax exempt debt to the extent that such income results from an investment yield in excess of the bond yield. There is no arbitrage liability as of September 30, 2023.

NOTE 15 – LONG-TERM LIABILITIES - Continued

Financing Purchase Obligations

Performance Savings Contract: On August 7, 2017, the City executed a Guaranteed Energy, Water, and Wastewater Performance Savings Contract with Siemens Industry, Inc., for the purpose of installing certain equipment and providing other services designed to reduce energy or water consumption, wastewater production, or energy related operating costs for the City. For one year from the commencement date, Siemens Industry, Inc. shall install an advanced meter reading infrastructure for the water system at the City's two Advanced Wastewater Treatment Facilities. The contract provides a written guarantee that the cost savings will meet or exceed the costs of the Energy Conservation Measures and the estimated cost savings set forth in the Investment Grade Energy Audit, originally dated April 20, 2017, pursuant to Florida Statutes 489.145(4)(c), and that the amount of any actual annual savings meet or exceed total annual contract payments made by the City for the contract pursuant to Florida Statutes 489.145 (3)(d)(2). The Performance Savings Contract has a term of sixteen years, with variable annual payments, at an interest rate of 3%.

On October 2022, the City and Siemens Industry, Inc. entered into a mutual agreement to terminate the contract in the Water-Wastewater fund. The City paid off the $13.03 million with the use of $2.88 in escrow, $2.17 million settlement with Siemens, and the remaining $7.98 million with funds from the Government-Type Capital Improvement Revenue Note.

Finance purchase obligations for governmental activities which are collateralized by equipment and vehicles, have total annual installments of $2,032,624 with interest rates ranging from 0.00% to 6.54% and maturing through December 2028. Finance purchase obligations for governmental activities at September 30, 2023 amounted to $6,574,287.

The future principal and interest payments as of September 30, 2023, were as follows:

	Governmental Activities	
Fiscal Year	Principal	Interest
2024	2,032,624	240,295
2025	1,813,860	149,879
2026	1,235,521	73,489
2027	578,602	25,259
2028	554,538	15,224
2029-2033	359,142	4,984
Total	$ 6,574,287	$ 509,130

NOTE 16 – PRIOR YEAR DEFEASED DEBT AND CURRENT REFUNDING

Prior year defeasance of debt

In prior years, the City defeased certain general obligation revenue bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. On September 30, 2023, the amount of defeased bonds consisted of the following:

Governmental Activities		
Improvement and Refunding Revenue Bonds, Series 2006 (refunded by 2014 Bonds)	$	18,320,000
Improvement and Refunding Revenue Bonds, Series 2006 (refunded by 2016 Bonds)		30,770,000
Total for Governmental Activities	$	49,090,000
Business-type Activities		
Utility System Revenue Bonds, Series 2006	$	34,300,000
Utility System Refunding and Revenue Bonds, Series 2011 (partial)		25,280,000
Utility System Refunding Revenue Note, Series 2017B		26,685,000
Utility System Refunding and Revenue Bonds, Series 2011 (balance)		10,605,000
Total for Business-type Activities	$	96,870,000

NOTE 17 – FUND BALANCE

Minimum Fund Balance/Net Position Policy

On January 31, 2022, the City adopted Resolution 2022-4 to amend Resolution 2011-35. The updated Fund Balance Policy continues to ensure the maintenance of adequate fund balance/net position and reserves in the City's various operating funds to provide the capacity to: 1) provide sufficient cash flow for daily financial needs, 2) secure and maintain investment grade bond ratings, 3) offset significant economic downturns and revenue shortfalls, and 4) provide funds for unforeseen expenditures related to emergencies.

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

Other governmental funds of the City have vastly differing objectives, cash flows and revenue patterns. Therefore, recommended levels of committed and/or assigned fund balance will be determined on a case-by-case basis, based on the needs of each fund, and as recommended by the City Manager and Director of Finance, or designee, and approved by City Council. Debt Service funds reserves shall include deposits as required by the bond covenants for each

NOTE 17 – FUND BALANCE - Continued

outstanding bond issue. The City shall make every effort to transfer only specific amounts, at specific times, as required under the bond covenants for each bond issue.

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

The various other enterprise and internal service funds of the City have vastly differing objectives, cash flows and revenue patterns. As a result, no one level of reserves is appropriate for every fund. Therefore, the appropriate level of net position in all other enterprise and internal service funds will be determined on a case-by-case basis due to the specific needs of the fund. The City Manager, Director of Finance, or other designee shall determine this level.

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

Prior Period Adjustment

During the fiscal year ended September 30, 2023, the CRA corrected an error in the amount of $500,000 by restating the beginning fund balance. The prior fiscal year, September 30, 2022, financial statements did not include three notes receivable that had met the criteria for being recognized as assets in accordance with GAAP. As a result of correcting this error, beginning fund balance of total nonmajor funds and beginning net position of governmental activities were increased by $500,000.

NOTE 18 – INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of September 30, 2023, is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General Fund	FEMA Disaster Grant	$ 16,429,173
	Other Governmental Funds	3,904,581
	Total due to General Fund	$ 20,333,754

The receivable amount in the General Fund from FEMA disaster grant relates to reimbursable amounts for Hurricane Ian related expenses. The receivable amount in other governmental funds relate to reimbursable amounts for COVID related expenses in addition to amounts from general capital projects which relate to interim end of year funding. The General Fund expects to collect the balances in the subsequent year.

NOTE 18 – INTERFUND RECEIVABLES AND PAYABLES - Continued

Advances to/from other funds

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 617,000

The amount payable to the General Fund by the Nonmajor Governmental Funds comprises advances to the Dr. Martin Luther King, Jr. Boulevard Redevelopment and Cleveland Avenue Redevelopment Tax Increment Financing Districts. None of the balance is scheduled to be collected in the subsequent year.

NOTE 19 – INTERFUND TRANSFERS

	Transfers In:				
	General Fund	Other Governmental Funds	Water-Wastewater Utility Fund	Other Business-type Funds	Total Transfers
Transfers Out:					
General Fund [1]	$ -	$20,722,676	$ -	$ 514,000	$21,236,676
Revenue Bonds and Notes [2]	-	1,654,605	7,984,282	-	9,638,887
Transportation Capital Projects [3]	-	-	185,100	-	185,100
General Capital Projects Funds [4]	-	1,636,501	-	750,656	2,387,157
Special Revenue Funds [5]	1,100,000	436,612	-	37,100	1,573,712
Water-Wastewater Fund [6]	7,097,300	-	-	14,536	7,111,836
Solid Waste Fund [7]	2,183,000	-	-	-	2,183,000
Internal Service Fund [8]	-	110,131	-	-	110,131
Nonmajor Business-type Funds [9]	637,300	1,880,200	-	-	2,517,500
Total Transfers	$11,017,600	$26,440,725	$ 8,169,382	$ 1,316,292	$46,943,999

[1] Transfers from the General Fund were used to fund debt service needs and capital and transportation improvements. Transportation Capital improvement expenditures helped fund improvements to John Yarbrough Linear Park Multi-Use Trail extension project. Capital improvement expenditures comprised $181,067 for security camera installation and upgrades to various recreation facility locations, and $417,464 towards the purchase of property to build Fire station #18. The transfers to the Nonmajor Governmental Funds include $5,709,389 for tax increment funding to the Community Redevelopment Agency (CRA). In addition, the General Fund transferred $620,500 to support the Community Oriented Policing Services hiring program and $63,300 as a subsidy to the Para-Transit Fund. Transfers to the Nonmajor Business-type Funds relate to a subsidy for the Skatium enterprise fund.

[2] Transfers from the Revenue Bonds and Notes Fund to the General Capital Projects Fund relate to the project funding from the Capital Improvement Revenue Note, Series 2019A, and the Taxable Capital Improvement Revenue Note, Series 2019B, for a total of $1,654,605. Transfers to Water/Wastewater Utility Fund provided funding for Utility Operations and water utility expansion projects.

NOTE 19 – INTERFUND TRANSFERS - Continued

(3) Transfers from Transportation Capital Projects relate to monies from FDOT for the relocation of utility lines for an ongoing FDOT roadway project along Colonial Blvd.

(4) Transfers from the General Capital Projects Fund were used to fund debt service needs. Transfers to the Revenue Bonds and Notes Fund relates to an annual reimbursement from Lee County in compliance with an interlocal agreement for the City's event center improvements. Transfers into the Transportation Capital Projects Funds were used to fund infrastructure and drainage improvements to area subdivisions, and flexible pavement reconstruction. Transfers into Nonmajor Governmental Funds were used for Public Art commitments at Fire station 17. Transfers to the Nonmajor Business-type Funds included $655,279 for funding course and bathroom renovations of the Eastwood Golf Course and $95,377 for stormwater and drainage improvement projects.

(5) Transfers from Special Revenue Governmental Funds to the General Fund comprised payment of $900,000 from the CRA for the City's streetscape in compliance with an interlocal agreement. Transfers into General Capital Projects Fund included $75,000 towards initial research costs associated with replacing the City's aging ERP system, $40,000 towards ongoing public arts projects and maintenance, and $23,400 towards landscaping and irrigation system renovations for the Martin Luther King Jr. corridor. The transfer of $267,800 between Nonmajor Governmental Funds relates to the subsidy from the CRA for downtown para-transit needs. The CRA also transferred $37,100 in support of Stormwater equipment.

(6) Transfers from the Water-Wastewater Fund were used to contribute to General Fund operations and for South Street drainage improvements in the Stormwater Nonmajor Business-type Fund.

(7) Transfers from the Solid Waste Fund were used to contribute to General Fund operations.

(8) The transfer from the ITS Internal Service Fund to the Revenue Bonds and Notes Fund supported debt service needs. The transfer to the General Capital Projects Fund provided funding for the city-wide phone system replacement project in the amount of $4,135, and $9,800 in funding for security camera installation throughout the City.

(9) Transfers from the Nonmajor Business-type funds were used to support General Fund operations, and fund debt service needs.

NOTE 20 – CONTINGENCIES

Grants

The City participates in various federal and state grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit, Subpart F of the OMB Uniform Guidance. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures that may be disallowed by the granting agencies cannot be determined at this time. City management anticipates such amounts, if any, will be immaterial.

NOTE 20 – CONTINGENCIES - Continued

Litigation, Claims and Assessments

There are several pending claims and lawsuits arising from the normal course of business in which the City is involved. Estimated liabilities related to most unsettled claims have been accrued under the City's self-insurance program, and management believes the self-insurance reserves recorded in the Risk Management Fund are adequate to cover losses for which the City may be liable. Although the outcome of these lawsuits and pending claims are not presently determinable, the City's attorneys are not aware of any such claims against the City that would have a material effect on the basic financial statements or the adequacy of the appropriate reserves on deposit in the Risk Management Fund.

The City is currently involved in an environmental assessment by the State of Florida Department of Environmental Protection (FDEP) for regulatory exceedances related to wastewater, stormwater and monitoring. The City shall comply with the corrective actions mandated by the FDEP and City Council elected to implement an in-kind penalty project on February 16, 2021. The value of the in-kind penalty project was estimated at $768,675 and in compliance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligation*, the City accrued the total estimated cost in the Water-Wastewater Enterprise Fund. As of September 30, 2023, $390,013 of the in-kind penalty project remains to be completed.

City owned land was sold to Suncoast Beverage for $9.1 million, the City received $6 million and the remaining $3.1 million was put into an escrow that will be used by Suncoast Beverage for remediation of that land to clear out any environmental hazards. If the cost goes over the $3.1 million the City is not liable, but if the cost are less than $3.1 million than the City will receive the remaining funds. As of September 30, 2023, there is no quantifiable projection on the final remediation cost of the land.

Significant Contingencies

On September 28, 2022, Hurricane Ian made landfall just west of Fort Myers as a Category 4 storm, bringing significant storm surge to the coastal areas. The financial impact of Hurricane Ian to the City is estimated at $24 million. The City expects to receive substantial reimbursement from the Federal Emergency Management Agency.

NOTE 21 – TAX ABATEMENTS

The City's Community Redevelopment Agency (CRA) determined the use of tax increment rebates and other incentives are necessary to encourage development within the CRA's redevelopment areas. The terms and conditions of the tax increment rebate are provided for in a Development Agreement that is approved by the CRA Board of Commissioners during a public meeting. In such an agreement, the CRA agrees to provide financial support for a project by providing to the developer the increment revenue payment attributable to said project. The increment revenue payment attributable to a project is based on the increase in property taxes above the base year value of the project site. The amount of increment revenue that the agency receives for the project site each year from the "taxing authorities", as that term is defined in

NOTE 21 – TAX ABATEMENTS - Continued

Section 163.340(2), Florida Statutes, will be 95% of the difference between the final assessment roll of taxable real property prepared by the Lee County Property Appraiser of Lee County, Florida, for the project site in a given year minus the base year defined above multiplied by the applicable millage rate for each taxing authority. The project payment to the developer will then be calculated by multiplying the approved rebate percentage for a specific year of the project by the amount of tax increment the CRA receives for the project site in a particular fiscal year as described above. The agreed upon rebate percentage of the tax increment received will be rebated if the total real estate taxes are paid prior to delinquency. If the taxes are not paid timely, there is no rebate of the property tax increment. This rebate program has no effect on the revenues of the primary government, the City of Fort Myers.

For the fiscal year ended September 30, 2023, the City of Fort Myers abated property taxes totaling $1,401,055. The City entered into the following tax abatement agreements:

Table 1: Summary of Rebates for Completed Projects

Project Name (Developer)	Effective Date of Agreement	Rebate Amount (%)	Number of Years	Maximum Amount of Rebate Payment	Rebate Payments as of 9/30/2023	Purpose
Orthopedic Specialists of SW Florida (GRW, LLC.; The MacSydney Company, LLC.)	11/13/2010; amended 11/8/2013	Amendment reduced the rebate percentages by 10% for each year beginning in calendar year 2014.	21 years	95% from 2003-2014; payment decreases by 10% each year through calendar year 2023, for which the final rebate will be 5%.	$126,655	Construction, operation and maintenance of a medical office facility.
The Banyan (fka: Hotel Indigo): Laxmi Lodging	12/11/2006	Years 1-2: 95% Years 3-20: 75%	20 years	$2,500,000	$409,578	Project represents the renovation of the historic Post Office Arcade for a hotel lobby and retail, restaurant and commercial uses, and to construct a new 7 story hotel containing between 60 and 70 hotel rooms.
David Plummer (McGregor-Clifford, LLC.) 2149 McGregor	12/8/2011	75%	15 years	$106,442	$7,044	Construction of a 5,100 square foot professional office development, related parking and other amenities.
Grand Central Fort Myers, LLC.	6/30/2016	Years 1-2: 95% Years 3-12: 77%	12 years	$4,450,000	$1,278,842	Construction of approximately 15,000 square feet of retail space and approximately 280 rental apartment units with amenities.
Luminary Hotel (MainSail, Fort Myers LLLP.)	12/13/2017	95%	7 Years	$2,600,000	$424,244	Project represents a structured parking garage containing at least 210 parking spaces and a full-service hotel consisting of full amenities, meeting rooms and at least 225 hotel rooms.
West End of City Walk (City Walk Fort Myers, LLC.)	7/25/2018; amended as of 12/11/2019	95%	10 years	$5,500,000, with an annual maximum payment of $550,000	$550,000	Amended to increase the residential phase from 302 to 318 units; add 77 spaces to the parking garage; add a 12,000 square foot amenity center and approximately 14,000 square feet of Class A office space, and; remove the development of the hotel on the project site. The project develops property vacant since the recession, provides additional residential housing and retail, and attract additional development.
Royal Palm Gardens Apartments, LLLP.: Jones Walker Palm Gardens Apartments	1/6/2020	95%	15 years	$800,000	$25,331	Project represents the purchase and rehabilitation of the 80-unit affordable residential housing development to provide improved living conditions for the tenants, extend the economic life and attract additional development.
Edison Grand (2500 Edwards Drive Owner, LLC)	9/3/2013	95%	19 years	$9,726,407	$308,915	Project represents the renovation and adaptive reuse of an existing hotel into an independent living facility consisting of approximately 323 independent senior housing units and 14 lodging units, to provide affordable housing and attract significant new hotel and other development.
Silver Hills at Fort Myers Phase I (ESH Fort Myers, LLC)	8/28/2019	95%	Until rebate is satisfied.	$12,960,000	$0.00	Project represents two buildings containing a total of 327 apartments, which will be a mix of studio, one bedroom/one bath, two bedroom/two bath and three bedroom/two bath units. A 580-space parking garage will be located mid-block between the two residential buildings. The project provides additional residential housing and associated amenities, and attract additional development.

NOTE 21 – TAX ABATEMENTS - Continued

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

Project Name (Developer)	Effective Date of Agreement	Rebate Amount (%)	Number of Years	Maximum Amount of Rebate Payment		Purpose
One Allure (Cedar River at Fort Myers LLC.) Tower 1 and Tower 2	9/1/2015	Tower 1: 85%; Tower 2: 65%	10 years per tower	Tower 1: $8,500,000 Tower 2: $6,500,000		Tied to PUD. Project consists of two 32-story high rise residential towers, commercial square footage, docks, construction of a public riverwalk and other improvements to provide additional multi-family housing and attract additional development.
Prima Luce, LLC	10/2/2015; amended as of 11/30/2016 Amendment #3 8/26/2022	95%	14 years	1) $14,993,120, if 176 units built or 2) $18,469,561, if 220 units built		Project represents a singe phase project consisting of two 22-story residential towers to provide additional multi-family housing and attract additional development.
Campo Felice Riverfront Senior Housing (The Macfarlane Group II, LLC. Phase II)	4/27/2016	Years 1-5: 70% Years 6-10: 30%	10 years per tower	$3,500,000		Tied to PUD. Project represents the construction of an assisted living and memory care facility and medical office building, as a complementary second phase to the Campo Felice Riverfront Senior Housing Project on the adjoining parcel.
Allure One (Cedar River at Fort Myers II LLC.)	11/29/2016; amended as of 3/28/2018 Amendment #6 5/25/2022	95%	13 years	Amended to $4,250,000, provided the project contains a maximum of 34 units or the project, after completion, has a taxable value equal to or greater than $28,753,789, whichever comes first.		Project consists of a 15-story high rise residential tower with 34 residential units (amended from 24 units) and other improvements to provide additional multi-family housing and attract additional development.
Vantage Lofts (Vantage Ft. Myers, LLC.)	8/28/2019; amended as of 3/23/2022 Amendment #3 12/14/2022	95%	Until rebate is satisfied.	$11,400,000		Construction of a mixed-use 16-story building with upscale modern, contemporary design; approximately 4,014 square feet of retail space and amenities, and; approximately 217 condo-quality apartment units. Project will provide additional residential housing and amenities, and attract additional development.
Hampton Inn by Hilton (HBH FTM Hotel, LLC.)	9/25/2019; amended as of 6/9/2022 Amendment #5 3/20/2023	Years 1-5: 95% Years 6 and beyond: 75%	Until rebate is satisfied and/or the community redevelopment area sunsets in 2044	$1,900,000		Project represents a 4-story, 117-room Hampton Inn by Hilton and associated amenities to provide hotel services and to attract additional development.
Seaboard Waterside Apartments (Billy's Creek Preserve LLC)	1/22/2020; Amendment #2 8/16/2022	85%	Until rebate is satisfied.	Phase 1-$7,145,000 Phase 2-$4,335,000		Project consists of two phases to provide attainable residential housing and associated amenities and to attract additional development. Phase 1 represents the first residential building with 204 units and amenities including a clubhouse. Phase 2 represents the second residential building with 216 units, associated amenities and a future commercial retail building of approximately 2,000 square feet.
St. Peter Claver Place Apartments (St. Peter Claver Place I, LTD.)	1/22/2020; Amendment #2 8/16/2022	95%	Until rebate is satisfied.	$4,500,000		Project consists of two phases to provide affordable residential housing and associated amenities to tenant families and individuals. Phase 1 represents 136 two-, three- and four-bedroom apartments in two- and three-story buildings, along with a community building. Phase 2 consists of 78 two- and three-bedroom apartments and associated amenities.
Silver Hills at Fort Myers, Phase II (ESH Fort Myers, LLC)	10/14/2020 Amendment #1 08/23/2023	95%	Until rebate is satisfied.	$4,965,000		Project represents phase 2 of an urban, walkable apartment community consisting of approximately 125 units in one six-story concrete block residential building on property totaling 1.07 acres, more or less.
Hilton Tempo (FTM Downtown Hotel LLC)	1/7/2021; amended as of 8/24/2022 Amendment #3 9/27/2023	95%	Until rebate is satisfied.	$5,570,000		Project represents a select-service Hilton Tempo (8/24/2022) hotel consisting of approximately 132 rooms, with associated hospitality amenities.
St. Peter Claver Place Apartments (St. Peter Claver Place II, LTD.)	1/19/2021 Amendment #1 4/7/2022	95%	Until rebate is satisfied.	$2,600,000		Project represents phase 2, consisting of 78 two- and three-bedroom apartments, as part of an affordable housing apartment community, and associated amenities.
Palmera on the River (Palmera Ft. Myers, LLC)	3/1/2021; amended as of 5/25/2022 Amendment #4 3/20/2023	95%	Until rebate is satisfied.	$9,535,000		Project consists of a 221-unit minimum luxury multi-family community with a variety of apartment options and amenities.

NOTE 21 – TAX ABATEMENTS - Continued

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

Project Name (Developer)	Effective Date of Agreement	Rebate Amount (%)	Number of Years	Maximum Amount of Rebate Payment		Purpose
Towles Garden (Towles Garden LLC)	3/9/2021; Amendment #1 7/12/2022	95%	Until rebate is satisfied.	$4,900,000		Project consists of a 140-townhome ownership community with related infrastructure, with 51% of the units dedicated to low-income residents making 80% or less of the area median income on the project site.
Montage at Midtown (Catalyst Midtown Apartments, LLC)	9/22/2021; amended 4/11/2022 Amendment #5 8/23/2023	Years 1-5: 95% Years 6-17: 85% Years 18-19: 50%	Until rebate is satisfied and/or the agency sunsets in 2044	$11,665,217		Project consists of a 321-unit Class A apartment community and amenities.
First Street Apartments (ZP 362 Fort Myers Church, LLC)	12/6/2021 Amendment #2 12/14/2022	95%	Until rebate is satisfied and/or the agency sunsets in 2044	$11,025,000		Project consists of a minimum of 270 units in a high quality apartment community with amenities.
Gardner's Park Grove (Fort Myers Land and Homes LLC)	5/25/2022	85%	Until rebate is satisfied and/or the agency sunsets in 2044	$360,000		Project consists of a high-quality 10-unit single-family housing complex and common elements.
Staybridge Suites (HIDEV Group LLC:)	7/29/2022	85%	Until rebate is satisfied and/or the agency sunsets in 2044	$3,300,000		Project Represents a limited service Staybridge Suites hotel consisting of approximately 100 units, pool, meeting space and outside amenity areas.
The Irving (2401 Bay Street, LLC)	12/1/2021 Amendment #2 6/29/2023	85%	Until rebate is satisfied and/or the agency sunsets in 2044	$4,000,000		Project consists of a minimum of 54 units and a maximum of 66 units in a high-quality apartment community with amenities. (Increased units from 66 to 98 units)
McCollum Hall (G+C McCollum LLC)	10/26/2022	95%	Capped at annual maximum of $100,000 for period of five (5) years or longer until $500K is paid	$500,000.00		Project consists of a 26-unit multi-family communty and 14,200 square feet of commercial retail space at the existing McCollum Hall structure and adjacent parcels. The retail space will be used as a market/food hall.
Bloom, The (2010 Hanson LLC)	12/14/2022	85%	Until said amount is satisfied or the Area sunsets in 2040	$8,200,000.00		Project consists of 336 high-quality workforce housing units with a 506 space parking garage and amenities will include an onsite park and community pool/clubhouse.

NOTE 22 – SUBSEQUENT EVENTS

On October 17, 2023, the City closed on $139,035,000 Utility System Refunding and Revenue Bonds, Series 2023. Bonds will be used for Utility System capital improvement projects, issuance cost, payoff of Series 2012 Bonds to TD Bank and Series 2022C Note to Bank of America. Interest payments commence on April 1, 2024, with principal and interest payments commencing on October 1, 2029. The 2023 Bonds mature on October 1, 2053. Aggregate average coupon interest rate is 5.17%.

The City entered into a Finance Purchase Agreement dated and effective as of February 15, 2024 with Leasing 2, Inc. in order to lease-purchase a Pierce Enforcer Pumper and Pierce Enforcer Heavy Duty Rescue for the City's Fire Department. The principal amount of the Lease-Purchase Agreement is $2,670,978.00 and the interest rate thereon is 5.46% per annum. Principal and interest payments are due on February 15 of each year, commencing on February 15, 2025 and ending on February 15, 2031.



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REQUIRED SUPPLEMENTARY INFORMATION





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CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
REVENUES				
Taxes	$ 94,702,400	$ 97,187,454	$ 101,587,434	$ 4,399,980
Permits and fees	16,415,400	16,833,400	21,294,591	4,461,191
Intergovernmental revenue	13,217,500	13,217,500	14,929,005	1,711,505
Charges for services	9,248,200	9,259,200	9,460,065	200,865
Fines and forfeitures	616,100	616,100	575,055	(41,045)
Miscellaneous	16,057,800	25,496,712	6,449,798	(19,046,914)
Contributions - private source	5,000	62,359	81,487	19,128
Total revenues	150,262,400	162,672,725	154,377,435	(8,295,290)
EXPENDITURES				
Current:				
General Government:				
Council - Mayor Pro Tem	7,200	7,000	5,432	1,568
Council - Ward I	82,800	88,300	88,225	75
Council - Ward 2	93,500	100,300	100,268	32
Council - Ward 3	82,900	93,500	93,407	93
Council - Ward 4	75,600	82,600	82,503	97
Council - Ward 5	66,500	66,600	66,575	25
Council - Ward 6	84,300	97,600	97,558	42
Council - Mayor	129,700	129,700	119,828	9,872
City Manager	1,992,900	2,042,396	1,430,093	612,303
Communications	591,700	591,700	403,846	187,854
Economic Development	337,700	337,700	165,525	172,175
Legal	2,274,800	2,634,743	1,595,176	1,039,567
City Clerk	1,224,800	1,224,800	1,173,369	51,431
Facilities Management	3,197,700	3,466,422	2,675,894	790,528
Financial Services	4,040,500	4,018,000	3,341,797	676,203
Human Resources	1,623,700	1,623,700	1,426,983	196,717
Real Estate	460,600	460,600	424,023	36,577
Community Development	2,066,700	2,288,400	1,906,188	382,212
Contributions	315,000	912,779	473,208	439,571
General Contingencies	176,600	159,750	159,527	223
Insurance	314,400	314,400	314,400	-
Professional Services	75,200	6,338,000	16,292	6,321,708
Total General Government	19,314,800	27,078,990	16,160,117	10,918,873
Public Safety:				
Police	58,373,300	59,669,106	63,626,903	(3,957,797)
Fire	32,225,020	34,871,214	38,991,808	(4,120,594)
Protective Inspections	1,978,100	2,088,742	1,793,528	295,214
Total Public Safety	92,576,420	96,629,062	104,412,239	(7,783,177)
Transportation: Public Works Admin	490,800	514,500	421,656	92,844
Physical Environment:				
Engineering	2,601,700	2,662,352	1,999,636	662,716
Parks	5,800,600	5,758,178	5,158,429	599,749
Cemetery	536,300	547,301	525,217	22,084
Total Physical Environment	$ 8,938,600	$ 8,967,831	$ 7,683,282	$ 1,284,549

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
Economic Environment	$ 4,536,380	$ 4,681,380	$ 979,449	$ 3,701,931
Culture and Recreation	4,711,680	4,955,398	4,729,679	225,719
Principal	-	-	171,311	(171,311)
Total Current	130,568,680	142,827,161	134,557,733	8,269,428
Capital outlay:				
Police	1,993,100	1,993,100	1,930,985	62,115
Fire	148,300	148,300	148,278	22
Physical environment	103,400	103,400	103,400	-
Culture and recreation	148,320	148,320	148,318	2
Total Capital outlay	2,393,120	2,393,120	2,330,981	62,139
Total expenditures	132,961,800	145,220,281	136,888,714	8,331,567
Excess of revenues over expenditures	17,300,600	17,452,444	17,488,721	36,277
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	6,026,571	6,026,571
Leases	-	-	3,485	3,485
Finance purchase obligations	-	-	1,912,685	1,912,685
Transfers in and Installment Leases	10,851,100	21,170,543	11,017,600	(10,152,943)
Transfers out:				
Debt service transfers out	(14,080,300)	(14,080,300)	(13,481,607)	598,693
Capital funding transfers out	(250,000)	(10,713,186)	(614,026)	10,099,160
General transfers out	(6,515,700)	(6,609,418)	(6,407,946)	201,472
Non General transfers out	(6,648,680)	(6,563,063)	(733,097)	5,829,966
Total transfers out	(27,494,680)	(37,965,967)	(21,236,676)	16,729,291
Total other financing sources (uses)	(16,643,580)	(16,795,424)	(2,276,335)	14,519,089
Net change in fund balances	657,020	657,020	15,212,386	14,555,366
Fund balance - beginning	44,296,555	44,296,555	44,296,555	
Fund balance - ending	$44,953,575	$44,953,575	$ 59,508,941	

CITY OF FORT MYERS, FLORIDA
Special Revenue Fund - FEMA Disaster Grant
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenue	$ -	$ -	$ 14,471,518	$ 14,471,518
Miscellaneous	-	200,000	2,762,485	2,562,485
Total revenues	-	200,000	17,234,003	17,034,003
EXPENDITURES				
Current:				
General government	-	-	4,377,476	(4,377,476)
Police	-	-	5,724,456	(5,724,456)
Fire	-	-	2,575,580	(2,575,580)
Protective inspections	-	-	322,223	(322,223)
Physical environment	-	-	16,901,371	(16,901,371)
Transportation	-	-	296,729	(296,729)
Economic environment	-	-	208,369	(208,369)
Culture and recreation	-	-	2,122,065	(2,122,065)
Total expenditures	-	-	32,528,269	(32,528,269)
Excess (deficiency) of revenues over expenditures	-	200,000	(15,294,266)	(15,494,266)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(200,000)	(200,000)	-
Total other financing source (uses)	-	(200,000)	(200,000)	-
Net change in fund balances	-	-	(15,494,266)	(15,494,266)
Fund balances - beginning	-	-	(633,602)	(633,602)
Fund balances - ending	$ -	$ -	$ (16,127,868)	$ (16,127,868)

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

	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Total pension liability				
Service cost	$ 3,418,705	$ 2,938,146	$ 2,624,522	$ 2,937,411
Interest	14,661,625	14,252,642	13,768,146	13,473,986
Changes of benefit terms	-	-	(9,390)	-
Differences between expected and actual experience	1,950,915	781,063	1,388,678	3,003,873
Changes of assumptions	-	-	-	2,112,038
Contributions - members	97,622	2,818	71,027	31,606
Benefit payments, including refunds of member contributions	(13,085,114)	(12,025,467)	(11,385,178)	(10,810,020)
Net change in total pension liability	7,043,753	5,949,202	6,457,805	10,748,894
Total pension liability - beginning	205,478,847	199,529,645	193,071,840	182,322,946
Total pension liability - ending (a)	$ 212,522,600	$ 205,478,847	$ 199,529,645	$ 193,071,840
Plan fiduciary net position				
Contributions - employer	$ 8,682,161	$ 8,625,169	$ 10,079,924	$ 9,959,509
Contributions - members	1,727,314	1,486,218	1,764,626	1,612,869
Net investment income (loss)	19,609,319	(33,483,946)	32,724,476	17,010,206
Benefit payments, including refunds of member contributions	(12,965,932)	(12,111,300)	(11,323,471)	(10,808,293)
Administrative expense	(226,166)	(222,465)	(175,032)	(178,122)
Net change in plan fiduciary net position	16,826,696	(35,706,324)	33,070,523	17,596,169
Plan fiduciary net position - beginning	145,091,247	180,797,571	147,727,048	130,130,879
Plan fiduciary net position - ending (b)	$ 161,917,943	$ 145,091,247	$ 180,797,571	$ 147,727,048
Net pension liability - ending (a) - (b)	$ 50,604,657	$ 60,387,600	$ 18,732,074	$ 45,344,792
Plan fiduciary net position as a percentage of the total pension liability	76.19%	70.61%	90.61%	76.51%
Covered payroll	$ 32,692,987	$ 29,030,511	$ 29,202,628	$ 26,507,116
Net pension liability as a percentage of covered payroll	154.79%	208.01%	64.15%	171.07%

9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
$ 2,796,627	$ 2,428,377	$ 2,802,062	$ 2,603,341	$ 2,461,949	$ 2,711,680
12,972,343	12,475,849	12,214,755	11,396,703	11,016,448	10,590,158
-	9,191	382	-	-	-
634,616	1,813,109	(1,853,950)	383,871	(675,391)	-
696,296	2,208,471	-	7,542,789	-	-
32,648	114,065	28,076	39,831	104,188	-
(10,497,887)	(9,541,469)	(9,272,156)	(8,556,536)	(7,731,928)	(7,122,160)
6,634,643	9,507,593	3,919,169	13,409,999	5,175,266	6,179,678
175,688,303	166,180,710	162,261,541	148,851,542	143,676,276	137,496,598
$ 182,322,946	$ 175,688,303	$ 166,180,710	$ 162,261,541	$ 148,851,542	$ 143,676,276
$ 9,534,821	$ 8,517,979	$ 7,760,600	$ 8,149,579	$ 7,248,247	$ 6,801,604
1,269,187	1,070,880	908,353	1,003,269	1,056,162	966,498
2,516,024	14,890,636	14,529,743	7,220,356	311,772	6,801,741
(10,497,887)	(9,541,469)	(9,272,156)	(8,556,536)	(7,731,928)	(7,122,160)
(212,307)	(192,732)	(167,963)	(161,736)	(144,689)	(147,068)
2,609,838	14,745,294	13,758,577	7,654,932	739,564	7,300,615
127,521,041	112,775,747	99,017,170	91,362,238	90,622,674	83,322,059
$ 130,130,879	$ 127,521,041	$ 112,775,747	$ 99,017,170	$ 91,362,238	$ 90,622,674
$ 52,192,067	$ 48,167,262	$ 53,404,963	$ 63,244,371	$ 57,489,304	$ 53,053,602
71.37%	72.58%	67.86%	61.02%	61.38%	63.07%
$ 22,951,785	$ 21,710,056	$ 20,918,917	$ 22,012,119	$ 22,278,817	$ 20,480,978
227.40%	221.87%	255.30%	287.32%	258.04%	259.04%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Contributions
General Employees' Pension Plan
Last Ten Fiscal Years

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Actuarially determined contribution	$ 8,663,642	$ 8,680,123	$ 10,218,387	$ 9,912,752	$ 8,992,347
Contributions in relation to the actuarially determined contributions	8,682,161	8,625,169	10,079,924	9,959,509	9,534,821
Contribution deficiency (excess)	$ (18,519)	$ 54,954	$ 138,463	$ (46,757)	$ (542,474)
Covered payroll [1]	$ 32,692,987	$ 29,030,511	$ 29,202,628	$ 26,507,116	$ 22,951,785
Contributions as a percentage of covered payroll	26.56%	29.71%	34.52%	37.57%	41.54%

Notes to Required Supplementary Information for the Year Ended September 30, 2023

Methods and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule:

Actuarial cost method	Entry age normal
Amortization method	New UAAL amortization bases amortized over 15 years
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.
Inflation	2.5% per year
Salary increases	Credited Service: / Increase: 0 - 1 Years: 10.0% More than 1 Year: 5.0% This assumption was adopted based on the results of the August 20, 2019 actuarial experience study.
Investment rate of return	7.25% per year, compounded annually, net of investment related expenses.
Payroll growth	0.0% per year
Cost of living adjustment (COLA)	2.5% per year for normal and early retirees, beginning one year after retirement. COLA is for Tier 3 and Tier 4 members only.
Retirement age	Earlier of age 62 with five years of service, or thirty years of service, regardless of age, or the age when service plus age equals 80, but no earlier than one year after the valuation date.
Early retirement	Commencing with the earliest early retirement age (age 55 with seven years of service, or age 60 with five years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Mortality	**Healthy active lives:** Female - PubG.H-2010 for employees; Male - PubG.H-2010 for employees, set back one year. **Healthy retiree lives:** Female - PubG.H-2010 for healthy retirees; Male - PubG.H-2010 (Below Median) for healthy retirees, set back one year. **Beneficiary lives:** Female - PubG.H-2010 for healthy retirees; Male - PubG.H-2010 for healthy retirees, set back one year. **Disabled lives:** PubG.H-2010 for disabled retirees, set forward three years.

Termination and Disability Rate Tables

		% terminating during the year		% becoming disabled
Age	Rate (0-5 years)	Rate (0-5 years)	Rate (5+ years)	during the year
20	28.0%	28.0%	25.0%	0.03%
25	25.5%	25.5%	25.0%	0.03%
30	20.0%	20.0%	15.0%	0.04%
35	16.0%	16.0%	14.0%	0.05%
40	16.0%	16.0%	9.0%	0.07%
45	12.0%	12.0%	6.0%	0.10%
50	10.0%	10.0%	5.0%	0.18%
55+	8.0%	8.0%	4.5%	0.36%
60				0.90%
65				2.20%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Contributions (continued)
General Employees' Pension Plan
Last Ten Fiscal Years

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially determined contribution	$ 8,400,220	$ 7,760,600	$ 8,149,579	$ 7,248,247	$ 6,801,604
Contributions in relation to the actuarially determined contributions [1]	8,517,979	7,760,600	8,149,579	7,248,247	6,801,604
Contribution deficiency (excess)	$ (117,759)	$ -	$ -	$ -	$ -
Covered payroll [1]	$ 21,710,056	$ 20,918,917	$ 22,012,119	$ 22,278,817	$ 20,480,978
Contributions as a percentage of covered payroll	39.24%	37.10%	37.02%	32.53%	33.21%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Changes in Net Pension Liability and Related Ratios
Police Officers' Retirement System
Last Ten Fiscal Years

	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Total pension liability				
Service cost	$ 4,540,411	$ 4,483,147	$ 3,646,411	$ 4,036,915
Interest	17,727,782	17,079,691	16,252,921	15,400,575
Change in excess state money	-	-	-	-
Share plan allocation	305,692	179,364	136,048	140,675
Differences between expected and actual experience	3,043,005	(316,475)	1,449,972	4,702,185
Changes of assumptions	-	6,419,521	-	(2,495,828)
Contributions - members	121,612	145,950	-	21,320
Benefit payments, including refunds of member contributions	(11,905,407)	(11,908,041)	(11,206,060)	(10,453,865)
Net change in total pension liability	13,833,095	16,083,157	10,279,292	11,351,977
Total pension liability - beginning	237,952,856	221,869,699	211,590,407	200,238,430
Total pension liability - ending (a)	$ 251,785,951	$ 237,952,856	$ 221,869,699	$ 211,590,407
Plan fiduciary net position				
Contributions - employer	$ 10,660,840	$ 9,016,386	$ 9,797,559	$ 9,958,884
Contributions - state	1,339,854	1,087,198	1,000,567	1,009,819
Contributions - members	2,236,441	2,083,632	1,935,401	1,707,415
Net investment income (loss)	14,779,902	(32,099,444)	29,616,515	13,574,836
Benefit payments, including refunds of member contributions	(11,905,407)	(11,908,041)	(11,206,060)	(10,453,865)
Administrative expense	(148,466)	(190,455)	(156,804)	(142,892)
Net change in plan fiduciary net position	16,963,164	(32,010,724)	30,987,178	15,654,197
Plan fiduciary net position - beginning	160,000,770	192,011,494	161,024,316	145,370,119
Plan fiduciary net position - ending (b)	$ 176,963,934	$ 160,000,770	$ 192,011,494	$ 161,024,316
Net pension liability - ending (a) - (b)	$ 74,822,017	$ 77,952,086	$ 29,858,205	$ 50,566,091
Plan fiduciary net position as a percentage of the total pension liability	70.28%	67.24%	86.54%	76.10%
Covered payroll	$ 21,148,286	$ 19,383,242	$ 18,510,551	$ 17,927,199
Net pension liability as a percentage of covered payroll	353.80%	402.16%	161.30%	282.06%

9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
$ 3,580,281	$ 3,119,115	$ 2,908,481	$ 2,610,793	$ 2,714,290	$ 2,525,438
14,706,081	13,793,082	13,366,553	12,654,765	12,007,018	11,505,764
-	-	-	(58,951)	(58,952)	-
81,362	75,899	35,452	58,951	-	-
322,404	3,831,561	(1,566,690)	(3,082,812)	2,118,502	-
-	-	-	11,281,277	-	-
-	-	-	-	17,987	-
(9,610,033)	(9,220,487)	(9,671,429)	(9,295,255)	(8,015,172)	(7,822,710)
9,080,095	11,599,170	5,072,367	14,168,768	8,783,673	6,208,492
191,158,335	179,559,165	174,486,798	160,318,030	151,534,357	145,325,865
$ 200,238,430	$ 191,158,335	$ 179,559,165	$ 174,486,798	$ 160,318,030	$ 151,534,357
$ 10,571,813	$ 9,167,168	$ 9,355,736	$ 10,205,591	$ 9,188,996	$ 10,010,777
891,194	880,267	799,375	726,481	642,339	595,183
1,807,864	1,352,250	1,294,074	1,159,287	1,119,965	1,135,542
6,755,606	11,992,630	11,205,220	8,341,332	(861,763)	7,615,309
(9,610,033)	(9,220,487)	(9,671,429)	(9,295,255)	(8,015,172)	(7,822,710)
(103,472)	(95,338)	(97,446)	(106,868)	(70,101)	(97,735)
10,312,972	14,076,490	12,885,530	11,030,568	2,004,264	11,436,366
135,057,147	120,980,657	108,095,127	97,064,559	95,060,295	83,623,929
$ 145,370,119	$ 135,057,147	$ 120,980,657	$ 108,095,127	$ 97,064,559	$ 95,060,295
$ 54,868,311	$ 56,101,188	$ 58,578,508	$ 66,391,671	$ 63,253,471	$ 56,474,062
72.60%	70.65%	67.38%	61.95%	60.55%	62.73%
$ 16,376,467	$ 13,207,334	$ 12,940,739	$ 11,592,866	$ 11,277,732	$ 11,355,417
335.04%	424.77%	452.67%	572.69%	560.87%	497.33%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Contributions
Police Officers' Retirement System
Last Ten Fiscal Years

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Actuarially determined contribution	$ 11,695,002	$ 9,924,220	$ 10,662,078	$ 10,828,029	$ 11,381,645
Contributions in relation to the actuarially determined contributions [1]	12,000,694	10,103,584	10,798,126	10,968,703	11,463,007
Contribution deficiency (excess) [2]	$ (305,692)	$ (179,364)	$ (136,048)	$ (140,674)	$ (81,362)
Covered payroll	$ 21,148,286	$ 19,383,242	$ 18,510,551	$ 17,927,199	$ 16,376,467
Contributions as a percentage of covered payroll	56.75%	52.13%	58.33%	61.18%	70.00%

[1] Contributions consist of amounts from the City and the State, a non-employer contributing entity.

[2] The excess contributions result from the fiscal year Share Plan allocation.

Notes to Required Supplementary Information for the Year Ended September 30, 2023

Methods and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule:

Actuarial cost method	Entry age normal
Amortization method	New UAAL amortization bases amortized over 15 years.
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.
Inflation	2.7% per year
Salary increases	The assumption was adopted based on the results of the September 20, 2021 actuarial experience study. Projected salary at retirement is increased to account for non-regular compensation. This increase is based on each individual's hours accrued to date.

Service	Rate
< 2 years	12.00%
2-14 years	6.00%
15+ years	5.00%

Investment rate of return	7.50% per year, compounded annually, net of investment-related expenses.
Payroll growth	0.0% per year
Cost of living adjustment (COLA)	Payments on the cost-of-living increase vary, based on retirement date. See Note 10 for specific disclosure.
Retirement age	The assumption was adopted based on the results of the September 20, 2021 actuarial experience study.

	% retiring during the year	
Service	Age	Rate
< 25	55	75%
	56-59	50%
	60+	100%
25+	Any	100%

Early retirement — The assumption was adopted based on the results of the September 20, 2021 actuarial experience study.

	% retiring during the year
Service	Projected
10-14 years	2.0%
15-17 years	4.5%
18-19 years	7.5%
20-24 years	12.0%

Mortality

Healthy active lives: Female - PubS.H-2010 for employees, set forward one year; Male - PubS.H-2010 for employees, set forward one year.
Healthy retiree lives: Female - PubS.H-2010 for healthy retirees, set forward one year; Male - PubS.H-2010 for healthy retirees, set forward one year.
Beneficiary lives: Female - PubG.H-2010 for healthy retirees; Male - PubG.H-2010 for healthy retirees, set back one year.
Disabled lives: 80% PubG.H-2010 for disabled retirees / 20% PubS.H-2010 for disabled retirees.

9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
$ 9,971,538	$ 10,119,658	$ 10,932,072	$ 9,831,335	$ 10,605,960
10,047,435	10,155,111	10,932,072	9,831,335	10,605,960
$ (75,897)	$ (35,453)	$ -	$ -	$ -
$ 13,207,334	$ 12,940,739	$ 11,592,866	$ 11,277,732	$ 11,355,417
76.07%	78.47%	94.30%	87.17%	93.40%

Methods and assumptions used in calculations of actuarially determined contributions (continued)

Termination and Disability Rate Tables:

The assumption was adopted based on the results of the September 20, 2021 actuarial experience study.

% terminating during the year		% becoming disabled during the year	
Service	Rate	Age	Rate
< 1 year	11.4%	20	0.05%
1-4 years	8.3%	25	0.05%
5-9 years	6.4%	30	0.06%
10+ years	2.6%	35	0.07%
		40	0.12%
		45	0.22%
		50	0.43%
		55	0.89%
		60	1.61%
		65+	0.00%

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

	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Total pension liability				
Service cost	$ 2,665,092	$ 2,376,356	$ 2,200,778	$ 1,966,124
Interest	12,668,666	11,884,036	11,472,327	10,795,028
Share plan allocation	443,365	139,389	41,245	8,851
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(3,914,034)	5,254,307	971,803	767,949
Changes of assumptions	-	4,600,330	1,756,459	4,440,025
Contributions - members	43,983	18,885	48,573	42,520
Benefit payments, including refunds of members contributions	(8,716,336)	(11,211,949)	(7,674,427)	(7,814,335)
Net change in total pension liability	3,190,736	13,061,354	8,816,758	10,206,162
Total pension liability - beginning	170,660,818	157,599,464	148,782,706	138,576,544
Total pension liability - ending (a)	$ 173,851,554	$ 170,660,818	$ 157,599,464	$ 148,782,706
Plan fiduciary net position				
Contributions - employer	$ 9,210,886	$ 7,633,999	$ 7,843,466	$ 5,840,974
Contributions - state	1,145,199	841,225	743,080	719,537
Contributions - members	1,073,816	841,162	849,028	650,911
Net investment income (loss)	11,516,032	(16,775,818)	22,782,350	6,596,914
Benefit payments, including refunds of members contributions	(8,716,336)	(11,211,949)	(7,623,337)	(7,811,765)
Administrative expense	(163,820)	(167,130)	(163,881)	(150,748)
Net change in plan fiduciary net position	14,065,777	(18,838,511)	24,430,706	5,845,823
Plan fiduciary net position - beginning	114,799,064	133,637,575	109,206,869	103,361,046
Plan fiduciary net position - ending (b)	$ 128,864,841	$ 114,799,064	$ 133,637,575	$ 109,206,869
Net pension liability - ending (a) - (b)	$ 44,986,713	$ 55,861,754	$ 23,961,889	$ 39,575,837
Plan fiduciary net position as a percentage of the total pension liability	74.12%	67.27%	84.80%	73.40%
Covered payroll [(1)]	$ 13,060,417	$ 10,278,464	$ 9,699,547	$ 8,098,467
Net pension liability as a percentage of covered payroll	344.45%	543.48%	247.04%	488.68%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Changes in Net Pension Liability and Related Ratios (continued)
Firefighters' Retirement System
Last Ten Fiscal Years

9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
$ 1,749,412	$ 1,969,349	$ 1,930,988	$ 1,505,575	$ 1,986,264	$ 2,070,654
10,387,041	9,828,439	9,417,309	8,758,455	8,383,338	8,024,792
(233,883)	233,883	302,760	362,631	435,503	417,144
5,192	-	-	-	(1,250,890)	-
766,453	2,544,751	897,499	179,085	(52,669)	-
1,527,660	-	-	4,134,132	-	-
12,479	13,639	47,664	9,569	7,737	-
(7,465,942)	(7,389,968)	(7,526,478)	(6,549,368)	(4,948,778)	(4,331,258)
6,748,412	7,200,093	5,069,742	8,400,079	4,560,505	6,181,332
131,828,132	124,628,039	119,558,297	111,158,218	106,597,713	100,416,381
$ 138,576,544	$ 131,828,132	$ 124,628,039	$ 119,558,297	$ 111,158,218	$ 106,597,713
$ 5,954,869	$ 5,656,025	$ 6,685,155	$ 6,534,956	$ 4,907,703	$ 5,171,336
645,434	639,810	708,686	768,557	841,430	823,071
634,475	599,335	711,392	615,760	591,653	624,354
2,890,300	9,248,134	10,499,660	7,231,319	(485,367)	6,281,680
(7,465,942)	(7,389,968)	(7,526,478)	(6,549,368)	(4,948,778)	(4,331,258)
(147,583)	(120,964)	(102,156)	(99,640)	(77,815)	(88,769)
2,511,553	8,632,372	10,976,259	8,501,584	828,826	8,480,414
100,849,493	92,217,121	81,240,862	72,739,278	71,910,452	63,430,038
$ 103,361,046	$ 100,849,493	$ 92,217,121	$ 81,240,862	$ 72,739,278	$ 71,910,452
$ 35,215,498	$ 30,978,639	$ 32,410,918	$ 38,317,435	$ 38,418,940	$ 34,687,261
74.59%	76.50%	73.99%	67.95%	65.44%	67.46%
$ 7,774,957	$ 7,321,199	$ 8,293,662	$ 7,577,381	$ 7,788,322	$ 7,629,634
452.93%	423.14%	390.79%	505.68%	493.29%	454.64%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Contributions
Firefighter' Retirement System
Last Ten Fiscal Years

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Actuarially determined contribution	$ 9,063,929	$ 8,335,834	$ 8,545,301	$ 6,551,660	$ 6,834,185
Contributions in relation to the actuarially determined contributions [1]	10,356,085	8,475,224	8,586,546	6,560,511	6,600,303
Contribution deficiency (excess) [2]	$ (1,292,156)	$ (139,390)	$ (41,245)	$ (8,851)	$ 233,882
Covered payroll [3]	$ 13,060,417	$ 10,278,464	$ 9,699,547	$ 8,098,467	$ 7,774,957
Contributions as a percentage of covered payroll	79.29%	82.46%	88.53%	81.01%	84.89%

[1] Contributions consist of amounts from the City and the State, a non-employer contributing entity.

[2] The excess contributions result from the fiscal year Share Plan allocation.

Notes to Required Supplementary Information for the Year Ended September 30, 2023

Methods and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule:

Actuarial cost method	Entry age normal
Amortization method	New UAAL amortization bases amortized over 15 years.
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.
Inflation	2.5% per year
Salary increases	The assumption was adopted based on the results of the September 20, 2021 actuarial experience study.

Service	Expected Increase
< 2 years	10.00%
2-4 years	5.50%
5-14 years	5.00%
15+ years	4.25%

Investment rate of return	7.5% per year, compounded annually, net of investment-related expenses.
Payroll growth	0.0% per year
Cost of living adjustment (COLA)	Payments on the cost-of-living increase vary, based on retirement date. See Note 10 for specific disclosure.
Retirement age	The assumption was adopted based on the results of the September 20, 2021 actuarial experience study.

% Retiring during the year

Service	Rate
25 years	50%
26 years	60%
27 years	50%
28+ years	100%

% Retiring during the year

Age	Rate
52 years	40%
53 years	30%
54 years	50%
55+ years	100%

Early retirement	Commencing with attainment of early retirement status (age 45 with ten years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption is supported by the results of the September 20, 2021 actuarial experience study.
Mortality	**Healthy active lives:** Female - PubS.H-2010 for employees, set forward one year; Male - PubS.H-2010 for employees, set forward one year. **Healthy retiree lives:** Female - PubS.H-2010 (Above Median) for healthy retirees, set forward one year; Male - PubS.H-2010 (Above Median) for healthy retirees, set forward one year. **Beneficiary lives:** Female - PubG.H-2010 (Above Median) for healthy retirees; Male - PubG.H-2010 (Above Median) for healthy retirees, set back one year. **Disabled lives:** 80% PubG.H-2010 for disabled retirees / 20% PubS.H-2010 for disabled retirees.

9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
$ 6,061,953	$ 7,091,082	$ 6,940,882	$ 5,313,630	$ 5,577,263
6,295,835	7,393,841	7,303,513	5,749,133	5,994,407
$ (233,882)	$ (302,759)	$ (362,631)	$ (435,503)	$ (417,144)
$ 7,321,199	$ 8,293,662	$ 7,577,381	$ 7,788,322	$ 7,629,634
85.99%	89.15%	96.39%	73.82%	78.57%

Methods and assumptions used in calculations of actuarially determined contributions (continued)

Termination and Disabilit The assumption was adopted based on the results of the September 20, 2021 actuarial experience study.

% terminating during the year		% becoming disabled during the year	
Service	Rate	Age	Rate
< 1 year	20.0%	20	0.14%
1-2 years	11.0%	25	0.15%
3-4years	7.0%	30	0.18%
5-9 years	1.5%	35	0.23%
10+ years	2.0%	40	0.30%
		45	0.51%
		50	1.00%
		55	1.55%
		60+	2.09%

CITY OF FORT MYERS, FLORIDA
Employees' Pension Plans
Schedule of Investment Returns
Last Ten Fiscal Years

Annual money-weighted rate of return, net of investment expense for the pension plans:

For the year ended September 30,	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
2023	13.68%	9.45%	10.09%
2022	-18.81%	-17.47%	-13.15%
2021	22.52%	19.68%	21.89%
2020	13.27%	9.56%	6.70%
2019	1.99%	5.25%	3.05%
2018	13.63%	10.52%	10.60%
2017	14.75%	11.13%	13.69%
2016	7.98%	9.32%	10.89%
2015	0.36%	-0.98%	-0.78%
2014	8.22%	9.75%	10.36%

CITY OF FORT MYERS, FLORIDA
Other Postemployment Benefits Plan
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Six Fiscal Years

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB liability						
Service cost	$ 1,236,936	$ 1,156,320	$ 1,123,080	$ 988,179	$ 930,628	$ 964,834
Interest on the total OPEB liability	419,775	401,192	437,346	683,174	602,916	533,288
Changes of benefits terms	-	-	-	1,681	-	-
Difference between expected and actual experience of the total OPEB liability	-	2,006,069	-	(1,546,913)	-	-
Changes in assumptions and inputs	(4,365,307)	(419,362)	(237,959)	(1,601,885)	(395,101)	(883,439)
Benefit payments	(762,869)	(645,102)	(579,362)	(606,845)	(562,564)	(551,756)
Net change in total OPEB liability	(3,471,465)	2,499,117	743,105	(2,082,609)	575,879	62,927
Total OPEB liability - beginning [(1)]	18,312,305	15,813,188	15,070,083	17,152,692	16,576,813	16,513,886
Total OPEB liability - ending	$14,840,844	$18,312,305	$15,813,188	$15,070,083	$17,152,692	$16,576,813
Covered-employee payroll	$68,622,164	$55,194,192	$60,071,653	$49,038,381	$49,763,357	$49,498,287
Total OPEB liability as a percentage of covered-employee payroll	21.63%	33.18%	26.32%	30.73%	34.47%	33.49%

Notes to schedule

[(1)] The Total OPEB liability was rolled forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques.

There are no plan assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

Changes in assumptions.

For the measurement date September 30, 2022:

The discount rate changed from 2.19% as of the previous measurement date to 4.40% as of September 30, 2022.

Per capita costs and premiums were updated on information provided.

Changes in benefit terms.

There were no benefit changes during the year.

Note: Information for the fiscal years prior to 2018 is not available.



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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (SUPPLEMENTARY INFORMATION)

CITY OF FORT MYERS FLORIDA

City of Palms

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Law Enforcement Trust Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Miscellaneous	$ 75,000	$ 75,000	$ 37,777	$ (37,223)
Total revenues	75,000	75,000	37,777	(37,223)
EXPENDITURES				
Current:				
Police	75,000	75,000	66,098	8,902
Total expenditures	75,000	75,000	66,098	8,902
Excess (deficiency) of revenues over expenditures	-	-	(28,321)	(28,321)
Net change in fund balances	-	-	(28,321)	(28,321)
Fund balances - beginning	117,954	117,954	117,954	-
Fund balances - ending	$ 117,954	$ 117,954	$ 89,633	$ (28,321)

	Federal Forfeiture Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Fines and forfeitures	$ -	$ -	$ 200,623	$ 200,623
Miscellaneous	17,000	17,000	-	(17,000)
Total revenues	17,000	17,000	200,623	183,623
EXPENDITURES				
Current:				
Police	17,000	17,000	2,536	14,464
Total expenditures	17,000	17,000	2,536	14,464
Excess (deficiency) of revenues over expenditures	-	-	198,087	198,087
Net change in fund balances	-	-	198,087	198,087
Fund balances - beginning	93,671	93,671	93,671	-
Fund balances - ending	$ 93,671	$ 93,671	$ 291,758	$ 198,087

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Grants			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental revenue	$ 2,013,200	$ 10,470,408	$ 2,648,975	$ (7,821,433)
Miscellaneous	-	724,342	510,414	(213,928)
Total revenues	2,013,200	11,194,750	3,159,389	(8,035,361)
EXPENDITURES				
Current:				
Police	651,400	4,849,244	1,181,926	3,667,318
Fire	-	444,393	306,770	137,623
Economic environment	2,000,000	6,574,575	1,090,924	5,483,651
Culture and recreation	-	-	11,339	(11,339)
Total expenditures	2,651,400	11,868,212	2,590,959	9,277,253
Excess (deficiency) of revenues over expenditures	(638,200)	(673,462)	568,430	1,241,892
OTHER FINANCING SOURCES (USES)				
Transfers in	638,200	990,772	758,657	(232,115)
Transfers out		(10,000,000)	-	10,000,000
Total other financing sources (uses	638,200	(9,009,228)	758,657	9,767,885
Net change in fund balances	-	-	1,327,087	1,327,087
Fund balances - beginning	(64,529)	(64,529)	(64,529)	-
Fund balances - ending	$ (64,529)	$ (64,529)	$ 1,262,558	$ 1,327,087

	Police Training Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Miscellaneous	$ 15,100	$ 15,100	$ 12,290	$ (2,810)
Total revenues	15,100	15,100	12,290	(2,810)
EXPENDITURES				
Current:				
Police	15,100	15,100	15,015	85
Total expenditures	15,100	15,100	15,015	85
Excess (deficiency) of revenues over expenditures	-	-	(2,725)	(2,725)
Net change in fund balances	-	-	(2,725)	(2,725)
Fund balances - beginning	61,810	61,810	61,810	-
Fund balances - ending	$ 61,810	$ 61,810	$ 59,085	$ (2,725)

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Street Light Maintenance Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Miscellaneous	$ 3,000	$ 3,000	$ 346	$ (2,654)
Total revenues	3,000	3,000	346	(2,654)
EXPENDITURES				
Current:				
Transportation	3,000	3,000	2,983	17
Total expenditures	3,000	3,000	2,983	17
Excess (deficiency) of revenues over expenditures	-	-	(2,637)	(2,637)
Net change in fund balances	-	-	(2,637)	(2,637)
Fund balances - beginning	15,271	15,271	15,271	-
Fund balances - ending	$ 15,271	$ 15,271	$ 12,634	$ (2,637)

	Street Maintenance Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	$ 2,081,100	$ 2,081,100	$ 2,230,172	$ 149,072
Intergovernmental revenue	947,600	947,600	1,026,907	79,307
Miscellaneous	1,400,300	2,014,835	482,173	(1,532,662)
Total revenues	4,429,000	5,043,535	3,739,252	(1,304,283)
EXPENDITURES				
Current:				
Transportation	4,429,000	4,771,070	3,674,599	1,096,471
Total expenditures	4,429,000	4,771,070	3,674,599	1,096,471
Excess (deficiency) of revenues over expenditures	-	272,465	64,653	(207,812)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(272,465)	-	272,465
Total other financing sources (uses)	-	(272,465)	-	272,465
Net change in fund balances	-	-	64,653	64,653
Fund balances - beginning	1,840,343	1,840,343	1,840,343	-
Fund balances - ending	$ 1,840,343	$ 1,840,343	$ 1,904,996	$ 64,653

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Public Art Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Miscellaneous	$ -	$ 78,219	$ 2,588	$ (75,631)
Total revenues	-	78,219	2,588	(75,631)
EXPENDITURES				
Current:				
Culture and recreation	-	-	74	(74)
Total expenditures	-	-	74	(74)
Excess (deficiency) of revenues over expenditures	-	78,219	2,514	(75,705)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	60,000	60,000
Transfers out	-	(78,219)	(30,350)	47,869
Total other financing sources (uses)	-	(78,219)	29,650	107,869
Net change in fund balances	-	-	32,164	32,164
Fund balances - beginning	147,651	147,651	147,651	-
Fund balances - ending	$ 147,651	$ 147,651	$ 179,815	$ 32,164

	Attainable Workforce Housing Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Miscellaneous	$ 1,100	$ 34,453	$ 6,023	$ (28,430)
Total revenues	1,100	34,453	6,023	(28,430)
EXPENDITURES				
Current:				
Economic environment	1,100	34,453	15,097	19,356
Total expenditures	1,100	34,453	15,097	19,356
Excess (deficiency) of revenues over expenditures	-	-	(9,074)	(9,074)
Net change in fund balances	-	-	(9,074)	(9,074)
Fund balances - beginning	192,478	192,478	192,478	-
Fund balances - ending	$ 192,478	$ 192,478	$ 183,404	$ (9,074)

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Para-Transit Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Miscellaneous	$ 11,600	$ 11,600	$ 2,451	$ (9,149)
Contributions - private source	65,700	65,700	96,444	30,744
Total revenues	77,300	77,300	98,895	21,595
EXPENDITURES				
Current:				
Transportation	408,700	408,700	408,477	223
Total expenditures	408,700	408,700	408,477	223
Excess (deficiency) of revenues over expenditures	(331,400)	(331,400)	(309,582)	21,818
OTHER FINANCING SOURCES (USES)				
Transfers in	331,400	331,400	331,400	-
Total other financing sources (uses)	331,400	331,400	331,400	-
Net change in fund balances	-	-	21,818	21,818
Fund balances - beginning	47,732	47,732	47,732	-
Fund balances - ending	$ 47,732	$ 47,732	$ 69,550	$ 21,818

	State Housing Initiative Partnership Program			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental revenue	$ 658,010	$ 3,710,375	$ 2,435,832	$ (1,274,543)
Miscellaneous	-	61,164	66,036	4,872
Total revenues	658,010	3,771,539	2,501,868	(1,269,671)
EXPENDITURES				
Current:				
Economic environment	658,010	3,771,540	218,860	3,552,680
Total expenditures	658,010	3,771,540	218,860	3,552,680
Excess (deficiency) of revenues over expenditures	-	(1)	2,283,008	2,283,009
Net change in fund balances	-	(1)	2,283,008	2,283,009
Fund balances - beginning	1,340,757	1,340,757	1,340,757	-
Fund balances - ending	$ 1,340,757	$ 1,340,756	$ 3,623,765	$ 2,283,009

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Community Redevelopment Agency			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	$ 3,191,500	$ 3,068,677	$ 3,068,684	$ 7
Miscellaneous	3,812,900	7,086,022	138,015	(6,948,007)
Contributions - private source	-	332,952	332,952	-
Total revenues	7,004,400	10,487,651	3,539,651	(6,948,000)
EXPENDITURES				
Current:				
Economic environment	10,737,600	12,600,230	5,781,305	6,818,925
Total current	10,737,600	12,600,230	5,781,305	6,818,925
Debt service:				
Principal retirement	-	-	59,086	(59,086)
Total debt service	-	-	59,086	(59,086)
Total expenditures	10,737,600	12,600,230	5,840,391	6,759,839
Excess (deficiency) of revenues over expenditures	(3,733,200)	(2,112,579)	(2,300,740)	(188,161)
OTHER FINANCING SOURCES (USES)				
Transfers in	5,938,100	5,709,388	5,709,389	1
Transfers out	(2,204,900)	(3,596,809)	(1,268,362)	2,328,447
Total other financing sources (uses)	3,733,200	2,112,579	4,441,027	2,328,448
Net change in fund balances	-	-	2,140,287	2,140,287
Fund balances - beginning of year, as originally stated	6,217,937	6,217,937	6,217,937	-
Fund balances - restatement (note 17)	-	-	500,000	500,000
Fund balances - beginning of year, as restated	6,217,937	6,217,937	6,717,937	500,000
Fund balances - ending	$ 6,217,937	$ 6,217,937	$ 8,858,224	$ 2,640,287

	Community Development Block Grant Program			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental revenue	$ 627,305	$ 2,331,560	$ 956,635	$ (1,374,925)
Miscellaneous	-	195,157	194,955	(202)
Total revenues	627,305	2,526,717	1,151,590	(1,375,127)
EXPENDITURES				
Current:				
Economic environment	619,305	2,518,717	997,136	1,521,581
Total expenditures	619,305	2,518,717	997,136	1,521,581
Excess (deficiency) of revenues over	8,000	8,000	154,454	146,454
Net change in fund balances	8,000	8,000	154,454	146,454
Fund balances - beginning	51,154	51,154	51,154	-
Fund balances - ending	$ 59,154	$ 59,154	$ 205,608	$ 146,454

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Crime Prevention Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Fines and forfeitures	$ 2,400	$ 2,400	$ 1,082	$ (1,318)
Miscellaneous	20,600	29,519	1,228	(28,291)
Total revenues	23,000	31,919	2,310	(29,609)
EXPENDITURES				
Current:				
Police	23,000	31,919	15,704	16,215
Total expenditures	23,000	31,919	15,704	16,215
Excess (deficiency) of revenues over expenditures	-	-	(13,394)	(13,394)
Net change in fund balances	-	-	(13,394)	(13,394)
Fund balances - beginning	42,639	42,639	42,639	-
Fund balances - ending	$ 42,639	$ 42,639	$ 29,245	$ (13,394)

	Transportation Capital Projects			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	$ 1,500,000	$ 1,500,000	$ 1,616,883	$ 116,883
Permits and fees	-	-	6,855,111	6,855,111
Intergovernmental	390,000	4,259,932	1,833	(4,258,099)
Miscellaneous	11,005,600	16,106,428	767,199	(15,339,229)
Contributions - private source	-	-	117,593	117,593
Capital grants and contributions	1,977,237	1,977,237	219,945	(1,757,292)
Total revenues	14,872,837	23,843,597	9,578,564	(14,265,033)
EXPENDITURES				
Current:				
General government	-	-	1,080	(1,080)
Transportation	-	-	15,077	(15,077)
Capital Outlay	13,367,437	25,370,305	2,371,900	22,998,405
Total expenditures	13,367,437	25,370,305	2,388,057	22,982,248
revenues over expenditures	1,505,400	(1,526,708)	7,190,507	8,717,215
OTHER FINANCING SOURCES (USES)				
Transfers in	16,006,600	26,854,683	1,189,595	(25,665,088)
Transfers out	-	-	(185,100)	(185,100)
Total other financing sources (uses)	16,006,600	26,854,683	1,004,495	(25,850,188)
Net change in fund balances	17,512,000	25,327,975	8,195,002	(17,132,973)
Fund balances - beginning	-	-	30,742,750	30,742,750
Fund balances - ending	$17,512,000	$25,327,975	$38,937,752	$13,609,777

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	General Capital Projects			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Permits and fees	$ -	$ 570,000	$ 1,626,215	$ 1,056,215
Intergovernmental revenue	400,000	1,112,849	1,403,298	290,449
Miscellaneous	4,281,600	11,140,632	648,160	(10,492,472)
Total revenues	4,681,600	12,823,481	3,677,673	(9,145,808)
EXPENDITURES				
Current:				
General Government	-	-	20	(20)
Fire	-	-	496	(496)
Economic environment	-	-	4	(4)
Culture and recreation	-	-	1,816	(1,816)
Capital outlay	18,542,000	29,165,747	10,105,463	19,060,284
Total expenditures	18,542,000	29,165,747	10,107,799	19,057,948
Excess (deficiency) of revenues over expenditures	(13,860,400)	(16,342,266)	(6,430,126)	9,912,140
OTHER FINANCING SOURCES (USES)				
Transfers in	26,724,000	41,103,624	2,533,677	(38,569,947)
Transfers out	(12,113,600)	(24,641,952)	(2,387,157)	22,254,795
Total other financing source (uses)	14,610,400	16,461,672	146,520	(16,315,152)
Net change in fund balances	750,000	119,406	(6,283,606)	(6,403,012)
Fund balances - beginning	-	-	10,969,350	10,969,350
Fund balances - ending	$ 750,000	$ 119,406	$ 4,685,744	$ 4,566,338

CITY OF FORT MYERS, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Revenue Bonds and Notes			
	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Miscellaneous	$ -	$ -	$ 368,667	$ 368,667
Total revenues	-	-	368,667	368,667
EXPENDITURES				
Culture and recreation	-	-	8,211	(8,211)
Debt service:				
Principal retirement	7,886,000	6,115,271	9,899,850	(3,784,579)
Interest	14,018,800	10,628,053	5,949,618	4,678,435
Fiscal charges	5,000	3,800	-	3,800
Total expenditures	21,909,800	16,747,124	15,857,679	889,445
Excess (deficiency) of revenues over (under) expenditures	(21,909,800)	(16,747,124)	(15,489,012)	1,258,112
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	10,632,000	23,811,391	9,638,887	(14,172,504)
Transfers in	21,909,800	19,630,500	15,858,007	(3,772,493)
Transfers out	(10,632,000)	(26,694,767)	(9,638,887)	17,055,880
Total other financing sources and uses	21,909,800	16,747,124	15,858,007	(889,117)
Net change in fund balances	-	-	368,995	368,995
Fund balances - beginning	7,908,559	7,908,559	7,908,559	-
Fund balances - ending	$ 7,908,559	$ 7,908,559	$ 8,277,554	$ 368,995



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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Law Enforcement Trust – To account for the proceeds collected under the Florida Contraband Forfeiture Act to be used for school resource officers, crime prevention, safe neighborhoods, drug abuse education and prevention programs, and for other law enforcement purposes and providing matching funds to obtain federal grants.

Federal Forfeiture – To account for federal forfeiture proceeds, which can be expended for any activity calculated to enhance future investigations, support investigations and operations that may result in further seizures and forfeitures.

Grants – To account for monies, received from various Federal, State and local agencies or private foundations, which must be expended according to the terms of grant requirements.

Special Assessment Geographical Area Administration (SAGA) – To account for Special Assessment District administration fees.

Police Training – To account for the $2 assessment paid by persons convicted for violation of city ordinances. This assessment may be used for criminal justice education and training for the local government unit's officers and support personnel.

Street Light Maintenance – To account for the accumulation of funds to provide repairs and maintenance for certain street light poles and ballasts.

Street Maintenance – To account for funds received from the State for traffic light and street maintenance.

Public Art Fund – To account for proceeds from in-lieu contributions and all other revenue to support Public Art.

Law Enforcement Equipment Fund – To account for donations required of developers for law enforcement equipment purchases necessitated by commercial and residential development.

Attainable Workforce Housing Fund – To account for resources from developer contributions to provide loans to eligible residents with income of 150% of the median income for Lee County.

Hurricane Shelter – To account for developer contributions made to rehabilitate downtown buildings for use as hurricane shelters.

Public-Private Parking – To account for developer fees paid in lieu of the provision for parking.

East Riverside Community Center – To account for operations and maintenance of the community center, built for the citizens and visitors of Fort Myers and Lee County.

Para-Transit Fund – To account for developer contributions made annually for a downtown trolley system.

Patrons of the Palms – To account for operations and resources related to maintaining palm trees, to enhance the City's identity as the "City of Palms".

State Housing Initiative Partnership Program – To account for funds received from the State of Florida to assist very low, low, and moderate income persons or families in becoming single-family homeowners.

Nonmajor Governmental Funds

Special Revenue Funds

Community Redevelopment Agency:

Downtown Redevelopment Area – To account for the operations and resources related to the Downtown Redevelopment Area.

Other Redevelopment Areas – To account for the administration and resources related to implementing the Cleveland Avenue Redevelopment Areas, the Central Fort Myers Redevelopment Area, the Martin Luther King Redevelopment Areas, and the East Fort Myers Redevelopment Area.

Community Development Block Grant Program – To account for monies received from the U.S. Department of Housing and Urban Development for community redevelopment.

Crime Prevention Fund – To account for monies received from fines, which are used to advance the crime prevention program.

Capital Projects Funds

Transportation Capital Projects - Accounts for all resources used for the acquisition and/or construction or improvements related to City infrastructure including roadways, sidewalk, traffic controls, etc.

General Capital Projects - Accounts for all resources used for the acquisition and/or construction or improvements of capital facilities
except those financed by proprietary fund types.

Debt Service Fund

Revenue Bonds and Notes - To account for the accumulation of resources and the payment of principal and interest related to the City's Capital Improvement and Refunding Revenue Bonds, Series 2014A; Taxable Capital Improvement Refunding Revenue Bonds, Series 2014B; Capital Improvement and Refunding Revenue Bonds, Series 2016; Capital Improvement and Refunding Revenue Bonds, Series 2018A; Taxable Capital Improvement Revenue Bonds, Series 2018B; Capital Improvement and Refunding Revenue Note, Series 2022A, and; Taxable Capital Improvement and Refunding Revenue Note, Series 2022B.

Permanent Fund

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs.

Ned Fould's Police Award Fund - To account for a donation to the City to provide an award to the City's Police Officer of the Year. The interest is awarded to the Officer of the Year with the principal being retained in the fund.



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CITY OF FORT MYERS, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds					
	Law Enforcement Trust	Federal Forfeiture	Grants	SAGA Administration	Police Training	Street Light Maintenance
ASSETS						
Cash and cash equivalents	$ 38,297	$ 138,490	$ 11,392,810	$ 55,040	$ 27,379	$ 5,613
Investments	42,272	152,866	3,673,494	60,753	30,221	6,529
Accounts receivable, net	-	-	-	-	-	-
Interest receivable	421	402	-	660	390	492
Due from other governmental agencies	-	-	277,845	-	1,095	-
Prepaid items	9,654	-	-	-	-	-
Notes receivable, net	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	-
Total assets	90,644	291,758	15,344,149	116,453	59,085	12,634
LIABILITIES						
Accounts and contracts payable	1,011	-	7,413	-	-	-
Accrued and other liabilities	-	-	1,867	-	-	-
Due to other funds	-	-	737,950	-	-	-
Funds held in escrow	-	-	-	-	-	-
Unearned revenue	-	-	13,059,486	-	-	-
Advances to other funds	-	-	-	-	-	-
Total liabilities	1,011	-	13,806,716	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grants, contribution	-	-	274,875	-	-	-
Total deferred inflows of resources	-	-	274,875	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable:						
Prepaid items	9,654	-	-	-	-	-
Public safety principal, nonexpendable	-	-	-	-	-	-
Restricted for:						
Donations received	-	-	-	-	-	-
Community redevelopment agency	-	-	-	-	-	-
Capital projects	-	-	700,000	-	-	-
Debt service	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Law enforcement programs	79,979	291,758	-	-	59,085	-
Physical environment	-	-	-	116,453	-	-
Public safety	-	-	562,558	-	-	-
Transportation	-	-	-	-	-	12,634
Committed to:						
Law enforcement programs	-	-	-	-	-	-
Assigned To:						
Capital projects	-	-	-	-	-	-
Total fund balances (deficits)	89,633	291,758	1,262,558	116,453	59,085	12,634
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 90,644	$ 291,758	$ 15,344,149	$ 116,453	$ 59,085	$ 12,634

Special Revenue Funds							
Street Maintenance	Public Art	Law Enforcement Equipment	Attainable Workforce Housing	Hurricane Shelter	Public-Private Parking	East Riverside Community Center	Para-Transit
$ 822,192	$ 85,217	$ 1,094	$ 85,406	$ 168,160	$ 181,726	$ 11,318	$ 5,225
907,537	94,063	1,207	94,271	185,616	200,589	12,493	5,768
-	-	-	-	-	-	-	35,991
2,596	535	8	3,727	1,237	1,337	83	804
314,990	-	-	-	-	-	-	21,762
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-		-	-	-	-
2,047,315	179,815	2,309	183,404	355,013	383,652	23,894	69,550
140,630	-	-	-	-	-	-	-
1,689	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
142,319	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	179,815	-	183,404	355,013	383,652	23,894	69,550
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	2,309	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,904,996	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,904,996	179,815	2,309	183,404	355,013	383,652	23,894	69,550
$ 2,047,315	$ 179,815	$ 2,309	$ 183,404	$ 355,013	$ 383,652	$ 23,894	$ 69,550

CITY OF FORT MYERS, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds				
	Patrons of the Palms	State Housing Initiative Partnership	Community Redevelopment Agency	Community Development Block Grant	Crime Prevention
ASSETS					
Cash and cash equivalents	$ 9,086	$ 1,755,887	$ 4,278,334	$ 3,388	$ 13,771
Investments	10,029	1,938,150	4,722,605	3,740	15,200
Accounts receivable, net	-	-	-	-	-
Interest receivable	67	1,389	16,873	-	191
Due from other governmental agencies	-	-	-	275,036	83
Prepaid items	-	-	21,854	-	-
Notes receivable, net	-	-	614,500	-	-
Assets held for resale	-	-	-	634,068	-
Total assets	19,182	3,695,426	9,654,166	916,232	29,245
LIABILITIES					
Accounts and contracts payable	-	71,750	174,008	173,210	-
Accrued and other liabilities	-	(89)	4,934	100	-
Due to other funds	-	-	-	-	-
Funds held in escrow	-	-	-	-	-
Unearned revenue	-	-	-	537,237	-
Advances to other funds	-	-	617,000	-	-
Total liabilities	-	71,661	795,942	710,547	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - grants, contribution	-	-	-	77	-
Total deferred inflows of resources	-	-	-	77	-
FUND BALANCES (DEFICITS)					
Nonspendable:					
Prepaid items	-	-	21,854	-	-
Public safety principal, nonexpendable	-	-	-	-	-
Restricted for:					
Donations received	19,182	-	-	-	-
Community redevelopment agency	-	-	8,836,370	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Economic environment	-	3,623,765	-	205,608	-
Law enforcement programs	-	-	-	-	-
Physical environment	-	-	-	-	-
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Committed to:					
Law enforcement programs	-	-	-	-	29,245
Assigned To:					
Capital projects	-	-	-	-	-
Total fund balances (deficits)	19,182	3,623,765	8,858,224	205,608	29,245
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 19,182	$ 3,695,426	$ 9,654,166	$ 916,232	$ 29,245

Capital Projects		Debt Service	Permanent Fund	
Transportation Capital Projects	General Capital Projects	Revenue Bonds and Notes	Ned Fould's Police Award Fund	Total Nonmajor Governmental Funds
$ 18,892,496	$ -	$ 239,885	$ 1,182	$ 38,211,996
20,971,331	8,243,480	8,044,545	1,375	49,418,134
-	59,344	-	-	95,335
229,602	57,471	4,624	8	322,917
228,755	2,852,486	-	-	3,972,052
-	-	-	-	31,508
-	-	-	-	614,500
-	-	-	-	634,068
40,322,184	11,212,781	8,289,054	2,565	93,300,510
389,117	449,313	-	-	1,406,452
-	-	11,500	-	20,001
-	3,166,631	-	-	3,904,581
-	-	-	565	565
995,315	-	-	-	14,592,038
-	-	-	-	617,000
1,384,432	3,615,944	11,500	565	20,540,637
-	2,911,093	-	-	3,186,045
-	2,911,093	-	-	3,186,045
-	-	-	-	31,508
-	-	-	2,000	2,000
-	-	-	-	1,214,510
-	-	-	-	8,836,370
-	4,683,198	-		5,383,198
-	-	8,277,554		8,277,554
-	-	-	-	3,829,373
-	-	-	-	433,131
-	-	-	-	116,453
-	-	-	-	562,558
38,937,752	-	-	-	40,855,382
-	-	-	-	29,245
		-		
-	2,546	-	-	2,546
38,937,752	4,685,744	8,277,554	2,000	69,573,828
$ 40,322,184	$ 11,212,781	$ 8,289,054	$ 2,565	$ 93,300,510

CITY OF FORT MYERS, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Special Revenue Funds					
	Law Enforcement Trust	Federal Forfeiture	Grants	SAGA Administration	Police Training	Street Light Maintenance
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Permits and fees	-	-	-	-	-	-
Intergovernmental revenue	-	-	2,648,975	-	-	-
Fines and forfeitures	-	200,623	-	-	-	-
Miscellaneous	37,777	-	510,414	6,100	12,290	346
Contributions - private source	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-
Total revenues	37,777	200,623	3,159,389	6,100	12,290	346
EXPENDITURES						
Current:						
General government	-	-	-	78	-	-
Public Safety:						
Police	66,098	2,536	1,181,926	-	15,015	-
Fire	-	-	306,770	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	2,983
Economic environment	-	-	1,090,924	-	-	-
Culture and recreation	-	-	11,339	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	66,098	2,536	2,590,959	78	15,015	2,983
Excess (deficiency) of revenues over (under) expenditures	(28,321)	198,087	568,430	6,022	(2,725)	(2,637)
Transfers in	-	-	758,657	-	-	-
Transfers out	-	-	-	(75,000)	-	-
Issuance of revenue note	-	-	-	-	-	-
Total other financing sources (uses)	-	-	758,657	(75,000)	-	-
Net change in fund balances	(28,321)	198,087	1,327,087	(68,978)	(2,725)	(2,637)
Fund balances - beginning of year, as originally stated	117,954	93,671	(64,529)	185,431	61,810	15,271
Fund balances - restatement (note 17)	-	-	-	-	-	-
Fund balances - beginning of year, as restated	117,954	93,671	(64,529)	185,431	61,810	15,271
Fund balances - ending	$ 89,633	$ 291,758	$ 1,262,558	$ 116,453	$59,085	$ 12,634

Special Revenue Funds							
Street Maintenance	Public Art	Law Enforcement Equipment	Attainable Workforce Housing	Hurricane Shelter	Public-Private Parking	East Riverside Community Center	Para-Transit
$ 2,230,172	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
1,026,907	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
482,173	2,588	50	6,023	7,730	8,353	520	2,451
-	-	-	-	-	-	-	96,444
-	-	-	-	-	-	-	-
3,739,252	2,588	50	6,023	7,730	8,353	520	98,895
-	-	-	-	-	-	-	-
-	-	1	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	155	-	-	-
3,674,599	-	-	-	-	167	-	408,477
-	-	-	15,097	-	-	-	-
-	74	-	-	-	-	10	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,674,599	74	1	15,097	155	167	10	408,477
64,653	2,514	49	(9,074)	7,575	8,186	510	(309,582)
-	60,000	-	-	-	-	-	331,400
-	(30,350)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	29,650	-	-	-	-	-	331,400
64,653	32,164	49	(9,074)	7,575	8,186	510	21,818
1,840,343	147,651	2,260	192,478	347,438	375,466	23,384	47,732
-	-	-	-	-	-	-	-
1,840,343	147,651	2,260	192,478	347,438	375,466	23,384	47,732
$ 1,904,996	$179,815	$ 2,309	$ 183,404	$ 355,013	$ 383,652	$ 23,894	$ 69,550

CITY OF FORT MYERS, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Special Revenue Funds				
	Patrons of the Palms	State Housing Initiative Partnership	Community Redevelopment Agency	Community Development Block Grant	Crime Prevention
REVENUES					
Taxes	$ -	$ -	$ 3,068,684	$ -	$ -
Permits and fees	-	-	-	-	-
Intergovernmental revenue	-	2,435,832	-	956,635	-
Fines and forfeitures	-	-	-	-	1,082
Miscellaneous	417	66,036	138,015	194,955	1,228
Contributions - private source	-	-	332,952	-	-
Capital grants and contributions	-	-	-	-	-
Total revenues	417	2,501,868	3,539,651	1,151,590	2,310
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public Safety:					
Police	-	-	-	-	15,704
Fire	-	-	-	-	-
Physical environment	8	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	218,860	5,781,305	997,136	-
Culture and recreation	-	-	-	-	-
Debt service:					
Principal retirement	-	-	59,086	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	8	218,860	5,840,391	997,136	15,704
Excess (deficiency) of revenues over (under) expenditures	409	2,283,008	(2,300,740)	154,454	(13,394)
Transfers in	-	-	5,709,389	-	-
Transfers out	-	-	(1,268,362)	-	-
Issuance of revenue note	-	-	-	-	-
Total other financing sources (uses)	-	-	4,441,027	-	-
Net change in fund balances	409	2,283,008	2,140,287	154,454	(13,394)
Fund balances - beginning of year, as originally stated	18,773	1,340,757	6,217,937	51,154	42,639
Fund balances - restatement (note 17)	-	-	500,000	-	-
Fund balances - beginning of year, as restated	18,773	1,340,757	6,717,937	51,154	42,639
Fund balances - ending	$ 19,182	$ 3,623,765	$ 8,858,224	$ 205,608	$ 29,245

Capital Projects		Debt Service	Permanent Fund	
Transportation Capital Projects	General Capital Projects	Revenue Bonds and Notes	Ned Fould's Police Award Fund	Total Nonmajor Governmental Funds
$ 1,616,883	$ -	$ -	$ -	$ 6,915,739
6,855,111	1,626,215	-	-	8,481,326
1,833	1,403,298	-	-	8,473,480
-	-	-	-	201,705
767,199	648,160	368,667	-	3,261,492
117,593	-	-	-	546,989
219,945	-	-	-	219,945
9,578,564	3,677,673	368,667	-	28,100,676
1,080	20	-	-	1,178
-	-	-	-	1,281,280
-	496	-	-	307,266
-	-	-	-	163
15,077	-	-	-	4,101,303
-	4	-	-	8,103,326
-	1,816	8,211	-	21,450
-	-	9,899,850	-	9,958,936
-	-	5,949,618	-	5,949,618
2,371,900	10,105,463	-	-	12,477,363
2,388,057	10,107,799	15,857,679	-	42,201,883
7,190,507	(6,430,126)	(15,489,012)	-	(14,101,207)
1,189,595	2,533,677	15,858,007	-	26,440,725
(185,100)	(2,387,157)	(9,638,887)	-	(13,584,856)
-	-	9,638,887	-	9,638,887
1,004,495	146,520	15,858,007	-	22,494,756
8,195,002	(6,283,606)	368,995	-	8,393,549
30,742,750	10,969,350	7,908,559	2,000	60,680,279
-	-	-	-	500,000
30,742,750	10,969,350	7,908,559	2,000	61,180,279
$ 38,937,752	$ 4,685,744	$ 8,277,554	$ 2,000	$ 69,573,828



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CITY OF FORT MYERS

Nonmajor Enterprise Funds

The City's nonmajor enterprise funds report activities for which fees are charged to external users for goods or services.

Building Permits and Inspections – To account for operations and maintenance related to the City's issuance of building permits and the subsequent inspections.

Stormwater – To account for the operations and maintenance of stormwater run-off mechanisms throughout the City.

Fort Myers Country Club – To account for the operations and maintenance related to the City-owned Fort Myers Country Club.

Eastwood Golf Course – To account for the operations and maintenance related to the City-owned Eastwood Golf Course.

Yacht Basin – To account for the operations and maintenance of the City-owned yacht basin and dock facilities.

Downtown Parking Garages – To account for the operations and maintenance related to the City-owned Main Street Parking Garage, City of Palms Parking Garage, and Hotel Parking Garage.

Skatium – To account for the operations and maintenance related to the City-owned skating and recreation center.

CITY OF FORT MYERS, FLORIDA
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2023

	Building Permits and Inspections	Stormwater	Fort Myers Country Club	Eastwood Golf Course
ASSETS				
Current assets:				
Cash and cash equivalents	$ 5,210,178	$ 4,275,954	$ 1,104,579	$ 175,458
Investments	5,747,508	4,709,797	1,219,023	184,512
Receivables:				
Interest receivable	17,928	9,599	287	788
Restricted interest receivable	-	-	-	-
Leases	-	-	-	-
Due from other governmental agencies	-	-	-	-
Inventories	-	-	-	-
Prepaid items	-	-	30,000	30,000
Total current assets	10,975,614	8,995,350	2,353,889	390,758
Noncurrent assets:				
Restricted cash and cash equivalents	51,289	168,231	3,576	153,997
Restricted investments	59,663	195,699	4,160	179,141
Land and improvements	-	103,718	168,966	729,261
Construction in progress	-	5,345,295	-	655,279
Intangible	-	78,551	-	-
Buildings, net	573,346	-	50,529	1,198,727
Improvements other than buildings, net	-	12,703,622	3,062,132	5,595,834
Equipment, net	546,784	795,277	79,547	7,510
Total noncurrent assets	1,231,082	19,390,393	3,368,910	8,519,749
Total assets	12,206,696	28,385,743	5,722,799	8,910,507
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to postemployment benefits	67,094	36,356	5,818	11,772
Deferred outflows related to pensions	522,612	309,386	45,747	74,992
Total deferred outflows of resources	589,706	345,742	51,565	86,764
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	71,273	493,705	77,841	413,407
Accrued and other liabilities	5,579	2,392	11,483	7,118
Due to other governmental agencies	33,209	56,734	7,736	6,761
Customer deposits	64,762	-	-	-
Compensated absences	21,596	79,228	-	11,537
Accrued interest payable	-	-	-	-
Leases payable	54,570	-	370	4,644
Notes payable	-	-	-	-
Total current liabilities	250,989	632,059	97,430	443,467
Noncurrent liabilities:				
Net pension liability	2,341,952	1,386,431	205,004	336,055
Compensated absences	74,101	30,313	21,967	7,351
Other postemployment benefits liability	440,633	238,764	38,209	77,309
Leases payable	544,325	-	3,689	-
Notes payable	-	-	-	-
Total noncurrent liabilities	3,401,011	1,655,508	268,869	420,715
Total liabilities	3,652,000	2,287,567	366,299	864,182
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to leases	-	-	-	-
Deferred inflows related to postemployment benefits	165,620	89,744	14,362	29,058
Total deferred inflows of resources	165,620	89,744	14,362	29,058
NET POSITION				
Net investment in capital assets	521,234	18,614,598	3,357,116	7,860,933
Restricted for:				
Capital projects	12,981	279,297	-	326,377
Renewal and replacement	-	-	-	-
Unrestricted	8,444,567	7,460,279	2,036,587	(83,279)
Total net position	$ 8,978,782	$ 26,354,174	$ 5,393,703	$ 8,104,031

Yacht Basin	Downtown Parking Garages	Skatium	Total Nonmajor Enterprise Funds
$ 177,079	$ 1,588,558	$ 199,053	$ 12,730,859
190,022	1,753,106	218,507	14,022,475
540	660	-	29,802
1,852	-	-	1,852
-	111,409	-	111,409
460	-	-	460
-	-	6,213	6,213
-	-	-	60,000
369,953	3,453,733	423,773	26,963,070
91,434	5,831	1,767	476,125
106,363	6,783	2,055	553,864
195,315	551,713	-	1,748,973
-	-	-	6,000,574
-	-	-	78,551
-	604,669	6,581	2,433,852
-	-	-	21,361,588
86,874	-	-	1,515,992
479,986	1,168,996	10,403	34,169,519
849,939	4,622,729	434,176	61,132,589
446	-	8,248	129,734
10,640	-	88,818	1,052,195
11,086	-	97,066	1,181,929
-	79,386	24,952	1,160,564
-	582	11,184	38,338
-	12,615	3,822	120,877
20,847	-	-	85,609
-	-	-	112,361
6,397	-	-	6,397
-	-	-	59,584
311,615	-	-	311,615
338,859	92,583	39,958	1,895,345
47,680	-	398,017	4,715,139
-	-	18,713	152,445
2,932	-	54,166	852,013
-	-	-	548,014
1,403,509	-	-	1,403,509
1,454,121	-	470,896	7,671,120
1,792,980	92,583	510,854	9,566,465
-	108,978	-	108,978
1,102	-	20,359	320,245
1,102	108,978	20,359	429,223
282,189	1,156,382	6,581	31,799,033
12,696	-	-	631,351
160,169	-	-	160,169
(1,388,111)	3,264,786	(6,552)	19,728,277
$ (933,057)	$ 4,421,168	$ 29	$ 52,318,830

CITY OF FORT MYERS, FLORIDA
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2023

	Building Permits and Inspections	Stormwater	Fort Myers Country Club	Eastwood Golf Course
OPERATING REVENUES				
Charges for services	$ 6,398,401	$ 6,643,174	$ 2,781,644	$ 2,420,295
Rent	-	-	14,875	36,931
Miscellaneous	471	18,501	1,336	880
Total operating revenues	6,398,872	6,661,675	2,797,855	2,458,106
OPERATING EXPENSES				
Personnel services	2,623,444	1,474,075	258,757	302,526
Materials and supplies	25,440	114,206	314,290	310,725
Contractual services	248,506	342,503	914,940	948,620
General and administrative	679,013	441,800	147,952	161,762
Utilities	19,141	-	56,344	135,105
Repairs and maintenance	5,028	184,413	29,073	26,395
Rentals	441,312	403,000	86,052	49,851
Travel	3,354	1,559	-	-
Insurance	54,900	40,100	10,600	11,300
Depreciation and amortization	323,807	1,273,009	359,462	611,192
Total operating expenses	4,423,945	4,274,665	2,177,470	2,557,476
Operating income (loss)	1,974,927	2,387,010	620,385	(99,370)
NONOPERATING REVENUES (EXPENSES)				
Interest income	138,426	241,951	23,590	105,545
Interest expense and bond insurance costs	(29,315)	(739)	39	(15,916)
Total nonoperating revenues (expenses)	109,111	241,212	23,629	89,629
Income (loss) before contributions and transfers	2,084,038	2,628,222	644,014	(9,741)
Capital grants and contributions	-	17,015	-	-
Transfers in	-	147,014	-	655,279
Transfers out	-	(894,900)	(285,400)	(550,200)
Change in net position	2,084,038	1,897,351	358,614	95,338
Net position - beginning	6,894,744	24,456,823	5,035,089	8,008,693
Net position - ending	$ 8,978,782	$ 26,354,174	$ 5,393,703	$ 8,104,031

Yacht Basin	Downtown Parking Garages	Skatium	Total Nonmajor Enterprise Funds
$ -	$ 2,765,514	$ 1,120,820	$ 22,129,848
-	48,524	-	100,330
291,473	-	2,979	315,640
291,473	2,814,038	1,123,799	22,545,818
-	-	593,043	5,251,845
2,274	1,395	209,648	977,978
42,050	1,149,774	133,358	3,779,751
234,335	147,882	143,348	1,956,092
101,421	1,351	222,659	536,021
824	26,425	75,979	348,137
74,202	1,800	90,336	1,146,553
-	-	-	4,913
13,700	29,500	37,200	197,300
27,434	201,556	1,680	2,798,140
496,240	1,559,683	1,507,251	16,996,730
(204,767)	1,254,355	(383,452)	5,549,088
57,161	36,244	3,369	606,286
(88,155)	-	-	(134,086)
(30,994)	36,244	3,369	472,200
(235,761)	1,290,599	(380,083)	6,021,288
	-	-	17,015
	-	514,000	1,316,293
(39,100)	(716,100)	(31,800)	(2,517,500)
(274,861)	574,499	102,117	4,837,096
(658,196)	3,846,669	(102,088)	47,481,734
$ (933,057)	$ 4,421,168	$ 29	$ 52,318,830

CITY OF FORT MYERS, FLORIDA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2023

	Building Permits and Inspections	Stormwater	Fort Myers Country Club
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 6,409,963	$ 7,225,081	$ 2,796,519
Other operating receipts	471	18,501	1,336
Payments to suppliers and service providers	(1,448,763)	(1,770,120)	(1,563,245)
Payments to employees for services	(2,541,450)	(1,579,454)	(199,332)
Other operating payments	(5,881)	(442,712)	-
Net cash provided by (used for) operating activities	2,414,340	3,451,296	1,035,278
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	147,014	-
Transfers out	-	(894,900)	(285,400)
Net cash provided by (used for) noncapital financing activities	-	(747,886)	(285,400)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grants and contributions	-	17,015	-
Acquisition and construction of capital assets	(71,498)	(3,284,798)	(84,477)
Principal paid on notes and bonds	-	-	-
Interest paid on notes and bonds	-	(1,611)	-
Principal paid on leases	(39,207)	-	(63,023)
Interest paid on leases	(29,315)	-	39
Principal paid on finance purchase obligations	-	(35,400)	-
Net cash provided by (used for) capital and related financing activities	(140,020)	(3,304,794)	(147,461)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(845,457)	-	(250,791)
Proceeds from sale of investments	-	744,059	-
Interest on investments	90,032	106,075	19,885
Net cash provided by (used for) investing activities	(755,425)	850,134	(230,906)
Net increase (decrease) in cash and cash equivalents	1,518,895	248,750	371,511
Balances - beginning of year	3,742,572	4,195,435	736,644
Balances - end of the year	$ 5,261,467	$ 4,444,185	$ 1,108,155
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	$ 1,974,927	$ 2,387,010	$ 620,385
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	323,807	1,273,009	359,462
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	581,752	-
(Increase) in bad debt	-	156	-
Decrease in inventories	-	-	-
(Increase) in prepaid items	-	-	(6,500)
(Decrease) increase in customer deposits payable	11,562	-	-
(Decrease) increase in accounts payable - supplier	27,932	(684,338)	1,892
(Decrease) increase in accounts payable - other	(5,882)	(913)	615
(Decrease) increase in compensated absences	23,168	(1,901)	(1,197)
(Decrease) increase in total other postemployment benefits liability	(113,967)	(116,137)	7,319
Decrease (Increase) in deferred outflows of resources related to other postemployment benefits	8,086	11,753	(1,631)
(Decrease) increase in deferred inflows of resources related to other postemployment benefits	86,765	39,282	9,970
(Decrease) Increase in net pension liability	(464,205)	(411,005)	20,827
Decrease (increase) in deferred outflows of resources related to net pension liability	542,147	372,628	24,136
(Decrease) in deferred inflows of resources related to net pension liability	-	-	-
Net cash provided by (used for) operating activities	$ 2,414,340	$ 3,451,296	$ 1,035,278
Schedule of non-cash investing, capital, and financing activities:			
Interest receivable / unrealized gain (loss)	$ 48,394	$ 135,876	$ 3,705

Eastwood Golf Course	Yacht Basin	Downtown Parking Garages	Skatium	Total Nonmajor Enterprise Funds
$ 2,487,889	$ (53,877)	$ 2,814,048	$ 1,120,820	$ 22,800,443
880	148	-	2,979	24,315
(3,677,862)	(534,136)	(1,278,544)	(924,506)	(11,197,176)
(332,714)	(45,517)	-	(548,238)	(5,246,705)
(18,945)	(29,630)	(17,052)	(4,008)	(518,228)
(1,540,752)	(663,012)	1,518,452	(352,953)	5,862,649
655,279	-	-	514,000	1,316,293
(550,200)	(39,100)	(716,100)	(31,800)	(2,517,500)
105,079	(39,100)	(716,100)	482,200	(1,201,207)
-	-	-	-	17,015
(657,570)	-	-	-	(4,098,343)
-	(297,612)	-	-	(297,612)
-	(89,265)	-	-	(90,876)
(139,896)	-	-	-	(242,126)
(15,436)	-	-	-	(44,712)
-	-	-	-	(35,400)
(812,902)	(386,877)	-	-	(4,792,054)
-	-	(322,970)	(57,250)	(1,476,468)
1,343,608	658,199	-	-	2,745,866
9,222	6,954	28,273	3,530	263,971
1,352,830	665,153	(294,697)	(53,720)	1,533,369
(895,745)	(423,836)	507,655	75,527	1,402,757
1,225,200	692,349	1,086,734	125,293	11,804,227
$ 329,455	$ 268,513	$ 1,594,389	$ 200,820	$ 13,206,984
$ (99,370)	$ (204,767)	$ 1,254,355	$ (383,452)	$ 5,549,088
611,192	27,434	201,556	1,680	2,798,140
30,663	16,614	2	-	629,031
-	6,861	-	-	7,017
-	-	-	3,126	3,126
984	-	-	-	(5,516)
-	(73,358)	(1,647)	-	(63,443)
(2,058,604)	(86,443)	59,436	(20,516)	(2,760,641)
4,572	(12,510)	4,750	1,404	(7,964)
6,645	(24,851)	-	2,966	4,830
(46,123)	(73,477)	-	(7,591)	(349,976)
4,960	9,911	-	124	33,203
11,508	(9,762)	-	-	137,763
(96,201)	(396,600)	-	(39,442)	(1,386,626)
89,022	157,936	-	77,170	1,263,039
-	-	-	11,578	11,578
$ (1,540,752)	$ (663,012)	$ 1,518,452	$ (352,953)	$ 5,862,649
$ 96,323	$ 50,207	$ 7,971	$ (161)	$ 342,315

CITY OF FORT MYERS

Internal Service Funds

Internal service funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

Health Insurance Self-Funding – To account for the City's self-funded health insurance benefit provided to City employees and their dependents.

Fleet Maintenance – To account for repair operations and maintenance related to City-owned vehicles.

Information Technology Services – To account for the City's information systems, hardware, software and maintenance.

Public Works Warehouse Operations – To account for all inventory received into the warehouse along with the issues to user departments.

Risk Management – To account for the activities related to general liability, auto liability and physical damage, police and firefighters' professional liability and workers' compensation provided to other departments of the City.

CITY OF FORT MYERS, FLORIDA
Combining Statement of Net Position
Internal Service Funds
September 30, 2023

	Health Insurance Self Funding	Fleet Maintenance	Information Technology Services	Public Works Warehouse Operations	Risk Management	Total Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	$ 781,552	$ 1,447,232	$ 757,940	$ 47,899	$ 12,831,178	$ 15,865,801
Investments	862,678	1,597,457	836,615	52,871	13,428,862	16,778,483
Restricted cash and cash equivalents	-	-	-	-	2,311,584	2,311,584
Interest receivable	-	2,636	3,956	-	39,336	45,928
Due from other governmental agencies	-	-	-	-	1,584	1,584
Inventories	-	518,363	-	446,640	-	965,003
Prepaid items	-	-	686,926	-	80,457	767,383
Total current assets	1,644,230	3,565,688	2,285,437	547,410	28,693,001	36,735,766
Noncurrent assets:						
Intangible assets, net	-	-	20,400	-	-	20,400
Subscription assets, net	-	-	1,991,285	-	-	1,991,285
Buildings, net	-	674	-	-	-	674
Equipment, net	-	1,251,017	687,293	-	-	1,938,310
Total noncurrent assets	-	1,251,691	2,698,978	-	-	3,950,669
Total assets	1,644,230	4,817,379	4,984,415	547,410	28,693,001	40,686,435
RESOURCES						
Deferred outflows related to other postemployment benefits	-	39,920	56,354	-	11,355	107,629
Deferred outflows on pensions	-	286,296	591,050	-	85,916	963,262
Total deferred outflows of resources	-	326,216	647,404	-	97,271	1,070,891
LIABILITIES						
Current liabilities:						
Accounts and contracts payable	-	252,958	386,326	17,527	384,562	1,041,373
Accrued and other liabilities	-	19,972	140,902	-	312	161,186
Customer deposits	1,688,338	-	-	-	-	1,688,338
Compensated absences	-	34,090	-	-	-	34,090
Claims and judgments	-	-	-	-	2,199,488	2,199,488
Accrued interest payable	-	-	4,781	-	-	4,781
Leases payable	-	-	5,560	-	-	5,560
Subscription liabilities	-	-	477,637	-	-	477,637
Finance purchase obligations	-	-	159,962	-	-	159,962
Total current liabilities	1,688,338	307,020	1,175,168	17,527	2,584,362	5,772,415
Noncurrent liabilities:						
Net pension liability	-	1,282,960	2,648,639	-	385,011	4,316,610
Compensated absences	-	41,259	150,700	-	9,612	201,571
Total other postemployment benefits liability	-	262,169	370,100	-	74,573	706,842
Claims and judgments	-	-	-	-	6,307,116	6,307,116
Subscription liabilities	-	-	1,307,752	-	-	1,307,752
Finance purchase obligations	-	-	215,352	-	-	215,352
Total noncurrent liabilities	-	1,586,388	4,692,543	-	6,776,312	13,055,243
Total liabilities	1,688,338	1,893,408	5,867,711	17,527	9,360,674	18,827,658
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to other postemployment benefits	-	98,541	139,109	-	28,030	265,680
Total deferred inflows of resources	-	98,541	139,109	-	28,030	265,680
NET POSITION						
Net investment in capital assets	-	1,251,691	527,934	-	-	1,779,625
Unrestricted	(44,108)	1,899,955	(902,935)	529,883	19,401,568	20,884,363
Total net position	$ (44,108)	$ 3,151,646	$ (375,001)	$ 529,883	$ 19,401,568	$ 22,663,988

CITY OF FORT MYERS, FLORIDA
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2023

	Health Insurance Self Funding	Fleet Maintenance	Information Technology Services	Public Works Warehouse Operations	Risk Management	Total Internal Service Funds
OPERATING REVENUES						
Charges for services	$ -	$ 7,275,400	$ 10,575,200	$ 372,708	$ 4,520,320	$ 22,743,628
Miscellaneous	-	150,853	-	-	446,261	597,114
Total operating revenues	-	7,426,253	10,575,200	372,708	4,966,581	23,340,742
OPERATING EXPENSES						
Personnel services	-	1,606,542	2,788,923	-	421,763	4,817,228
Materials and supplies	-	3,756,946	661,115	267,962	4,833	4,690,856
Contractual services	86	808,282	71,852	355	111,282	991,857
General and administrative	-	339,584	493,630	-	579,143	1,412,357
Utilities	-	45,660	1,230,557	-	-	1,276,217
Repairs and maintenance	-	1,024	3,328,325	-	-	3,329,349
Rentals	-	225,400	422,710	1,800	40,320	690,230
Travel	-	923	7,670	-	2,001	10,594
Insurance	-	38,200	46,600	-	1,727,832	1,812,632
Self insurance claims	-	-	-	-	1,503,153	1,503,153
Depreciation and amortization	-	645,788	991,721	-	-	1,637,509
Total operating expenses	86	7,468,349	10,043,103	270,117	4,390,327	22,171,982
Operating income (loss)	(86)	(42,096)	532,097	102,591	576,254	1,168,760
NONOPERATING REVENUES (EXPENSES)						
Interest Income	(44,022)	44,064	24,256	4,362	617,208	645,868
Gain on disposal of capital assets	-	31,670	-	-	-	31,670
Interest expense and bond insurance cost	-	-	(14,943)	-	-	(14,943)
Total nonoperating revenues (expenses)	(44,022)	75,734	9,313	4,362	617,208	662,595
Income (loss) before contributions and transfers	(44,108)	33,638	541,410	106,953	1,193,462	1,831,355
Transfers out	-	-	(110,131)	-	-	(110,131)
Change in net position	(44,108)	33,638	431,279	106,953	1,193,462	1,721,224
Net position - beginning	-	3,118,008	(806,280)	422,930	18,208,106	20,942,764
Net position - ending	$ (44,108)	$ 3,151,646	$ (375,001)	$ 529,883	$ 19,401,568	$ 22,663,988

CITY OF FORT MYERS, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2023

	Health Insurance Self Funding	Fleet Maintenance	Information Technology Services	Public Works Warehouse Operations	Risk Management	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$1,688,338	$ 7,275,400	$ 10,575,200	$ 372,707	$ 4,520,176	$ 24,431,821
Other operating receipts	-	150,853	-	-	446,261	597,114
Payments to suppliers and service providers	(86)	(5,372,980)	(6,364,355)	(430,714)	(4,492,546)	(16,660,681)
Payments to employees for services	-	(1,518,762)	(2,608,522)	-	(852,335)	(4,979,619)
Net cash provided by (used for) operating activities	1,688,252	534,511	1,602,323	(58,007)	(378,444)	3,388,635
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers out	-	-	(110,131)	-	-	(110,131)
Net cash (used for) noncapital financing activities	-	-	(110,131)	-	-	(110,131)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	-	(97,254)	(630,366)	-	-	(727,620)
Principal paid on finance purchase obligations	-	-	(164,209)	-	-	(164,209)
Principal paid on leases	-	-	(22,237)	-	-	(22,237)
Principal paid on subscription liabilities	-	-	(539,091)	-	-	(539,091)
Interest paid on notes and bonds	-	-	(17,186)	-	-	(17,186)
Proceeds from sale of capital assets	-	31,671	-	-	-	31,671
Net cash (used for) capital and related financing activities	-	(65,583)	(1,373,089)	-	-	(1,438,672)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(909,158)	(128,198)	-	-	-	(1,037,356)
Proceeds from sale of investments	-	-	2,954	38,289	1,366,143	1,407,386
Interest on investments	2,458	24,836	8,298	920	284,052	320,564
Net cash provided by (used for) investing activities	(906,700)	(103,362)	11,252	39,209	1,650,195	690,594
Net increase (decrease) in cash and cash equivalents	781,552	365,566	130,355	(18,798)	1,271,751	2,530,426
Balances - beginning of year	-	1,081,666	627,585	66,697	13,871,011	15,646,959
Balances - end of the year	$ 781,552	$ 1,447,232	$ 757,940	$ 47,899	$ 15,142,762	$ 18,177,385
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	$ (86)	$ (42,096)	$ 532,097	$ 102,591	$ 576,254	$ 1,168,760
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	-	645,788	991,721	-	-	1,637,509
Changes in assets and liabilities:						
Decrease in accounts receivable	-	-	-	-	(144)	(144)
(Increase) decrease in inventories	-	(22,282)	-	(151,836)	-	(174,118)
(Increase) decrease in prepaid items	-	-	23,094	-	6,278	29,372
(Decrease) increase in accounts payable - supplier	-	(134,680)	(124,992)	(8,762)	(902,341)	(1,170,775)
(Decrease) increase in compensated absences	-	12,327	10,405	-	1,911	24,643
(Decrease) increase in customer deposits	1,688,338	-	-	-	-	1,688,338
(Decrease) increase in total other postemployment benefits liability	-	(92,285)	(76,738)	-	(20,159)	(189,182)
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	-	8,129	4,218	-	1,487	13,834
(Decrease) increase in deferred inflows of resources related to other postemployment benefits	-	48,143	75,576	-	14,560	138,279
(Decrease) increase in net pension liability	-	(143,482)	(398,024)	-	(187,670)	(729,176)
(Increase) decrease in deferred outflows of resources related to net pension liability	-	254,949	564,966	-	131,380	951,295
Net cash provided by (used for) operating activities	$1,688,252	$ 534,511	$ 1,602,323	$ (58,007)	$ (378,444)	$ 3,388,635
Noncash investing, capital, and financing activities:						
Right to use equipment, real estate, and software	$ -	$ -	$ 2,694,285	$ -	$ -	$ 2,694,285
Interest receivable / unrealized (loss)	(46,480)	19,228	15,958	3,442	333,156	325,304

Fiduciary Funds

Custodial Funds

Custodial funds are used to account for monies that are collected by the City and held in a custodial capacity until remitted to the proper authority.

Regional Park Impact Fees Fund – To account for the City's collection of regional park fees. The fees are remitted to the County.

Emergency Medical Services (EMS) Impact Fees Fund – To account for the City's collection of impact fees for EMS services. The fees are remitted to the County.

School Board Impact Fees Fund – To account for the City's collection of impact fees for the School Board. The fees are remitted to the County.

CITY OF FORT MYERS, FLORIDA
Combining Statement of Fiduciary Net Position
Custodial Funds
September 30, 2023

	Regional Park Impact Fees	Emergency Medical Services Impact Fees	School Board Impact Fees	Total Custodial Funds
ASSETS				
Cash and short-term investments	$ 8,107	$ 1,716	$ 38,546	$ 48,368
Total assets	8,107	1,716	38,546	48,368
LIABILITIES				
Accounts and contracts payable	8,107	1,716	38,546	48,368
Total liabilities	8,107	1,716	38,546	48,368
FIDUCIARY NET POSITION				
Restricted for governments	$ -	$ -	$ -	$ -

CITY OF FORT MYERS, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended September 30, 2023

	Regional Park Impact Fees	Emergency Medical Services Impact Fees	School Board Impact Fees	Total Custodial Funds
ADDITIONS				
Fees collected for other governments	$ 540,793	$ 98,733	$ 2,402,364	$ 3,041,890
Total additions	540,793	98,733	2,402,364	3,041,890
DEDUCTIONS				
Payment of fees to other governments	540,793	98,733	2,402,364	3,041,890
Total deductions	540,793	98,733	2,402,364	3,041,890
Net change in fiduciary net position	-	-	-	-
Fiduciary net position - beginning	-	-	-	-
Fiduciary bet position - ending	$ -	$ -	$ -	$ -

STATISTICAL SECTION

CITY OF FORT MYERS FLORIDA

City of Palms

STATISTICAL SECTION

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

	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	G2
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	G10
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	G13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	G20
Operating Information These schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	G21



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CITY OF FORT MYERS, FLORIDA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	$ 49,609,728	$ 54,323,549	$ 56,482,531	$ 60,134,131
Restricted				
Capital projects	34,732,077	31,831,335	27,834,549	21,865,715
Culture and recreation	163,808	157,454	142,267	289,543
Debt service	5,620,962	5,241,087	1,924,799	1,579,142
Economic environment	3,517,564	3,384,862	3,948,768	4,530,612
Impact fee projects	15,393,894	14,982,630	14,002,426	14,773,232
Public safety:				
Expendable	671,268	646,857	1,250,752	1,490,567
Nonexpendable	2,000	2,000	2,000	2,000
Renewal and replacement	-	-	-	-
Transportation	1,641,906	1,761,702	2,171,175	2,031,314
Unrestricted	(699,855) [1]	(126,181,151)	(119,034,904)	(113,751,995) [2]
Total governmental activities net position	$ 110,653,352 [1]	$ (13,849,675)	$ (11,275,637)	$ (7,055,739) [2]
Business-type activities				
Net investment in capital assets	$ 66,890,713	$ 81,959,336	$ 92,942,225	$ 102,444,190
Restricted				
Capital projects	12,973,297	13,798,738	11,175,181	23,404,995
Culture and recreation	-	2,147	936	-
Debt service	9,940,611	10,125,372	12,633,950	12,146,226
Impact fee projects	3,144,674	6,549,995	9,246,357	9,358,389
Physical environment	-	-	-	-
Renewal and replacement	9,337,620	10,292,820	8,617,133	9,654,874
Transportation	26,500	19,370	9,367	27,637
Unrestricted	41,650,115 [1]	14,535,250	15,100,749	25,126,666 [2]
Total business-type activities net position	$ 143,963,530 [1]	$ 137,283,028	$ 149,725,898	$ 182,162,977 [2]
Primary government				
Net investment in capital assets	$ 116,500,441	$ 136,282,885	$ 149,424,756	$ 162,578,321
Restricted				
Capital projects	47,705,374	45,630,073	39,009,730	45,270,710
Culture and recreation	163,808	159,601	143,203	289,543
Debt service	15,561,573	15,366,459	14,558,749	13,725,368
Economic environment	3,517,564	3,384,862	3,948,768	4,530,612
Impact fee projects	18,538,568	21,532,625	23,248,783	24,131,621
Physical environment	-	-	-	-
Public safety:				
Expendable	671,268	646,857	1,250,752	1,490,567
Nonexpendable	2,000	2,000	2,000	2,000
Renewal and replacement	9,337,620	10,292,820	8,617,133	9,654,874
Transportation	1,668,406	1,781,072	2,180,542	2,058,951
Unrestricted	40,950,260 [1]	(111,645,901)	(103,934,155)	(88,625,329) [2]
Total primary government net position	$ 254,616,882 [1]	$ 123,433,353	$ 138,450,261	$ 175,107,238 [2]

[1] Restated per Note 24 in fiscal year 2015.

[2] Restated per Note 24 in fiscal year 2018.

2018	2019	2020	2021	2022	2023
$ 65,903,703	$ 73,505,922	$ 67,028,162	$ 62,419,767	$ 52,371,629	$ 44,864,359
20,066,414	10,845,911	12,862,490	12,650,444	9,936,644	6,363,916
298,533	131,352	132,876	127,450	189,807	222,891
1,719,419	-	-	-	6,002,780	6,540,456
5,953,304	6,276,048	8,013,015	7,037,920	11,063,989	16,692,041
18,658,766	24,582,311	30,230,013	31,010,446	27,987,677	36,132,817
2,067,261	6,008,275	5,924,719	6,513,211	1,103,455	-
2,000	2,000	2,000	2,000	2,000	2,000
-	-	-	-	-	-
2,205,166	2,154,708	1,801,736	1,836,177	2,464,242	2,487,286
(114,803,958)	(103,272,627)	(90,785,047)	(74,388,373)	(66,535,343)	(56,655,000)
$ 2,070,608	$ 20,233,900	$ 35,209,964	$ 47,209,042	$ 44,586,880	$ 56,650,766
$ 134,274,249	$ 82,473,812	$ 144,891,763	$ 154,255,579	$ 178,879,471	$ 247,674,593
20,260,583	80,955,610	17,502,622	13,299,279	19,458,192	14,133,216
-	-	-	-	-	-
13,247,382	12,484,510	10,599,080	11,080,346	17,171,268	18,823,477
14,847,262	17,141,640	27,965,958	26,030,402	7,891,268	10,080,159
111,721	-	-	-	-	267,668
4,468,641	4,812,031	8,195,056	9,563,401	10,605,096	10,809,719
38,757	13,177	-	-	-	-
33,464,346	56,182,187	72,787,521	78,733,745	76,765,751	59,996,865
$ 220,712,941	$ 254,062,967	$ 281,942,000	$ 292,962,752	$ 310,771,046	$ 361,785,697
$ 200,177,952	$ 155,979,734	$ 211,919,925	$ 216,675,346	$ 231,251,100	$ 292,538,952
40,326,997	91,801,521	30,365,112	25,949,723	29,394,836	19,797,132
298,533	131,352	132,876	127,450	189,807	222,891
14,966,801	12,484,510	10,599,080	11,080,346	23,174,048	25,363,933
5,953,304	6,276,048	8,013,015	7,037,920	11,063,989	17,392,041
33,506,028	41,723,951	58,195,971	57,040,848	35,878,945	46,212,976
111,721	-	-	-	-	267,668
2,067,261	6,008,275	5,924,719	6,513,211	1,103,455	-
2,000	2,000	2,000	2,000	2,000	2,000
4,468,641	4,812,031	8,195,056	9,563,401	10,605,096	10,809,719
2,243,923	2,167,885	1,801,736	1,836,177	2,464,242	2,487,286
(81,339,612)	(47,090,440)	(17,997,526)	4,345,372	10,230,408	3,341,865
$ 222,783,549	$ 274,296,867	$ 317,151,964	$ 340,171,794	$ 355,357,926	$ 418,436,463

CITY OF FORT MYERS, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017
Expenses				
Governmental Activities:				
General government	$ 12,200,476	$ 9,914,148	$ 16,503,612	$ 13,464,131
Police	36,183,148	35,863,633	36,761,500	40,999,085
Fire	20,189,676	19,496,788	20,645,613	22,986,548
Protective inspections	1,448,884	1,546,049	1,582,825	1,551,754
Physical environment	5,754,949	5,882,766	6,419,251	10,149,183
Transportation	19,957,055	17,111,271	10,872,397	10,644,457
Economic environment	6,199,726	4,184,294	4,458,408	4,341,052
Culture and recreation	3,759,704	3,635,056	3,764,010	4,831,427
Interest on long-term debt	5,118,896	4,481,774	3,850,491	3,734,827
Total Governmental Activities	110,812,514	102,115,779	104,858,107	112,702,464
Business-type Activities:				
Water-Wastewater	46,061,313	49,841,779	49,059,105	49,158,524
Solid Waste	8,878,238	9,642,121	10,816,688	11,466,446
Building Permits and Inspections	2,836,337	3,129,113	3,887,112	3,417,693
Stormwater	2,802,742	3,134,327	3,169,455	3,417,096
Golf Courses	3,251,488	4,425,763	4,172,868	4,006,874
Yacht Basin	2,816,344	2,587,863	2,379,323	2,559,447
Harborside Event Center	2,004,116	3,280,921	2,839,677	3,345,448
Downtown Parking Garages	1,039,313	1,049,490	1,094,280	1,141,881
Skatium	1,223,048	1,250,814	1,012,505	1,272,678
Department of Cultural and Historic Affairs	1,584,912	1,628,842	1,464,340	1,478,948
Total Business-type Activities	72,497,851	79,971,033	79,895,353	81,265,035
Total Expenses	$ 183,310,365	$ 182,086,812	$ 184,753,460	$ 193,967,499
Program Revenues				
Governmental Activities:				
Charges for services				
General government	$ 1,216,087	$ 1,256,131	$ 1,481,693	$ 1,434,025
Police	1,050,970	1,063,539	1,190,969	983,345
Fire	864,235	2,507,883	3,084,528	4,782,484
Protective inspections	1,345,184	1,663,511	1,691,810	1,456,954
Physical environment	3,607,380	4,083,754	4,259,586	4,400,720
Transportation	173,700	171,900	177,410	186,100
Economic environment	421,141	433,298	411,617	365,161
Culture and recreation	940,122	936,170	971,294	963,748
Operating grants and contributions	4,082,848	2,908,307	3,590,879	4,695,864
Capital grants and contributions	2,767,330	1,217,297	1,526,909	4,812,144
Total Governmental Activities	16,468,997	16,241,790	18,386,695	24,080,545
Business-type Activities:				
Charges for services				
Water-Wastewater	60,923,685	65,993,362	66,530,485	76,114,104
Solid Waste	14,415,660	14,739,561	15,408,793	16,176,303
Building Permits and Inspections	3,527,224	4,462,337	5,194,690	4,718,746
Stormwater	3,453,789	2,798,933	2,982,149	3,790,477
Golf Courses	2,970,250	3,606,997	3,342,525	3,312,504
Yacht Basin	2,368,389	2,389,856	2,292,037	2,604,081
Harborside Event Center	769,038	2,026,898	1,654,132	556,051
Downtown Parking Garages	946,170	1,170,576	1,278,093	1,495,879
Skatium	1,000,120	999,622	1,019,633	884,484
Department of Cultural and Historic Affairs	578,698	535,185	436,475	57,065
Operating grants and contributions	933	1,646	1,393	21,788
Capital grants and contributions	8,647,869	6,968,886	1,129,854	8,824,934
Total Business-type Activities	99,601,825	105,693,859	101,270,259	118,556,416
Total Program Revenues	$ 116,070,822	$ 121,935,649	$ 119,656,954	$ 142,636,961
Net (Expense)/Revenue				
Governmental Activities	$ (94,343,517)	$ (85,873,989)	$ (86,471,412)	$ (88,621,919)
Business-type Activities	27,103,974	25,722,826	21,374,906	37,291,381
Total Net Expense	$ (67,239,543)	$ (60,151,163)	$ (65,096,506)	$ (51,330,538)

2018	2019	2020	2021	2022	2023
$ 15,193,193	$ 18,935,366	$ 16,796,501	$ 19,332,515	$ 18,479,616	$ 11,906,896
43,282,973	50,094,186	53,692,418	48,055,077	61,012,272	75,581,098
23,354,151	24,012,018	24,908,318	23,405,565	34,465,131	46,549,570
1,477,029	1,206,667	1,269,101	1,285,922	1,674,852	2,204,157
8,101,942	8,300,274	7,415,015	7,346,558	7,591,614	24,861,980
12,868,653	12,834,980	12,515,560	14,742,735	14,453,028	12,847,542
7,761,936	7,227,557	7,226,197	7,856,160	11,236,632	6,822,360
4,900,535	5,112,618	5,012,211	6,504,253	6,693,857	7,804,991
4,177,605	4,373,083	5,429,286	5,106,027	5,841,339	5,985,123
121,118,017	132,096,749	134,264,607	133,634,812	161,448,341	194,563,717
54,494,162	54,033,880	64,156,608	65,648,967	63,291,039	71,836,757
12,665,538	13,207,099	13,599,332	14,328,991	15,742,088	16,949,004
3,260,129	3,824,020	3,572,440	4,013,838	4,122,782	4,453,260
3,791,294	6,397,793	4,082,427	4,143,041	5,295,838	4,275,405
3,990,264	4,555,423	4,127,465	4,164,101	4,205,053	4,750,824
2,713,878	2,496,668	2,714,546	2,659,658	6,061,353	292,923
-	-	-	-	-	-
1,393,887	1,171,565	1,276,021	1,334,231	1,473,926	1,559,683
1,363,376	1,272,062	1,277,518	1,263,628	1,429,610	1,507,252
-	-	-	-	-	-
83,672,528	86,958,510	94,806,357	97,556,455	101,621,689	105,625,108
$ 204,790,545	$ 219,055,259	$229,070,964	$ 231,191,267	$ 263,070,030	$ 300,188,825
$ 1,529,444	$ 1,379,190	$ 1,793,015	$ 2,511,911	$ 2,695,171	$ 2,653,708
864,009	791,076	726,004	773,588	626,422	622,658
5,563,525	6,109,752	6,092,860	5,765,095	15,158,373	17,723,169
2,074,683	2,338,705	2,023,347	1,756,791	2,426,427	2,760,025
5,322,251	5,623,902	6,301,979	5,515,155	6,180,630	6,418,378
209,600	226,800	97,500	92,900	115,400	307,800
533,489	491,010	678,043	642,691	1,019,275	710,286
878,041	1,072,132	841,214	948,848	1,194,450	1,356,449
3,194,271	13,897,119	6,167,523	8,013,123	9,640,213	8,518,882
7,598,933	8,575,992	13,608,006	5,266,100	4,620,129	23,256,990
27,768,246	40,505,678	38,329,491	31,286,202	43,676,490	64,328,345
89,489,660	89,303,304	92,276,156	77,812,625	83,547,624	98,259,707
16,719,648	17,360,885	17,546,378	18,782,745	20,339,790	21,690,439
6,554,118	3,461,999	2,385,000	1,529,805	4,559,920	6,398,872
4,845,315	6,154,614	6,324,708	6,308,216	6,057,904	6,661,676
3,704,457	3,779,227	4,029,798	4,555,596	5,053,940	5,255,297
2,844,383	2,662,845	2,703,654	3,099,340	3,599,562	-
-	-	-	-	-	-
1,509,086	1,636,132	1,390,000	1,921,000	2,375,307	2,814,039
1,131,821	1,119,413	731,279	812,691	1,062,237	1,123,800
-	-	-	-	-	-
-	-	-	-	-	-
2,635,178	2,962,907	2,758,466	3,453,831	2,522,980	11,418,585
129,433,666	128,441,326	130,145,439	118,275,849	129,119,264	153,622,415
$ 157,201,912	$ 168,947,004	$168,474,930	$ 149,562,051	$ 172,795,754	$ 217,950,760
$ (93,349,771)	$ (91,591,071)	$ (95,935,116)	$(102,348,610)	$(117,771,851)	$ (130,235,372)
45,761,138	41,482,816	35,339,082	20,719,394	27,497,575	47,997,307
$ (47,588,633)	$ (50,108,255)	$ (60,596,034)	$ (81,629,216)	$ (90,274,276)	$ (82,238,065)

CITY OF FORT MYERS, FLORIDA
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017
General Revenues				
Governmental activities:				
Taxes				
Property taxes	$ 36,692,230	$ 39,540,177	$ 43,228,377	$ 47,489,913
Public service taxes	11,390,495	11,128,791	11,657,511	12,391,892
Fuel taxes	4,372,936	4,757,761	4,989,361	5,109,905
Local business tax	1,566,244	1,866,306	2,063,988	2,277,282
Franchise taxes	5,646,716	5,587,985	5,554,198	5,933,105
Intergovernmental, unrestricted	8,358,062	8,707,856	9,418,377	9,822,260
Interest and investment income	227,329	231,581	567,493	938,962
Miscellaneous	1,547,857	1,334,794	2,079,352	2,737,778
Transfers	3,216,328	9,048,150	9,486,793	5,945,695
Total general revenues and transfers	73,018,197	82,203,401	89,045,450	92,646,792
Business-type Activities:				
Interest and investment income	66,895	166,314	340,870	565,845
Miscellaneous	30,220	148,851	213,887	349,507
Loss on disposal of capital assets	-	-	-	(1,188,193)
Special items	-	-	-	1,790,819
Transfers	(3,216,328)	(9,048,150)	(9,486,793)	(5,945,695)
Total Business-type Activities	(3,119,213)	(8,732,985)	(8,932,036)	(4,427,717)
Total primary government	$ 69,898,984	$ 73,470,416	$ 80,113,414	$ 88,219,075
Change in Net Position				
Governmental activities	$ (21,325,320)	$ (3,670,588)	$ 2,574,038	$ 4,024,873
Business-type activities	23,984,761	16,989,841	12,442,870	32,863,664
Total Change in Net Position	$ 2,659,441	$ 13,319,253	$ 15,016,908	$ 36,888,537

CITY OF FORT MYERS, FLORIDA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017
General Fund				
Nonspendable	$ 634,617	$ 630,305	$ 657,877	$ 665,752
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	2,354,553	3,174,670	4,954,240	5,669,783
Unassigned	12,654,296	11,064,377	16,015,483	20,189,290
Total General Fund	$ 15,643,466	$ 14,869,352	$ 21,627,600	$ 26,524,825
All other governmental funds				
Nonspendable	$ 273,004	$ 261,135	$ 2,000	$ 2,000
Restricted	75,719,336	66,686,745	73,303,052	59,439,741
Committed	61,662	66,838	71,497	67,220
Assigned	2,359	2,361	2,382	2,393
Unassigned	(41,631)	(17,646)	(27,689)	(2,591,598)
Total all other governmental funds	$ 76,014,730	$ 66,999,433	$ 73,351,242	$ 56,919,756
Total Fund Balance, All Governmental Funds	$ 91,658,196	$ 81,868,785	$ 94,978,842	$ 83,444,581

2018	2019	2020	2021	2022	2023
$ 52,492,216	$ 55,451,904	$ 58,361,391	$ 61,810,638	$ 64,967,621	$ 72,144,752
12,878,111	13,266,106	13,549,249	14,093,869	15,203,132	18,053,346
5,194,989	5,195,694	3,989,619	4,052,036	4,232,095	3,925,674
2,345,133	2,546,362	2,643,692	2,275,024	2,489,958	3,292,784
5,844,019	6,154,779	6,012,222	6,391,293	7,740,890	8,680,183
10,726,651	11,074,496	11,111,912	13,573,591	16,451,941	17,285,414
1,328,876	3,419,840	1,992,436	26,540	(5,158,321)	5,372,226
3,145,764	1,856,246	2,362,829	2,081,664	2,964,764	10,718,217
8,520,360	10,788,936	10,887,830	10,043,033	6,257,609	2,326,662
102,476,119	109,754,363	110,911,180	114,347,688	115,149,689	141,799,258
1,274,054	2,437,627	2,897,664	75,612	(3,456,670)	5,081,740
35,133	218,519	530,117	268,779	24,998	262,266
-	-	-	-	-	-
-	-	-	-	-	-
(8,520,360)	(10,788,936)	(10,887,830)	(10,043,033)	(6,257,609)	(2,326,662)
(7,211,173)	(8,132,790)	(7,460,049)	(9,698,642)	(9,689,281)	3,017,344
$ 95,264,946	$ 101,621,573	$103,451,131	$ 104,649,046	$ 105,460,408	$ 144,816,602
$ 9,126,348	$ 18,163,292	$ 14,976,064	$ 11,999,078	$ (2,622,162)	$ 11,563,886
38,549,965	33,350,026	27,879,033	11,020,752	17,808,294	51,014,651
$ 47,676,313	$ 51,513,318	$ 42,855,097	$ 23,019,830	$ 15,186,132	$ 62,578,537

2018	2019	2020	2021	2022	2023
$ 654,971	$ 645,699	$ 643,993	$ 648,643	$ 1,933,946	$ 1,920,136
-	-	-	-	3,232,075	-
-	-	-	-	-	9,995,864
8,301,345	13,093,042	11,508,556	7,710,142	5,672,915	18,838,219
24,546,267	26,274,742	24,583,647	23,984,308	33,457,619	28,754,722
$ 33,502,583	$ 40,013,483	$ 36,736,196	$ 32,343,093	$ 44,296,555	$ 59,508,941
$ 2,092	$ 13,030	$ 6,553	$ 6,503	$ 41,298	$ 33,508
49,045,326	72,871,122	64,878,071	60,828,068	60,658,376	69,508,529
70,882	54,118	51,307	47,347	42,639	29,245
2,413	2,445	2,486	2,492	2,495	2,546
(7,651,269)	(2,125,629)	(1,566,904)	(2,263,798)	(698,131)	(16,127,868)
$ 41,469,444	$ 70,815,086	$ 63,371,513	$ 58,620,612	$ 60,046,677	$ 53,445,960
$ 74,972,027	$ 110,828,569	$100,107,709	$ 90,963,705	$ 104,343,232	$ 112,954,901

CITY OF FORT MYERS, FLORIDA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017
Revenues				
Taxes	$ 61,016,850	$ 64,285,118	$ 68,936,377	$ 74,425,669
Permits and fees	3,149,666	4,594,785	6,344,149	7,648,622
Intergovernmental revenue	12,672,281	10,450,816	11,632,039	13,819,824
Charges for services	6,323,264	6,666,238	6,908,940	7,024,815
Fines and forfeitures	655,683	638,039	610,711	446,734
Miscellaneous	1,961,842	2,046,053	2,923,160	2,900,130
Contributions-capital contribution & private source	60,419	127,963	334,978	187,822
Total Revenues	85,840,005	88,809,012	97,690,354	106,453,616
Expenditures				
Current:				
General government	9,926,424	10,417,815	11,530,400	12,681,709
Police	35,933,246	38,019,221	37,160,135	40,862,828
Fire	20,157,916	20,494,102	20,783,032	23,621,467
Protective inspections	1,455,396	1,625,700	1,607,047	1,502,826
Physical environment	5,530,652	5,968,175	5,827,071	8,879,263
Transportation	12,049,594	4,683,326	7,171,333	7,149,986
Economic environment	4,270,410	3,876,766	4,378,959	4,356,079
Culture and recreation	2,931,606	2,852,402	2,712,057	3,183,413
Debt service:				
Principal retirement	7,783,154	7,334,189	7,526,084	5,342,979
Interest and fiscal charges	5,073,238	4,196,644	4,560,435	3,487,356
Capital outlay	4,361,479	9,495,953	11,970,997	14,127,394
Total Expenditures	109,473,115	108,964,293	115,227,550	125,195,300
Excess (Deficiency) of Revenues over Expenditures	(23,633,110)	(20,155,281)	(17,537,196)	(18,741,684)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Leases	-	-	-	53,981
Transfers in	37,207,922	28,086,124	47,503,053	27,559,883
Transfers out	(32,794,548)	(17,720,254)	(36,317,735)	(20,406,441)
Refunding bonds issued	39,910,000	-	52,130,000	-
Finance purchase obligations	-	-	-	-
Premiums on bonds issued	1,778,586	-	5,067,430	-
Payments to bond escrow agent	(30,726,640)	-	(37,735,495)	-
Total Other Financing Sources (Uses)	15,375,320	10,365,870	30,647,253	7,207,423
Net change in fund balances	$ (8,257,790)	$ (9,789,411)	$ 13,110,057	$ (11,534,261)
Debt service as a percentage of noncapital expenditures	11.6%	11.5%	11.0%	7.8%

2018	2019	2020	2021	2022	2023
$ 80,326,454	$ 84,101,283	$ 86,215,665	$ 90,275,805	$ 96,488,297	$ 108,503,173
13,847,782	15,412,607	17,366,024	10,940,446	22,018,963	29,775,917
12,490,090	22,716,477	17,250,558	22,188,666	25,112,286	37,874,003
7,457,400	8,364,654	8,904,705	8,411,997	8,857,411	9,460,065
473,273	590,318	672,471	747,930	729,537	776,760
4,717,054	6,011,447	5,876,418	3,558,589	1,015,841	12,473,775
330,673	139,003	217,904	228,257	311,126	848,421
119,642,726	137,335,789	136,503,745	136,351,690	154,533,461	199,712,114
15,327,081	15,987,348	16,393,415	19,242,185	18,452,256	20,538,771
44,222,198	51,403,159	56,817,809	57,022,602	59,887,911	70,632,639
23,259,848	23,501,577	24,524,839	27,321,444	33,562,735	41,874,654
1,594,763	1,308,200	1,479,286	1,534,184	1,660,619	2,115,751
7,912,701	7,502,621	7,671,925	8,354,256	8,544,333	24,584,816
4,602,034	4,699,201	4,650,377	4,860,400	5,060,131	4,819,688
7,421,064	4,710,403	5,695,861	8,319,742	11,182,961	9,291,144
3,593,302	3,953,859	3,919,336	4,175,680	4,739,560	6,873,194
6,839,334	4,889,417	7,088,487	6,676,910	36,775,508	10,130,247
3,913,087	4,854,899	5,271,759	4,953,181	5,129,763	5,949,618
18,963,590	27,986,698	41,012,281	19,596,527	20,816,859	14,808,344
137,649,002	150,797,382	174,525,375	162,057,111	205,812,636	211,618,866
(18,006,276)	(13,461,593)	(38,021,630)	(25,705,421)	(51,279,175)	(11,906,752)
-	-	-	-	-	6,026,571
-	2,432,598	-	-	1,525,459	3,485
27,707,436	63,708,431	46,996,479	38,555,502	52,209,608	37,458,325
(18,173,714)	(51,580,991)	(35,718,061)	(28,248,616)	(45,686,172)	(35,021,532)
-	45,656,995	16,022,352	6,254,531	51,619,725	9,638,887
-	-	-	-	4,990,082	1,912,685
-	2,467,946	-	-	-	-
-	(13,366,844)	-	-	-	-
9,533,722	49,318,135	27,300,770	16,561,417	64,658,702	20,018,421
$ (8,472,554)	$ 35,856,542	$ (10,720,860)	$ (9,144,004)	$ 13,379,527	$ 8,111,669
8.8%	7.2%	8.9%	7.9%	22.2%	8.2%

CITY OF FORT MYERS, FLORIDA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
($ in thousands)

Tax Year [1]	Real Property	Personal Property	Total Assessed Value	Allowable Exemptions [2]	Total Taxable Assessed Value	Assessed Value as a Percentage of Actual Value [3]	Estimated Actual Assessed Value [4]	Total Direct Tax Rate
2013	$5,316,312	$640,310	$5,956,622	$1,756,364	$4,200,258	70.51%	$5,956,968	8.7760
2014	5,978,526	606,789	6,585,315	2,028,995	4,556,320	69.19%	6,585,229	8.7760
2015	6,666,152	612,226	7,278,378	2,301,496	4,976,882	68.38%	7,278,271	8.7760
2016	7,629,258	617,739	8,246,997	2,765,783	5,481,214	66.46%	8,247,388	8.7500
2017	8,382,657	648,185	9,030,842	2,908,701	6,122,141	67.79%	9,031,039	8.6500
2018	8,868,932	731,056	9,599,988	2,962,866	6,637,122	69.14%	9,599,540	8.4500
2019	9,484,898	765,235	10,250,133	3,145,187	7,104,946	69.32%	10,249,489	8.2500
2020	10,306,595	804,187	11,110,782	3,303,394	7,807,388	70.27%	11,110,556	7.9643
2021	11,694,604	822,499	12,517,103	3,902,452	8,614,651	68.82%	12,517,656	7.5875
2022	15,589,112	944,707	16,533,819	4,551,366	11,982,453	72.47%	16,534,363	6.9999

Source: Lee County Property Appraiser

[1] Calendar year basis.
[2] Allowable exemptions include the assessment differential value of capped parcels, which is more commonly known as the "Save Our Homes" constitutional amendment.
[3] Florida Statutes require assessments at just valuation.
[4] Estimated actual value is calculated by dividing total taxable assessed value by assessed value as a percentage of actual value.

CITY OF FORT MYERS, FLORIDA
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(per $1,000 of assessed value)

		City of Fort Myers Direct Rates			Overlapping Rates			
Tax Year [1]	Fiscal Year	Operating Millage [2]	GO Debt Service Millage	Total Direct Tax Rate	Lee County General	Other [3]	School District Millage	Total Direct & Overlapping Rates
2013	2013/14	8.7760	0.0000	8.7760	4.1506	1.3271	7.598	21.8517
2014	2014/15	8.7760	0.0000	8.7760	4.1506	1.2866	7.416	21.6292
2015	2015/16	8.7760	0.0000	8.7760	4.1506	1.2561	7.285	21.4677
2016	2016/17	8.7500	0.0000	8.7500	4.0506	1.2317	6.989	21.0213
2017	2017/18	8.6500	0.0000	8.6500	4.0506	1.2498	6.679	20.6294
2018	2018/19	8.4500	0.0000	8.4500	4.0506	1.1161	6.401	20.0177
2019	2019/20	8.2500	0.0000	8.2500	4.0506	1.0914	6.147	19.5390
2020	2020/21	7.9643	0.0000	7.9643	4.0506	1.0685	6.058	19.1414
2021	2021/22	7.5875	0.0000	7.5875	3.8623	1.0354	5.891	18.3762
2022	2022/23	6.9999	0.0000	6.9999	3.7623	0.9934	5.557	17.3126

Source: Lee County Tax Collector

[1] Calendar year basis.
[2] The City's operating millage tax rate may be increased only by a majority vote of the City Council.
[3] 'Other' consists of Lee County Capital Improvement, Lee County Library District, Lee County All Hazards, and other Independent Special Districts.

CITY OF FORT MYERS, FLORIDA
Principal Property Taxpayers
September 30, 2023
Current Year and Ten Years Ago
($ in thousands)

	2023 [1]			2014 [2]		
Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Lee County	$ 100,756	1	0.98%			
West End Fort Myers Owners LLC	88,927	2	0.86%			
Lnx 1 Properties LLC	82,030	3	0.79%			
Fort Myers Multifamily II	79,599	4	0.77%			
Awpre Encore Vive 2021 LLC	77,288	5	0.75%			
Lee Memorial Health System	77,030	6	0.75%			
Legacy Gateway 60 LLC +	76,537	7	0.74%			
Mall Ground Portfolio LLC	70,000	8	0.68%			
Six Mile Apartments LLC	69,653	9	0.67%			
3040 Oasis Grand Blvd Owner LLC	60,350	10	0.58%			
Edison Mall Business Trust				$ 76,841	1	1.83%
Gulf Stream Isles Apartments				18,547	2	0.44%
Inland Diversified				15,729	3	0.37%
Cole Mt. Fort Myers				15,424	4	0.37%
Fort Myers Imports LLC				13,013	5	0.31%
Cypress Legends LLC				11,870	6	0.28%
The Palms at Ft. Myers				10,869	7	0.26%
SptMrt Properties Trust				10,407	8	0.25%
Cypress Woods Associates LLC				9,574	9	0.23%
Obrien Automotive of Florida				9,497	10	0.23%
Total	$ 782,170		7.57%	$ 191,771		4.57%

Source: [1] Lee County Property Appraiser - 2023 Tax Roll
City of Fort Myers Budget Office - FY 2022-23 Budget Book
[2] Lee County Property Appraiser - 2013 Tax Roll
City of Fort Myers Annual Comprehensive Financial Report, September 30, 2014

CITY OF FORT MYERS, FLORIDA
Property Tax Levies and Collections
Last Ten Tax Years
($ in thousands)

		Collected within the Year of the Levy			Total Collections to Date	
Tax Year [1]	Total Tax Levy	Amount Collected	Percentage of Levy	Prior Years Tax Collections [2]	Amount Collected	Percent of Levy
2013	$36,761	$36,717	99.9%	$233	$36,950	100.5%
2014	39,701	39,634	99.8%	158	39,792	100.2%
2015	43,485	43,473	100.0%	44	43,517	100.1%
2016	47,770	47,794	100.1%	44	47,838	100.1%
2017	52,507	52,643	100.3%	90	52,733	100.4%
2018	55,688	55,736	100.1%	(20)	55,716	100.1%
2019	58,301	58,426	100.2%	112	58,538	100.4%
2020	61,762	61,840	100.1%	(58)	61,782	100.0%
2021	65,556	64,992	99.1%	14	65,006	99.2%
2022	72,295	68,881	95.3%	32	68,913	95.3%

Source: Lee County Tax Collector

[1] Calendar year basis.
[2] The Lee County Tax Collector auctions current year delinquent tax certificates in June of each year. The County cannot reasonably provide us with delinquent taxes by year.

CITY OF FORT MYERS, FLORIDA
Water Sold by Type of Customer and Wastewater Billed by Type of Customer
Last Ten Fiscal Years
(in millions of gallons)

Water:

Type of Customer	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Residential	1,308.0	1,303.2	1,461.4	1,439.2	1,478.6	1,586.9	1,606.9	1,666.1	1,797.6	1,895.8
Commercial	2,899.0	2,863.8	3,027.3	2,181.3	1,791.5	1,837.0	1,905.4	1,702.7	1,781.5	1,948.6
Total	4,207.0	4,167.0	4,488.7	3,620.5	3,270.1	3,423.9	3,512.3	3,368.8	3,579.1	3,844.4
Total direct rate per 1,000 gallons	$ 4.67	$ 4.65	$ 4.65	$ 4.79	$ 4.79	$ 4.79	$ 4.79	$ 4.79	$ 4.79	$ 4.98

Wastewater:

Type of Customer	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Residential	1,266.2	1,261.4	1,304.7	1,366.2	1,403.3	1,410.3	1,513.6	1,574.2	1,722.3	1,814.7
Commercial	677.4	707.0	680.8	697.0	712.6	744.2	652.3	699.5	755.6	810.9
Total	1,943.6	1,968.4	1,985.5	2,063.2	2,115.9	2,154.5	2,165.9	2,273.7	2,477.9	2,625.6
Total direct rate per 1,000 gallons	$11.40	$13.25	$13.25	$13.65	$13.65	$13.65	$13.65	$13.65	$13.65	$14.19

Source: City of Fort Myers Utility Billing Department

Note: The City of Fort Myers' rates change incrementally with increases in usage of volume.

CITY OF FORT MYERS, FLORIDA
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
($ in thousands)

Fiscal Year	Governmental Activities				Business-Type Activities			
	Revenue Bonds	Financing Purchase Obligations	Leases Payable	Notes Payable	Utility Revenue Bonds	State Revolving Fund Loans	Other Utility Debt	Other Revenue Bonds
2014	$ 108,614	$ 702	$ -	$ 3,994	$ 136,497	$ 73,162	$ 48,912	$ 665
2015	101,502	504	-	3,793	131,160	68,581	48,327	599
2016	114,426	1,418	-	3,275	125,602	63,880	47,705	530
2017	108,193	1,031	-	2,682	81,279	59,056	84,150	457
2018	101,367	2,607	-	2,088	42,935	54,105	115,062	381
2019	131,442	5,301	-	1,488	161,421	49,025	82,070	303
2020	124,862	4,839	-	17,015	246,995	-	36,039	225
2021	118,590	4,059	-	22,773	218,666	-	47,109	142
2022	112,063	7,019	786	45,646	209,524	-	46,089	-
2023	106,257	6,574	1,135	52,895	196,377	-	43,537	-

Fiscal Year	Business-Type Activities					
	Finance Purchase Obligations	Leases Payable	Other Proprietary Debt	Total Primary Government [1]	Percentage of Personal Income [1]	Debt Per Capita
2014	$ -	$ -	$ 3,953	$ 372,546	12.63%	$ 5,367
2015	509	-	3,748	354,975	11.37%	4,903
2016	393	-	3,534	357,229	10.21%	4,694
2017	14,062	-	3,309	350,910	9.37%	4,436
2018	14,347	-	3,073	332,892	7.89%	4,066
2019	14,226	-	2,826	445,276	9.63%	5,067
2020	13,677	-	2,568	443,651	8.96%	4,791
2021	13,273	-	2,297	424,612	8.39%	4,638
2022	13,066	846	2,013	437,052	7.31%	4,517
2023	-	608	1,715	409,099	6.41%	4,187

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

[1] See Schedule 14 for personal income and population data.

CITY OF FORT MYERS, FLORIDA
Direct and Overlapping Governmental Activities Debt
September 30, 2023

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Fort Myers [1]	Amount Applicable to Fort Myers
City of Fort Myers	$ 168,647,529	100.00%	$ 168,647,529
Overlapping Bonded Debt:			
Lee County	312,246,000	6.63%	20,713,476
School Board	493,044,696	6.63%	32,707,126
Total Overlapping Bonded Debt	805,290,696		53,420,602
Total net direct and net overlapping bonded debt	$ 973,938,225		$ 222,068,131

Sources: Lee County, Finance Division
Lee County Clerk of Court
Lee County School Board, Finance Division
City of Fort Myers Annual Budget Book

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Fort Myers. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

[1] Calculated as a ratio of taxable valuation of property in the City of Fort Myers ($11,982,452,942) to total estimated taxable valuation of property in Lee County, Florida

CITY OF FORT MYERS, FLORIDA
General Revenue Bonds - Pledged Revenue Coverage
Last Ten Fiscal Years
($ in thousands)

	General Revenue Bonds				
Fiscal Year	Excess Utilities Tax	Communications Tax	Guaranteed Entitlement Funds	Franchise Taxes	Local Business Tax
2014	$ 8,048	$ 3,342	$ 893	$ 5,433	$ 1,745
2015	8,285	2,844	893	5,521	1,909
2016	8,626	3,032	893	5,488	2,112
2017	9,102	3,290	893	5,733	2,326
2018	9,624	3,254	893	5,844	2,407
2019 [1]	-	-	-	-	-
2020 [1]	-	-	-	-	-
2021 [1]	-	-	-	-	-
2022 [1]	-	-	-	-	-
2023 [1]	-	-	-	-	-

Note: Debt service coverage is based on pledged revenues and annual debt service.

[1] There are no pledged revenues related to General Revenue Bonds debt service for fiscal years 2019 through 2023. The City covenanted and agreed to budget and appropriate amounts from Non-Ad Valorem Revenues sufficient to pay principal and interest when due. Such covenant to budget and appropriate does not create any lien or pledge of such Non-Ad Valorem Revenues.

	General Revenue Bonds				
Fiscal Year	Excess Utilities Tax	Communications Tax	Guaranteed Entitlement Funds	Franchise Taxes	Local Business Tax
2014	$ 8,048	$ 3,342	$ 893	$ 5,433	$ 1,745
2015	8,285	2,844	893	5,521	1,909
2016	8,626	3,032	893	5,488	2,112
2017	9,102	3,290	893	5,733	2,326
2018	9,624	3,254	893	5,844	2,407
2019 [1]	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-

Note: Bond coverage is based on the bond document calculation.

[1] There are no pledged revenues related to General Revenue Bonds debt service for fiscal years 2019 through 2023. The City covenanted and agreed to budget and appropriate amounts from Non-Ad Valorem Revenues sufficient to pay principal and interest when due. Such covenant to budget and appropriate does not create any lien or pledge of such Non-Ad Valorem Revenues.

General Revenue Bonds (continued)

Half-Cent Sales Tax	Total Pledged Revenues	Debt Service		Bond Coverage
		Principal	Interest	
$ 5,217	$ 24,678	$ 5,630	$ 4,047	2.55
5,613	25,065	4,520	3,793	3.02
5,929	26,080	4,745	3,559	3.14
6,152	27,496	2,525	868	8.10
6,883	28,905	2,660	738	8.51
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

General Revenue Bonds (continued)

Half-Cent Sales Tax	Total Pledged Revenues	Maximum Principal and Interest	Bond Coverage
$ 5,217	$ 24,678	$ 7,425 (1)	3.32 (1)
5,613	25,065	7,416 (1)	3.38 (1)
5,929	26,080	3,408 (1)	7.65 (1)
6,152	27,496	3,408	8.07
6,883	28,905	3,408	8.48
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

CITY OF FORT MYERS, FLORIDA
General Revenue Bonds - Pledged Revenue Coverage
Last Ten Fiscal Years - Continued
($ in thousands)

Community Redevelopment Revenue Note, Series 2005

Fiscal Year	Tax Increment Financing Revenues	Maximum Principal and Interest	Bond Coverage
2014	$ 2,942	$ 658	4.47
2015	3,226	637	5.06
2016	3,538	618	5.72
2017	4,006	597	6.71
2018	4,685	577	8.12
2019	5,047	557	9.06
2020	5,492	537	10.23
2021	6,342	516	12.29
2022	6,810	- [1]	- [1]
2023	9,560	- [1]	- [1]

[1] Series 2005 CRA Note no longer has a balance and there is no principal and interest or bond coverage to record for fiscal year 2023.



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CITY OF FORT MYERS, FLORIDA
Water-Wastewater Utility - Pledged Revenue Coverage
Last Ten Fiscal Years
($ in thousands)

Fiscal Year	Gross Utility Revenues	Direct Operating Expenses	Net Operating Revenues	Pledged Impact Fees Available	Total Available Revenues
2014	$ 60,924	$ 36,010	$ 24,914	$ 2,428	$ 27,342
2015	65,993	40,264	25,729	3,630	29,359
2016	66,530	39,933	26,597	3,958	30,555
2017	76,114	40,947	35,167	5,309	40,476
2018	89,490	46,409	43,081	8,390	51,471
2019	89,303	45,180	44,123	6,314	50,437
2020	92,276	53,807	38,469	11,783	50,252
2021	77,813	56,790	21,023	3,187	24,210
2022	83,548	55,909	27,638	4,056	31,695
2023	98,260	64,421	33,838	6,726	40,565

Coverage based on current year results and not calculated according to the bond documents.

Note: Corrected prior years for consistency in interpretation of bond documents.

Fiscal Year	Total Operating Revenues	Total Operating Expenses	Net Operating Revenues	Adjustments Per Bond Documents	Net Operating Revenues Available for Debt Service
2014	$ 58,558	$ 28,381	$ 30,177	$ 9,923	$ 40,100
2015	62,388	32,339	30,049	10,643	40,692
2016	62,746	31,563	31,183	11,012	42,195
2017	71,038	31,257	39,781	11,104	50,885
2018	78,722	33,005	45,717	11,287	57,004
2019	83,726	36,834	46,892	12,064	58,956
2020	81,057	45,626	35,431	12,173	47,604
2021	74,944	44,729	30,216	12,863	43,079
2022	79,732	44,601	35,131	11,917	47,048
2023	92,647	51,700	40,947	11,452	52,400

Coverage calculated according to the bond documents for coverage and additional bonds test.

Note: Corrected prior years for consistency in interpretation of bond documents.

Debt Service		Bonded	State Revolving Loan	Utility Bonds and Notes
Principal	Interest	Coverage	Debt Service	Coverage
$ 4,459	$ 7,822	$ 2.23	$ 6,453	$ 1.46
6,460	7,633	2.08	6,453	1.43
6,602	7,556	2.16	6,453	1.48
8,519	7,752	2.49	6,453	1.78
8,783	6,110	3.46	6,453	2.41
9,297	5,748	3.35	6,543	2.34
6,756	9,258	3.14	-	3.14
7,865	9,279	1.41	-	1.41
13,402	8,882	1.42	-	1.42
11,330	7,086	2.20	-	2.20

Impact Fees Available for Debt Service	Total Revenues Available for Debt Service	Maximum Debt Service	Coverage NOR Available for Debt Service	Coverage Total Revenues Available	State Revolving Loan Maximum Debt Service	Coverage Total Revenues Debt Service
$ 2,428	$ 42,528	$ 16,271	$ 2.46	$ 2.61	$ 6,453	$ 4.07
3,630	44,322	16,271	2.50	2.72	6,453	4.35
3,958	46,153	16,271	2.59	2.84	6,453	4.63
5,309	56,194	15,846	3.21	3.55	6,453	6.25
8,390	65,394	15,556	3.66	4.20	6,453	7.72
6,314	65,270	19,079	3.09	3.42	6,453	7.16
11,783	59,387	22,376	2.13	2.65	-	-
3,187	46,265	22,304	1.93	2.07	-	-
4,056	51,104	22,299	2.11	2.29	-	-
6,726	59,126	22,299	2.35	2.65	-	-

CITY OF FORT MYERS, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

	Population		City of Fort Myers [1]				
Year	City of Fort Myers [2]	Lee County [3]	Total Personal Income (in thousands) [4]	Per Capita Income [5]	Labor Force [6]	Unemployed [6]	Unemployment Rate [6]
2014	69,413	653,485	$ 1,569,566	$ 22,612	30,728	1,746	5.7%
2015	72,395	665,845	1,645,104	22,724	30,300	1,574	5.2%
2016	76,108	680,539	1,946,158	25,571	31,950	1,493	4.7%
2017	79,106	698,468	2,156,904	27,266	32,654	1,426	4.4%
2018	81,868	713,903	2,324,559	28,394	34,034	1,258	3.7%
2019	87,871	735,148	2,300,067	28,203	35,736	1,214	3.4%
2020	92,599	750,493	2,517,451	29,272	35,142	2,905	8.3%
2021	91,544	782,579	2,896,181	32,407	38,123	1,887	4.9%
2022	96,755	802,178	3,638,806	38,867	40,098	1,300	3.2%
2023	97,711	800,989	3,886,895	39,351	42,209	1,421	3.4%
	As Projected [7]						
2028	106,032						

Sources:
(1) City of Fort Myers statistics were not available until 2010.
(2) Office of Economic and Demographic Research - Edr.state.fl (2023). Population is projected.
US Census Bureau (2020).
Bureau of Economic and Business Research, University of Florida (2014-2023). Population is projected.
(3) Office of Economic and Demographic Research - Edr.state.fl (2023). Population is projected.
US Census Bureau (2020).
Bureau of Economic and Business Research, University of Florida (2014-2023). Population is projected.
(4) Lee County, Florida, Comprehensive Annual Financial Report, Demographic Statistics (2023).
City of Fort Myers, Geographic Information Systems (2014-2023). Total personal income is estimated.
(5) Lee County, Florida, Comprehensive Annual Financial Report, Demographic Statistics (2023).
City of Fort Myers, Geographic Information Systems (2014-2023). Per capita income is estimated.
(6) Florida Agency for Workforce Innovation, Labor Market Statistics Center (2023).
Florida Department of Economic Opportunity (2014-2023).
(7) ESRI Projection 01/12/2024

LEE COUNTY, FLORIDA
Principal Employers [1]
September 30, 2023
Current Year and Nine Years Ago

	2023			2014		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lee Health	13,558	1	3.73%	10,500	1	3.72%
Lee County School District	10,927	2	3.00%	10,000	2	3.54%
Lee County Local Government Entities	9,377	3	2.58%			
Publix Super Market [2]	5,199	4	1.43%	5,297	3	1.88%
Chico's FAS Inc.	3,903	5	1.07%	1,703	6	0.60%
Herc Rentals	2,400	6	0.66%			
Amazon	2,200	7	0.60%			
Gartner, Inc.	1,844	8	0.51%			
Florida Gulf Coast University	1,778	9	0.49%	1,490	9	0.53%
Walmart	1,509	10	0.41%	2,075	5	0.73%
Shell Point Retirement Community				1,000	10	0.35%
Lee County Administration				2,528	4	0.89%
City of Cape Coral				1,654	7	0.59%
Lee County Sheriff's Office				1,508	8	0.53%
Total	52,695		14.48%	37,755		13.36%

Source: Lee County Office of Economic Development, SW Florida Economic Development Alliance, Florida Research and Economic Database, and U.S. Bureau of Labor Statistics.

[1] The information provides Lee County statistics since statistics for the City of Fort Myers are not available.
[2] Third party citation.

CITY OF FORT MYERS, FLORIDA
Full-Time Equivalent Government - Employees by Function/Program
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
General Government	117.0	116.5	118.2	119.2	121.2	128.0	133.0	132.5	133.5	151.3	
Public Safety	436.8	436.6	438.6	455.3	488.8	504.0	520.5	529.2	563.1	575.4	
Physical Environment	252.5	254.9	256.8	254.9	258.9	257.9	259.5	259.4	264.4	257.5	
Transportation	19.0	19.0	18.3	18.3	18.3	19.0	19.0	18.5	18.5	20.4	
Culture/Recreation	103.4	103.0	100.3	101.8	66.6	63.6	63.6	63.4	65.3	65.3	
Economic Environment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.1	(1)
Community Development	13.9	13.9	13.9	13.9	14.9	18.2	18.4	18.4	18.4	0.0	(2)
Total	942.6	943.9	946.1	963.4	968.7	990.7	1,014.0	1,021.4	1,063.2	1,076.0	

Source: City of Fort Myers Budget Office

(1) The information for Economic Environment is added for fiscal year 2023.
(2) The information for Community Development for fiscal year 2023 going forward is omitted.

CITY OF FORT MYERS, FLORIDA
Operations Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Number of Police personnel and officers	251	262	262	255	307	312	313	319	319	304
Physical arrests	5,381	3,424 [7]	3,060	2,962	2,927	3,165	3,116	2,868	3,381	4,068
Traffic violations	19,253	14,587 [1]	7,981 [1]	6,782 [1]	5,494 [1]	3,882 [1]	3,852	4,405	5,325	5,592
Parking violations	7,000 [3]	15,238 [8]	11,886	10,968	12,661	10,294	8,401 [9]	12,611	13,590	14,384
Fire										
Number of Fire personnel and officers	140	121	125	125	124	117	124	135	146	167
Number of calls answered	14,250	10,847 [6]	15,572	12,584	17,818	17,341	16,562	17,130	18,915	26,026
Number of inspections conducted	3,969	3,366	4,484	4,685	4,917	5,308	5,898	5,511	5,681	9,645
Solid Waste										
Commercial MSW (tonnage)	28,946	32,735	31,533	31,496	33,875	34,006	32,584	35,403	36,916	39,997
Residential MSW (tonnage)	9,916	8,781	12,897	13,327	14,355	14,441	16,183	17,744	17,145	17,892
Roll-Off Debris (tonnage)	16,748	17,639	16,442	15,920	19,146	18,628	18,403	20,293	19,895	20,922
Recycling (tonnage)	4,300	4,699	5,079	5,497	4,993	4,396	5,580	5,817	4,955	5,535
Culture and Recreation										
City Recreation Venues	900,826	579,642	656,936	815,278	752,242	897,080	470,745 [2]	515,675 [2]	742,206	766,721
Water system										
Number of service connections	23,132	23,692	25,210	26,069	26,257	27,142	27,939	30,751	31,156	31,507
Daily average finished flow in gallons*	6,820	6,881	6,922	7,293	7,423	7,471	7,540	8,006	8,020	9,100
Maximum daily capacity of plants, in gallons*	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	9,000	9,860
Wastewater system										
Number of service connections	21,058	21,351	23,051	23,825	24,022	24,878	25,683	28,069	28,424	28,711
Daily average treatment in gallons*	11,648 [4]	14,810	14,780	15,040	14,410	14,750	14,990	17,745	18,050	17,545
Maximum daily capacity of treatment plants, in gallons*	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Building Permits and Inspection										
Building permits issued	7,465	8,916	9,174	7,982	8,611	8,314	8,673	8,824	8,317	10,281 [10]
Golf Courses										
Number of rounds per year, Eastwood	59,741	56,466	52,439	42,815	52,197	54,324	51,938	60,044	51,089	54,023
Number of rounds per year, Fort Myers	38,930 [5]	58,756	58,245	63,461	61,687	63,548	65,260	70,502	73,082	66,692

Sources: Various City departments

** Amounts are in thousands*

Note: In fiscal year 2013, the City changed this schedule to enhance the reporting of Operating Indicators. Therefore, the Capital Assets Statistics reported in previous fiscal years' Schedule 17 transferred to Schedule 18.

(1) Citations declined due to fewer traffic stops.

(2) Comprises attendance at City community centers, athletics and aquatics venues, and special events. Significant decrease in fiscal years 2020 and 2021 due to the pandemic.

(3) Reporting period January 2014 to September 2014.

(4) Less influent from Lee County to South Plant and lower rainfall than normal.

(5) Fort Myers Country Club closed five months for renovations, which led to a temporary increase at the Eastwood Golf Course.

(6) Decrease due to low acuity call types dispatched by 911 as an EMS only response, not requiring the additional response by Firefighters.

(7) Decline due to change in reporting software.

(8) Increase due to the inclusion of warning citations, FMPD citations issued after hours, and a better enforcement program.

(9) Total parking citations declined due to the pandemic. Enforcement removed from the streets for several months and less people visiting the downtown area.

(10) Increase most likely due to Hurricane Ian and the need for permits due to the severity of storm damage.

CITY OF FORT MYERS, FLORIDA
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Number of Enterprise Center buildings	2	2	2	2	2	2	2	2	2	2
Number of Facility Management vehicles	12	14	14	14	12	12	14	17	14	15
Police										
Number of stations	2	2	2	1	1	1	1	1	1	1
Number of substations	0	0	0	3	3	6	6	6	6	5
Number of patrol vehicles	109	111	136	135	154	143	129	143	171	194
Number of unmarked vehicles	43	43	50	49	60	67	59	88	52	93
Number of pickup trucks	4	4	3	3	3	6	10	16	15	15
Number of vans	6	6	6	8	6	9	7	11	8	8
Number of motorcycles	2	2	2	2	2	2	2	2	2	0
Number of boats	1	1	1	1	1	1	1	1	1	1
Number of boat trailers	1	1	1	1	1	1	1	1	1	1
Number of Volunteers in Policing units	3	3	3	1	1	1	1	1	3	3
Mobile command post	1	1	1	1	1	1	1	1	1	1
ERV (MCOPS vehicle)	1	1	1	1	1	1	1	1	1	1
Hostage negotiator truck	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations	6	6	6	6	6	6	6	6	8	8
Number of fire fighting units	11	11	10	11	11	13	13	11	13	13
Number of rescue units	2	2	2	2	4	4	4	4	4	4
Number of marine units	2	2	2	1	1	1	1	1	1	1
Number of support/specialty units	5	5	5	5	14	15	16	20	22	24
Culture and Recreation										
Number of community centers	3	3	3	3	1	1	1	1	1	1
Number of parks	35	35	35	35	35	36	36	37	39	39
Park acreage (including golf courses)	537	537	537	497	497	498	498	519	563	563
Number of swimming pools	4	4	4	4	4	4	4	4	4	4
Number of tennis courts	16	16	16	16	17	17	17	17	17	17
Number of skate parks	1	1	0	0	0	0	0	0	0	0
Public Works										
Number of Public Works buildings	132	132	132	132	155	155	155	155	155	155
Miles of City maintained streets	240	240	226 [2]	247	224	224	224	240	240	240
Number of street lights	10,346	10,346	10,425 [2]	10,425	10,425	10,425	10,425	10,425	10,425	10,425
Number of bridges	27 [2]	27	27	27	27	27	27	27	27	27
Number of culverts	12	12	35 [3]	35	35	35	35	35	37	37
Sewer system										
Miles of sanitary sewers	422	422	357 [2]	368	430	440	451	475	474	391
Number of sewer treatment plants	2	2	2	2	2	2	2	2	2	2
Water system										
Number of water treatment plants	1	1	1	1	1	1	1	1	1	1
Miles of water mains	469	469	434 [2]	439	439	514	531	555	559	446
Number of fire hydrants	3,231	3,231	3,189 [2]	4,100	4,194	4,200	4,511	4,639	4,660	5111
Stormwater										
Miles of storm drainage pipes	139	139	58 [2]	59	54	54	54	54	54	54
Number of catch basins [4]	844	844	4,681	4,691	4,691	4,691	4,691	4,691	4,691	4,691
Solid Waste										
Number of refuse collection vehicles	44	46	47	44	45	44	45	45	52	56
Golf Courses										
Number of golf courses	2	2	2	2	2	2	2	2	2	2
Number of holes	36	36	36	36	36	36	36	36	36	36
Yacht Basin/Marina										
Number of slips	284	284	284	284	284	284	284	284	0 [5]	0
Number of non-transient boats docked [1]	140	145	155	156	177	164	180	185	0 [5]	0

CITY OF FORT MYERS, FLORIDA
Capital Asset Statistics by Function
Last Ten Fiscal Years (Continued)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/program										
Downtown Parking Garages										
Number of parking garages	2	2	2	2	2	2	2	3	3	3
Caloosa Sound										
Number of event center buildings	1	1	1	1	1	1	1	1	1	1
Cultural and Recreation										
Number of buildings	4	4	4	4	4	4	4	4	4	4

Sources: Various city departments

(1) Updated description in fiscal year 2015 to non-transient boats (leases longer than thirty days).
(2) Updated, based on GIS data.
(3) Verified with Google Earth by City of Fort Myers, Florida Stormwater Resource Manager.
(4) Updated, based on GIS data, in fiscal year 2016 to include manholes, curb inlets, headwalls and mitered end sections.
(5) Due to Hurricane Ian, Yacht Basin was deemed inoperable.

REPORTING SECTION

CITY OF FORT MYERS FLORIDA

City of Palms



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MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Fort Myers, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 4, 2024. Our report includes a reference to other auditors who audited the financial statements of the Community Redevelopment Agency of the City of Fort Myers, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item MW2022-001 to be a material weakness.

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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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items SD2023-001 and SD2023-002 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item SD2023-002.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit 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 result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Tampa, FL
June 4, 2024

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

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

Opinion on Each Major Federal Program and Major State Project

We have audited the City of Fort Myers, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement,* and the requirements described in the *State of Florida Department of Financial Services'* State Projects Compliance Supplement, that could have a direct and material effect on each of the City's major federal programs and major state project for the fiscal year ended September 30, 2023. The City's major federal programs and major state project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state project for the fiscal year ended September 30, 2023.

Basis for Opinion on Each Major Federal Programs and Major State Project

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

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

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Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and major state project as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Marcum LLP

Tampa, FL
June 4, 2024



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CITY OF FORT MYERS, FLORIDA
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

Funding Agency / Grant Name	Federal Assistance Listing Number	Federal or Passed through Grant Number	Total Expenditures	Transfer to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Development Block Grant / Entitlement Grant Cluster				
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-12-0006	$ 172,729	$ -
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-12-0006	4,511	-
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-12-0006	13,314	-
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-12-0006	7,000	-
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-12-0006	15,456	-
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-12-0006	145,198	-
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-12-0006	341,553	-
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-12-0006	167,324	-
Community Development Block Grants/Entitlement Grants-NSP 1	14.218	B-08-MN-12-0008	129,907	-
Community Development Block Grants/Entitlement Grants-NSP 3	14.218	B-11-MN-12-0008	20	-
Total Community Development Block Grant / Entitlement Grant Cluster		14.218 Total	997,012	-
Passed through Lee County, Florida, Human and Veteran Services				
Emergency Solutions Grants Program	14.231	N/A	184,457	
Total U.S. Department of Housing and Urban Development			**1,181,469**	**-**
U.S. DEPARTMENT OF JUSTICE				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1010	40,633	-
Bulletproof Vest Partnership Program				
Patrick Leahy Bulletproof Vest Partnership Grant, FY 2021	16.607	N/A	7,920	-
Patrick Leahy Bulletproof Vest Partnership Grant, FY 2023	16.607	N/A	17,200	-
		16.607 Total	**25,120**	**-**
Public Safety Partnership and Community Policing Grants	16.710	2020-UM-WX-0106	230,123	-
		16.710 Total	**230,123**	**-**
Passed through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0838	50,432	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01378-JAGX	37,468	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-WY-BX-0005	127,993	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02386-JAGX	8,965	-
		16.738 Total	**224,858**	**-**
Joint Law Enforcement Operations Equitable Sharing Program	16.922	FL0360100	97	-
Total U.S. Department of Justice			**520,831**	**-**
U.S. DEPARTMENT OF THE TREASURY				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	700,000	-
Passed through Lee County, Florida				
Coronavirus Relief Fund and American Rescue Plan Emergency Rental Assistance Program	21.023	SLT0050 / ERA-2101060175	431,502	-
Total U.S. Department of the Treasury			**1,131,502**	**-**
U.S. DEPARTMENT OF HOMELAND SECURITY				
Federal Emergency Management Agency				
Fiscal Year 2020 Assistance to Firefighters Grant	97.044	EMW-2020-FG-10087	6,241	-
Fiscal Year 2021 Assistance to Firefighters Grant	97.044	EMW-2021-FG-01599	280,815	-
Passed through Florida Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z3012	14,975,028	-
Hazard Mitigation Grant Program	97.039	FEMA-DR-4337-FL	51,750	-
Homeland Security Grant Program	97.067	EMW-2021-SS-00056-S01	19,714	-
Total U.S. Department of Homeland Security			**15,333,548**	**-**
U.S. DEPARTMENT OF TRANSPORTATION				
Federal Highway Administration				
Passed through State of Florida, Department of Transportation				
Highway Planning and Construction	20.205	447897-1-58-01 G2822	373	-
Total U.S. Department of Transportation			**373**	**-**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 18,167,723**	**$ -**

See accompanying notes to Schedule of Expenditures of Federal Awards.

CITY OF FORT MYERS, FLORIDA
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2023

Funding Agency / Grant Name	State CSFA Number	State Grant Number	Total Expenditures	Transfer to Subrecipients
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION				
Statewide Surface Water Restoration and Wastewater Projects				
Fort Myers At-Risk Neighborhood Infrastructure Improvements	37.039	LPA0104	$ 23,591	$ -
Drainage Phase III, IV & Downtown	37.039	LPA0105	17,015	-
Reclaimed Water Expansion Project	37.039	LPA0291	2,000,000	-
Citywide Septic Tank Abandonment Program	37.039	LPA0290	32,485	-
Total Florida Department of Environmental Protection		37.039 Total	**2,073,092**	**-**
FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY				
Division of Community Development				
Centennial Park Restoration Project for Children with Unique Abilities	40.038	HL117	95,006	-
Total Florida Department of Economic Opportunity			**95,006**	**-**
FLORIDA HOUSING FINANCE CORPORATION				
State Housing Initiatives Partnership Program	40.901	N/A	97,445	-
Hurricane Housing Recovery Program (HHRP - Ian & Nicole)	40.901	N/A	121,225	-
Total Florida Housing Finance Corporation			**218,670**	**-**
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			**$ 2,386,768**	**$ -**

See accompanying notes to Schedule of Expenditures of State Financial Assistance.

CITY OF FORT MYERS, FLORIDA
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Fort Myers, Florida (City) under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – COMMUNITY DEVELOPMENT BLOCK GRANTS / ENTITLEMENT GRANTS

In accordance with the terms of the award, program income totaling $19,100 was used to reduce the amount of federal awards used to complete the project.

CITY OF FORT MYERS, FLORIDA
Notes to Schedule of Expenditures of State Financial Assistance
Year Ended September 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (State Schedule) includes the state award activity of the City of Fort Myers, Florida (City) under programs of the State of Florida for the year ended September 30, 2023. The information in the State Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes, and *Rules of the Auditor General*, Chapter 10.550. Because the State Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

CITY OF FORT MYERS, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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?	X Yes	___ None reported
Non-compliance material to financial statements noted?	X Yes	___ No

Federal Awards and State Projects

Internal control over the major federal program and state project:		
Material weakness(es) identified?	___ Yes	X No
Significant deficiency(ies) identified?	___ Yes	X None reported
Type of auditors' report issued on compliance for the major federal program and state project:	*Unmodified Opinion*	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General?	___ Yes	X No

Identification of the Major Federal Programs and State Project:

Assistance Listing Number	Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grant Cluster
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)

CSFA No.	State Project
37.039	Statewide Surface Water Restoration and Wastewater Projects

Dollar threshold used to distinguish between Type A and Type B programs/state projects;

Federal:	$750,000
State:	$716,142

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? ___ Yes X No

SECTION II – FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

MW2022-001 – LACK OF INTERNAL CONTROLS OVER FINANCIAL REPORTING (REPEAT FINDING)

Criteria

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the City's ability to ensure financial transactions are authorized and accurate. City management is responsible for establishing and maintaining internal controls for the proper recording of all the City's transactions and financial reporting.

Condition

As part of the audit, we proposed audit adjustments necessary to correct the City's financial statements related to the modified accrual to accrual reconciliations, the footnotes to the financial statements, and classifications of balances and classes of transactions. The City failed to fully correct items over the course of multiple versions of the financial statements, that was indicative of lack of review or ineffective review related to the financial statements and the related changes by the City.

Cause

The City's internal controls did not detect or prevent the errors.

Effect

The proposed audit adjustments were recorded by management to correct the financial statements.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

MW2022-001 – LACK OF INTERNAL CONTROLS OVER FINANCIAL REPORTING (REPEAT FINDING) (CONTINUED)

Recommendation

We recommend that the City's management strengthen policies and procedures over review of the financial statements, to ensure that the financial statements are presented in accordance with Generally Accepted Accounting Principles. Both timely and accurate financial reporting is critical to the City. However, timely financial reporting is only effective when the financial statements are accurate. We also recommend that the City review their operating processes related to financial statement preparation and review to ensure that expedience is balanced equally with accuracy.

Current Year Status

The City is currently not performing its monthly and annual financial reporting close process in a timely manner. The auditor commenced the audit fieldwork phase on January 22, 2024 for the audit of the fiscal year ended September 30, 2023, and various general ledger accounts were not properly reconciled or recorded. This resulted in $55,290,000 of client proposed adjusting entries and $40,700,000 of auditor proposed journal entries, for a total of $95,990,000 of adjusting entries subsequent to receiving the initial trial balances. Such adjustments resulted in the City providing the auditor various versions of audit schedules and draft financial statements.

The City is currently not performing an adequate review of the Financial Statements to ensure the year end amounts and disclosures are complete, accurate and in accordance with accounting principles generally accepted in the United States of America.

Views of Responsible Officials and Planned Corrective Action

See accompanying Corrective Action Plan.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY

SD2023-001 – LACK OF INTERNAL CONTROLS OVER THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (SEFA)

Criteria

The City is required to prepare a SEFA in accordance with the prescribed guidelines of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

Condition

In connection with the federal grant agreement with Federal Emergency Management Agency ("FEMA") for Hurricane Ian (CFDA 97.036), an error was identified in the timing of the recognition of qualifying expenditures based on obligation dates provided by FEMA for the SEFA. Accordingly, qualifying expenditures of $2,049,388 were originally incorrectly included in the fiscal year 2023 SEFA, which caused the SEFA to be overstated which altered the major program determination in accordance with Uniform Guidance by the external auditor.

Cause

The City was not fully aware of the obligation dates provided by the funding agency and the unique reporting requirements set forth by FEMA.

Effect

Including ineligible expenditures in the SEFA results in the City being out of compliance with the requirements set forth in the underlying grant agreements and the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Such finding could impact subsequent federal or state funding.

Recommendation

The City should ensure that adequate procedures and internal controls are in place to ensure that the SEFA is complete and accurate. These controls should include controls requiring the reconciliation of federal expenditures to the appropriate supporting documentation (e.g., general ledger, grant reports, agency websites, etc.).

Views of Responsible Officials and Planned Corrective Action

See accompanying Corrective Action Plan.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY AND NON-COMPLIANCE

SD2023-002 – INCORRECT BENEFIT PAYMENT CALCULATION FOR THE GENERAL EMPLOYEES PENSION PLAN

Criteria

All benefit payment calculations should be properly reviewed by the Plan Administrator of the General Employees' Pension Plan (the "Plan") to ensure correct amounts are paid to plan members in accordance with the Plan's provisions.

Condition

As part of our audit procedures performed over the benefit payments for the Plan, Marcum selected three (3) retirees to recalculate their benefit payments. Marcum noted that the Plan was remitting an incorrect benefit payment amount for one (1) of selections tested. The incorrect benefit payment amount resulted in the monthly benefit payment amount being understated by approximately $56 per month since the retirement date of August 2021. The total underpayments made to this retiree as of September 30, 2023 was approximately $1,700.

Cause

This resulted from an inadequate review of the calculated benefit payment amount.

Effect

Remitting an incorrect benefit payment can result in the overpayment or underpayment of lump sum and monthly benefit payments to retirees. These errors may cause unnecessary outflows of resources from the Plan or potential future claims to the Plan for recourse from retirees.

Recommendation

Marcum recommends that all pension benefit payments established since October 1, 2020 be reviewed to ensure no other errors are evident and review internal controls to ensure that all new retiree applications are reviewed by the Plan Administrator.

Views of Responsible Officials and Planned Corrective Action

See accompanying Corrective Action Plan.

SECTION III – FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

None.

CITY OF FORT MYERS, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

MW2022-001 – was not addressed and the finding is repeated.

II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2022-002 – was addressed in the current year.

III. PRIOR YEAR STATE PROJECTS AND QUESTIONED COSTS

None.

MARCUM
ACCOUNTANTS ▲ ADVISORS

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

Report on the Financial Statements

We have audited the financial statements of the City of Fort Myers, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 4, 2024. We did not audit the financial statements of the Community Redevelopment Agency of the City of Fort Myers (the "CRA"), which represents 2%, 16% and 2%, respectively, of the assets, net position and revenues of the governmental activities and 1%, 1% and 2%, respectively, of the assets, fund balance/net position and revenues/additions of the aggregate remaining fund information.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards)*; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal* Awards (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated June 4, 2024, should be considered in conjunction with this management letter.

Marcum LLP ▪ 201 East Kennedy Boulevard ▪ Suite 1500 ▪ Tampa, Florida 33602 ▪ **Phone** 813.397.4800 ▪ **Fax** 813.397.4801 ▪ **www.marcumllp.com**

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The predecessor auditor reported findings MW2022-001 and MW2022-002 in the preceding annual financial report. Finding MW2022-001 was not addressed, and as such is repeated.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did have one recommendation identified as MLC2023-001 and is included in Appendix A.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

Marcum LLP

Tampa, FL
June 4, 2024

MLC2023-001 – GENERAL INFORMATION TECHNOLOGY

Criteria, Condition and Cause

The City should restrict access to system applications based on the employee's respective function and responsibility and establish segregation of duties to prevent unauthorized changes. As part of our audit procedures, we reviewed several polices and processes of the City's Information Technology department. We identified several items:

a) Privileged Access – For in-scope applications, there are three key business control owners with administrative capabilities in the system.
b) User Access Reviews –
    a. The Directors of each department review the access to the City's ERP system for each person within their department. However, there is no secondary review performed over the Directors' access to confirm that their access rights are also appropriate.
    b. For all in-scope applications (except the City's ERP system) there is no formal periodic user access review process performed to reconfirm the appropriateness of all the users in the system and their permissions.
c) Change Management – During our review of the users with access to develop/migrate changes, we noted the database admin has full administrative capabilities and can inherently perform direct data changes in the in-scope databases. However, the databases are not currently being monitored for any unauthorized changes. In addition, we noted the user with development access to in-scope applications is the same user with access to promote changes to the database. As such, there may potentially be a lack of segregation of duties.

The above scenarios may reflect inadequate logical security controls over privileged access and segregation of duties controls over change management that are not designed/implemented appropriately to prevent or detect material misstatements.

Effect

a) Privileged Access – This may create a lack of segregation of duties in the system.
b) User Access Reviews – User accounts have the ability to access in-scope applications, resulting in unauthorized access to the system and its components.
c) Change Management – This may create a lack of segregation of duties in the system.

MLC2023-001 – GENERAL INFORMATION TECHNOLOGY (CONTINUED)

Recommendation

Marcum recommends that the City perform a risk assessment and update its Information Technology policies and procedures to add appropriate logical security controls over privileged access and segregation of duties controls over change management, as considered necessary.

City Response:

We appreciate the detailed review conducted by the auditors. We acknowledge the recommendations regarding privileged access, user access reviews, and change management. It is important to outline our strategic approach moving forward, particularly in light of our upcoming ERP system implementation.

Clarifications and Immediate Responses:

1. User Access Reviews:
    - Clarification: We thank the auditors for understanding our existing access review process conducted by each department head. The City conducts a rigorous annual user access review process known as "Periodic Access Review." This review is systematically carried out at the end of each fiscal year, where each department director is responsible for reviewing and validating the access rights of employees within their departments. This process is formally documented with each director signing off to confirm the completion and accuracy of the review. While it is correct that we do not have a formal review of the department directors' access, it is important to note that department directors do not have the permission to adjust their own or anyone else's access to the Eden system, thus limiting the risk.
    - Enhanced Action Plan: To enhance transparency and address any auditor concerns, we will introduce additional documentation and reporting measures during the "Periodic Access Review" process to explicitly capture all aspects of the review details. This will include an audit trail of changes made post-review and a secondary verification by an independent internal audit team. Additionally, we acknowledge that for non-ERP components, the user access review is not formalized, and we will work on implementing a formal periodic user access review process for these applications.

MLC2023-001 – GENERAL INFORMATION TECHNOLOGY (CONTINUED)

City Response (Continued):

2. Privileged Access and Change Management:
    - Current Challenge: We currently face a challenge with segregation of duties, primarily because our system changes and database administration are managed by a single developer. This concentration of roles, while efficient from a resource standpoint, does introduce potential risks as highlighted by the audit.
    - Action Plan: In the short term, we will implement stricter oversight and logging of all activities performed by this developer. This will include regular reviews of changes by another high level resource such as the IT director or Finance Director. In the long term, as part of the new ERP system implementation, we plan to reassess our staffing model and explore the feasibility of separating these roles to align with best practices in change management and system administration.
3. New ERP System Implementation:
    - Strategic Enhancement: The City of Fort Myers has recently completed an RFP and selected a new ERP system, which will be implemented with the assistance of an experienced external company. This implementation will be a significant opportunity to overhaul our current practices, incorporating industry best practices for financial controls and change management.
    - Implementation Goals: The new ERP system will include advanced features for managing user access, ensuring robust segregation of duties, and providing comprehensive audit trails for changes. We will work closely with the implementation partner to ensure that the system is configured to meet our specific needs, reducing risks associated with privileged access and change management.

Training and Development:

- Overview: As we transition to the new ERP system, extensive training will be provided to all users, with specific modules focusing on security, proper use, and management of financial data. This training will be crucial in ensuring that all employees are equipped to utilize the new system effectively and securely.
- Continuous Improvement: We will establish ongoing training and refresher courses to keep our staff updated on the latest functionalities and security practices associated with the new ERP system.

MLC2023-001 – GENERAL INFORMATION TECHNOLOGY (CONTINUED)

City Response (Continued):

Monitoring and Compliance:

- Regular Monitoring: Post-implementation, we will establish routine monitoring mechanisms to regularly assess the system's security and operational integrity. This will include periodic audits and compliance checks to ensure adherence to the established protocols.
- Feedback Loop: An annual review will be conducted to evaluate the effectiveness of the new ERP system, with a focus on user access management and change control processes. Feedback from these reviews will inform continuous improvements and adjustments to our practices.

City Conclusion: This comprehensive action plan demonstrates our commitment to resolving the recommendations from the audit through clear explanations, immediate actions, and long-term strategic enhancements with the implementation of our new ERP system. We are dedicated to maintaining the highest standards of integrity and efficiency in managing the City of Fort Myers' financial systems and operations.

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO SECTION 218.415, FLORIDA STATUTES

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

We have examined the City of Fort Myers, Florida (the "City") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2023. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, for the fiscal year ended September 30, 2023.

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

Marcum LLP

Tampa, FL
June 4, 2024

Marcum LLP ▪ 201 East Kennedy Boulevard ▪ Suite 1500 ▪ Tampa, Florida 33602 ▪ **Phone** 813.397.4800 ▪ **Fax** 813.397.4801 ▪ **www.marcumllp.com**

IMPACT FEE AFFIDAVIT

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

1. I am the Chief Financial Officer of the City of Fort Myers which is a local governmental entity of the State of Florida.

2. The governing body of the City of Fort Myers adopted Ordinance Nos. 2228 and 3644 implementing water, sewer and community park impact fees or authorized the City of Fort Myers to receive and expend proceeds of the impact fees implemented by City Council.

3. City of Fort Myers has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Christine Tenney, City of Fort Myers

SWORN TO AND SUBSCRIBED before me this 4th day of June, 2024.

Debra Ann Kearns
NOTARY PUBLIC
Print Name Debra Ann Kearns

Personally known or produced identification

Type of identification produced: _____

My Commission Expires: 3/25/2027

Notary Public State of Florida
Debra Ann Kearns
My Commission HH 357891
Expires 3/25/2027

1 Pursuant to Section 163.31801(8), Florida Statutes, If there is no chief financial officer, the executive officer must sign the affidavit.

IMPACT FEE AFFIDAVIT

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

1. I am the Chief Financial Officer of the City of Fort Myers which is a local governmental entity of the State of Florida.

2. The governing body of Lee County adopted Ordinance Nos. 89-17 and 89-15, implementing road and fire impact fees or authorized the City of Fort Myers to receive and expend proceeds of the impact fees implemented by Lee County.

3. City of Fort Myers has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Christine Tenney, City of Fort Myers

SWORN TO AND SUBSCRIBED before me this 4th day of June, 2024.

Debra Ann Kearns
NOTARY PUBLIC
Print Name Debra Ann Kearns

Personally known or produced identification

Type of identification produced: _____

My Commission Expires: 3/25/2027

Notary Public State of Florida
Debra Ann Kearns
My Commission HH 357891
Expires 3/25/2027

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FORT MYERS
FINANCIAL SERVICES | #city of palms

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2023

1) *MATERIAL WEAKNESS* - MW2022-001 – LACK OF INTERNAL CONTROLS OVER FINANCIAL REPORTING (REPEAT FINDING FROM 2022)

CITY RESPONSE: We concur. The City had two key members of the audit preparation team leave before and during the audit preparation process (Deputy Director of Finance and the Controller). The loss of these two employees resulted in a major loss of internal knowledge of how the City prepares for the independent audit, we expected the delay and errors in audit process.

We have begun a) departmental training on GFOA's Governmental Accounting, Auditing, and Financial Reporting (Blue Book), b) cross training plans are being developed to ensure one employee does not hold all information, c) departmental restructuring, and d) the hiring of vacant positions is almost complete in order to ensure we have the resources for operational effectiveness. These changes are currently taking place and will ensure that the financial statements are properly prepared in a timely and accurate manner.

With the addition of an accounting consultant and the hiring of our new Deputy Director of Finance, along with the experience gained from our employee's first audit preparation process, this finding is not expected to be repeated. The Finance Department will be responsible for this corrective action. The estimated time of completion of this corrective action plan is September 30, 2024.

2) *SIGNIFICANT DEFICIENCY* - SD2023-001 – LACK OF INTERNAL CONTROLS OVER THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (SEFA)

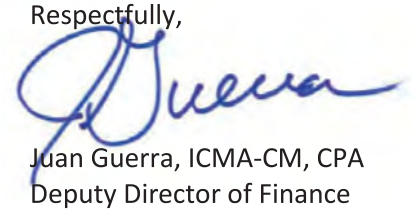
CITY RESPONSE: We concur. FEMA has a unique grant agreement containing specific rules for compliance with expenditures. Corrective action was taken immediately after it was brought to our attention and has been fixed. The City now understands the uniqueness of these FEMA requirements, this audit finding is not expected to recur. The Finance Department will be responsible for this corrective action. The estimated time of completion of this corrective action plan is September 30, 2024.

3) *SIGNIFICANT DEFICIENCY AND NON-COMPLIANCE* - SD2023-002 – INCORRECT BENEFIT PAYMENT CALCULATION FOR THE GENERAL EMPLOYEES PENSION PLAN

CITY RESPONSE: We concur. As soon as auditors told us of the incorrect payment, the employee was quickly paid the proper amount. Our pension plan administrators have been notified and have done internal work to ensure this finding does not recur. Retro payment was added to the pensioner's April 1, 2024, pension payment. This finding has been corrected and will not recur. The Finance Department (through our pension plan administrators) will be responsible for this corrective action. The estimated time of completion of this corrective action plan is September 30, 2024.

We concur with the audit findings your firm identified, the processes to ensure they do not recur have already been implemented and/or are in the process of being implemented. Should you have any questions or need additional information concerning this Corrective Action Plan, please feel free to contact me.

Respectfully,



Juan Guerra, ICMA-CM, CPA
Deputy Director of Finance

ANNUAL COMPREHENSIVE FINANCIAL REPORT

As of September 30, 2023



Photo: Downtown Fort Myers, picture taken from Economic Development website

City of Palms

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