CITY OF BROOKSVILLE, FLORIDA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2025



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

City Council
City of Brooksville, Florida
Brooksville, 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 Brooksville, Florida (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Restatement due to Accounting Error

As discussed in Note 17 of the financial statements, the City restated beginning balances to correct accounting errors that occurred in a prior year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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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, budgetary comparison information, information on pension benefits, and information on other postemployment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of state financial assistance as required by Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
June 29, 2026

The City of Brooksville's (City) management discussion and analysis is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the City's financial activities for the fiscal year ended September 30, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the City of Brooksville exceeded its liabilities and deferred inflows of resources at September 30, 2025 by $64,898,473 (net position), an increase of $3,582,550.
- As of September 30, 2025, the City of Brooksville's governmental funds reported combining ending fund balances of $10,273,513, a decrease of $2,651,692 from the previous fiscal year.
- General Fund reported ending fund balance of $4,265,392, a decrease of $2,288,201 from the previous fiscal year.
- Utility Fund net position increased from $33,671,230 at the beginning of the fiscal year to $39,356,646 at the end of the fiscal year.
- Sanitation Fund net position decreased from $1,412,136 at the beginning of the fiscal year to $1,245,343 at the end of the fiscal year.

Using this Annual Report

The financial statements focus is on both the City as a whole (government-wide) and on the major individual funds. In this audit report, the financial statements are presented in compliance with pronouncement 34 of the Governmental Accounting Standards Board (GASB 34). The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to private-sector statements. The focus is on governmental activities and business-type activities.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. The focus of the Statement of Net Position is designed to present the results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Government-Wide Financial Statements (Continued)

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the governmental general taxes and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy from various business-type activities.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, parks and recreation, and transportation. The business-type activities of the City consist of the water, sewer, and sanitation services. The business-type activities reflect a private sector type of operation where a fee for services covers the cost of operation.

The government-wide financial statements include the City of Brooksville (the primary government) and the blended component unit, City of Brooksville Community Redevelopment Agency.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over the 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. The financial transactions of the City are recorded in individual funds and each fund has a self-balancing set of accounts. All funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

The City maintains multiple funds; however certain funds are combined for presentation purposes as presented in these financial statements. Information is presented separately in the Balance Sheet and in the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, City of Brooksville Community Redevelopment Agency, Fire Department Fund, Local Option Gas Tax Fund, and Road Impact Fees Fund, which are considered to be major funds. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the notes to the financial statements. Information is also presented separately in the Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position for the Utility Fund and Sanitation Fund.

The City adopts an annual appropriated budget for its General Fund and other governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget and are presented as required supplemental information.

Fund Financial Statements (Continued)

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 focus is 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 the City's near-term financing requirements. The General Fund is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

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 City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

***Proprietary Funds*.** The City maintains two types of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, and sanitation services. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City utilizes internal service funds for its fleet maintenance operations, vehicle replacement, equipment replacement, employee benefits, and health insurance. Services accounted for in the internal service fund predominately benefit governmental rather than business-type functions, it has been allocated between the governmental activities and the business-type activities in the government-wide financial statements.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds. Fiduciary funds are used to account for resources that the City holds as a trustee or agent on behalf of an outside party. Fiduciary funds are not reflected 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 three fiduciary funds are Butterweck Bond Fund, Police Retirement Fund, and the Fireman's Retirement Fund.

***Notes to the Basic Financial Statements*.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons and the City's progress in its obligation to provide pension and other postemployment benefits to its employees. Supplementary information, which consists of combining and individual fund statements, can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The City's combined net position as of September 30, 2025 was $64,898,473. Table 1 below reflects the condensed Statement of Net Position for the current and previous fiscal years.

Of the City's total net position, the net investment in capital assets is $39,867,486 or 61% and represents capital assets such as land, buildings, and machinery, equipment, and right-to-use leased equipment less the outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. It is also important to recognize that other resources will be required to repay the outstanding debt on capital assets. Restricted net position is $5,804,164 or 9% of total net position and represents the amount of net position for which limitations have been placed by creditors, grantors, contributors, laws, and regulations. The remaining amount, unrestricted net position, is $19,226,823 or 30% of total net position represents the amount that is not restricted or invested in capital assets, net of related debt.

City of Brooksville, Florida
Net Position

Table 1	Governmental Activities		Business-Type Activities		Primary Government	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	$ 13,113,300	$ 16,309,263	$ 20,525,381	$ 16,698,565	$ 33,638,681	$ 33,007,828
Capital Assets, Net of Deprec.	20,143,524	18,351,787	29,312,242	27,836,096	49,455,766	46,187,883
Total Assets	33,256,824	34,661,050	49,837,623	44,534,661	83,094,447	79,195,711
Deferred Outflows of Resources	1,369,299	1,474,006	492,550	517,120	1,861,849	1,991,126
Current and Other Liabilities	1,954,319	1,860,029	1,950,869	1,285,642	3,905,188	3,145,671
Long-Term Liabilities	8,854,209	9,093,362	5,723,985	6,545,560	14,578,194	15,638,922
Total Liabilities	10,808,528	10,953,391	7,674,854	7,831,202	18,483,382	18,784,593
Deferred Inflows of Resources	1,358,503	833,403	258,069	252,918	1,616,572	1,086,321
Net Position:						
Net Investment in Capital Assets	15,331,150	13,252,314	24,536,336	22,962,999	39,867,486	36,215,313
Restricted	5,389,460	6,080,957	414,704	375,041	5,804,164	6,455,998
Unrestricted	1,738,482	5,014,991	17,446,210	13,629,621	19,184,692	18,644,612
Total Net Position	$ 22,459,092	$ 24,348,262	$ 42,397,250	$ 36,967,661	$ 64,856,342	$ 61,315,923

Changes in Net Position

Table 2 below is the condensed changes in net position. This schedule compares the revenues and expenses for the primary government for the current and previous fiscal years.

Table 2 shows the City's total governmental activities revenues increased by $850,909 over the prior year primarily due to an increase in property and other taxes, charges for services related to building permits, impacts fees and other charges for services. Governmental activities expense increased $2,437,146 over the prior year primary due to an increase in general government of $1,278,886 related to a rise in personnel and benefits and operating costs; and a decrease in public safety of 114,102 related to changes in the net pension asset/liability and related balances for police and firefighters' pension plans. Other expenditures such as culture and recreation increased by $258,204 and transportation by $971,147.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position (Continued)

Table 2 shows the Business-type activities revenues increased $2,815,957 primarily due to an increase in capital grants and contributions of $2,434,205. Business-type activities expenses increased $211,459 primarily as a result of increases in utility and sanitation personnel services and operating costs.

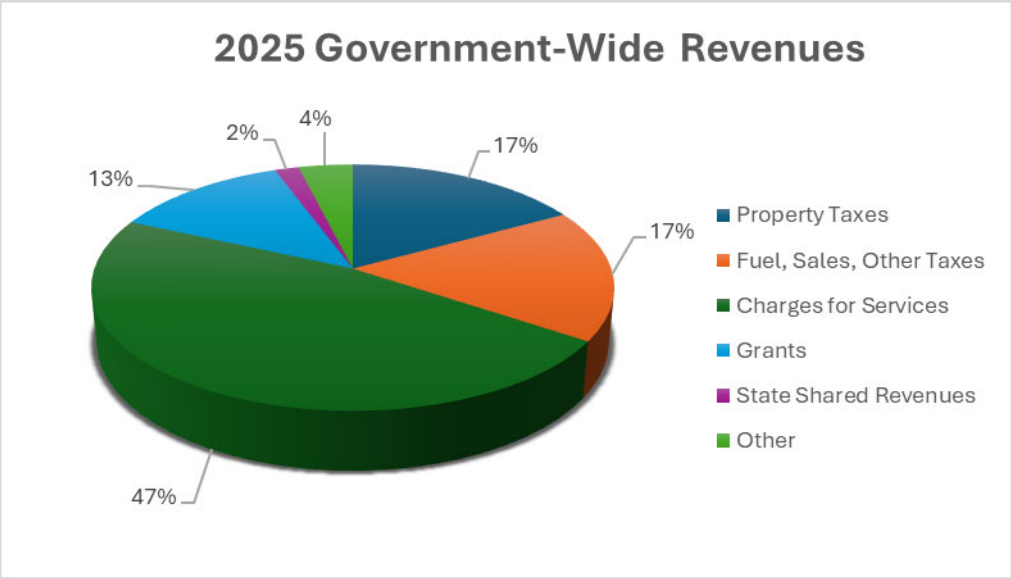
City of Brooksville, Florida
Changes in Net Position

Table 2	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Charges for Services	$ 2,925,629	$ 2,593,295	$ 9,455,218	$ 9,104,603	$ 12,380,847	$ 11,697,898
Operating Grants and Contributions	785,361	1,064,392	23,876	-	809,237	1,064,392
Capital Grants and Contributions	993	46,289	2,455,824	21,619	2,456,817	67,908
Property Taxes	4,443,640	3,988,031	-	-	4,443,640	3,988,031
Fuel Taxes	469,266	454,894	-	-	469,266	454,894
Sales Taxes	637,208	671,103	-	-	637,208	671,103
Other Taxes	3,425,157	3,011,361	-	-	3,425,157	3,011,361
State Shared Revenues	451,596	448,364	-	-	451,596	448,364
Investment Earning	239,025	336,393	356,948	466,126	595,973	802,519
Miscellaneous	276,670	239,142	-	-	276,670	239,142
Sale of Capital Assets	49,627	-	93,980	19,671	143,607	19,671
Total Revenues	13,704,172	12,853,264	12,385,846	9,612,019	26,090,018	22,465,283
Expenses:						
General Government	5,347,373	4,068,487	-	-	5,347,373	4,068,487
Public Safety	3,963,237	4,077,339	-	-	3,963,237	4,077,339
Physical Environment	481,707	374,176	-	-	481,707	374,176
Economic Development	192,176	239,516	-	-	192,176	239,516
Transportation	3,154,488	2,183,341	-	-	3,154,488	2,183,341
Culture and Recreation	1,385,203	1,126,999	-	-	1,385,203	1,126,999
Interest on Long-Term Debt	151,255	168,435	-	-	151,255	168,435
Utility Fund	-	-	5,769,026	5,553,493	5,769,026	5,553,493
Sanitation Fund	-	-	2,105,134	2,109,208	2,105,134	2,109,208
Total Expenses	14,675,439	12,238,293	7,874,160	7,662,701	22,549,599	19,900,994
Change in Net Position Before Transfers	(971,267)	614,971	4,511,686	1,949,318	3,540,419	2,564,289
Transfers	(917,903)	584,703	917,903	(584,703)	-	-
Change in Net Position	(1,889,170)	1,199,674	5,429,589	1,364,615	3,540,419	2,564,289
Net Position - Beginning of Year	24,348,262	23,148,588	36,967,661	35,603,046	61,315,923	58,751,634
Net Position - End of Year	$ 22,459,092	$ 24,348,262	$ 42,397,250	$ 36,967,661	$ 64,856,342	$ 61,315,923

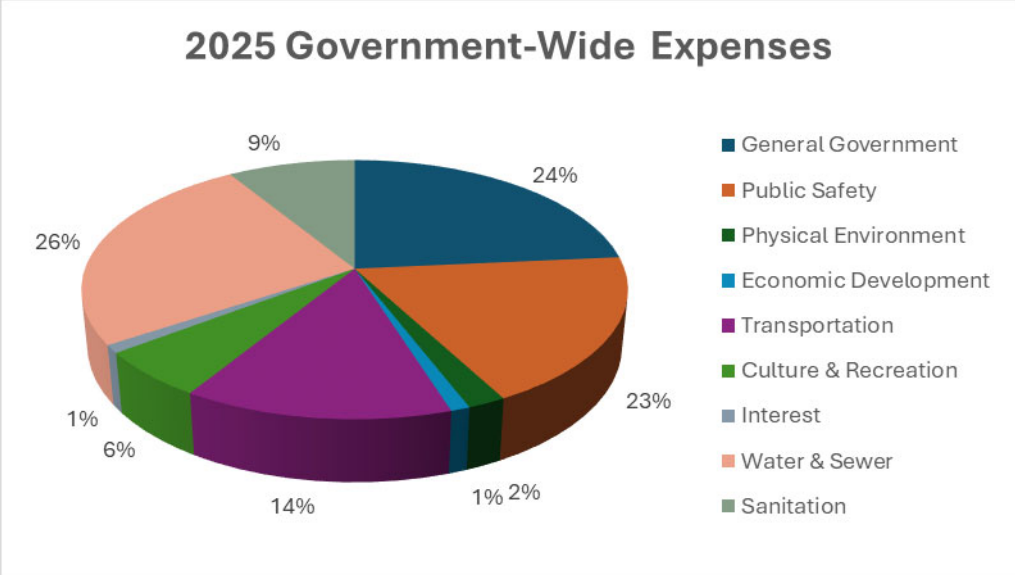
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position (Continued)

The pie chart below shows the 2025 Government-Wide revenues by major category.



The pie chart below shows the 2025 Government-Wide expenses by major category.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Funds

Governmental funds are comprised of the General Fund, special revenue funds, debt service funds, permanent funds, and capital projects funds. Governmental funds use the current financial resources measurement focus that provides information on the near-term inflows, outflows, and balances of spendable resources.

There are five major governmental funds: General Fund, City of Brooksville Community Redevelopment Agency, Fire Department Fund, Local Option Gas Tax Fund, and Road Impact Fees Fund. There are also nonmajor governmental funds which are combined into a single, aggregated presentation. The General Fund is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

Total fund balance of all governmental funds was $10,273,513 as compared to $12,539,607 in the previous year, a decrease of $2,651,692. General Fund ending fund balance was $4,265,392, a decrease of $2,288,201 from the prior year. CRA (Community Redevelopment Agency) ending fund balance was $206,655, an increase of $10,748 from the prior year. Fire Department ending fund balance was $57,835, an increase of $30,752 from the prior year. Local Option Gas Tax Fund ended with a balance of $35,843, a decrease of $427,098. Lastly, Road Impact Fees Fund ending fund balance was $2,725,251, an increase of $78,432 from the prior year.

Proprietary Funds

The City's proprietary funds are comprised of enterprise funds and internal service funds. Enterprise funds are used to account for activities for which a fee is charged to external users for goods and services. Internal Service Funds provide services to other City departments.

The Utility Fund, which represents the City's water and sewer utility, experienced an increase in net position of $5,685,416, leading to an ending net position of $39,356,646. Of that amount, $24,025,904 was the net investment in capital assets, $414,704 was restricted for debt service, and $14,916,038 was unrestricted.

The Sanitation Fund experienced a decrease in net position of $166,793, resulting in an ending net position of $1,245,343. Of that amount, $510,432 was the net investment in capital assets and $734,911 was unrestricted.

The Internal Service Funds report activities that provide a service to the City's other operations for vehicle maintenance, vehicle replacement, equipment replacement, and insurance. Internal service funds are combined with governmental activities in the government-wide statements since they primarily benefit governmental activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2025 amount to $49,455,768 (net of accumulated depreciation/amortization). This investments in capital assets includes land, construction in progress, buildings, improvements other than buildings, equipment, and right-to-use leased equipment.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 1,510,978	$ 1,510,978	$ 1,195,931	$ 1,195,931	$ 2,706,909	$ 2,706,909
Construction in Progress	2,270,181	7,712,349	5,935,670	4,183,279	8,205,851	11,895,628
Buildings	12,333,562	7,047,223	1,363,239	480,702	13,696,801	7,527,925
Improvements Other than Buildings	4,663,721	4,598,721	71,829	71,829	4,735,550	4,670,550
Infrastructure	5,380,637	4,568,740	53,679,499	53,679,499	59,060,136	58,248,239
Machinery and Equipment	7,679,150	6,467,786	5,668,647	5,462,628	13,347,797	11,930,414
Right-to-Use Leased Equipment	1,393,816	394,518	-	-	1,393,816	394,518
Subscription Based Information Technology Arrangements	128,706	174,087	65,749	65,749	194,455	239,836
Total Capital Assets	35,360,751	32,474,402	67,980,564	65,139,617	103,341,315	97,614,019
Less: Accumulated Depreciation/Amortization	(15,217,226)	(14,122,614)	(38,668,321)	(37,287,083)	(53,885,547)	(51,409,697)
Total	$ 20,143,525	$ 18,351,788	$ 29,312,243	$ 27,852,534	$ 49,455,768	$ 46,204,322

Additional information on the City's capital assets can be found in Note 5 of the notes to the basic financial statements.

Long-Term Debt

The City's outstanding debt for its governmental and business-type activities as of September 30, 2025 amounted to $7,591,241. Debt balances decreased due to regularly scheduled principal payments.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Direct Placements	$ 123,243	$ 139,511	$ 1,873,806	$ 2,591,946	$ 1,997,049	$ 2,731,457
Direct Borrowings	3,565,650	4,065,222	860,444	394,722	4,426,094	4,459,944
Leases Payable	1,073,722	293,565	-	-	1,073,722	293,565
SBITAs Payable	57,975	60,463	36,401	45,508	94,376	105,971
Total	$ 4,820,590	$ 4,558,761	$ 2,770,651	$ 3,032,176	$ 7,591,241	$ 7,590,937

Additional information on the City's long-term debt can be found in Note 6 of the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Performance Measured Against Expectations (Budget)

General Fund revenues exceeded budget by $1,639,865, excluding transfers in. The major differences were taxes and licenses and permits that exceeded budget. General Fund expenditures were under budget by $87,533, excluding transfers out, primarily due to general government expenditures that came in at $213,451 under budget. The total appropriated budget increased $1,067,046 from original to final as a result of additional transfers in and unanticipated fines and forfeitures.

ECONOMIC FACTORS

The City of Brooksville, the County Seat of Hernando County, has experienced a period of growth over the last decade. The Greater Tampa metropolitan area is expanding northward, due in part to limited available land for development in the southern regions and the completion of the Suncoast Parkway toll road which links Tampa with the northern counties of Pasco, Hernando, and Citrus. As a result, new development is taking interest in Brooksville because of its ideal proximity to Tampa (50 miles), Orlando (55 miles), and Ocala (60 miles).

The annual estimates for the population of Brooksville were identified as being 9,100 which was used in the fiscal year 2024-2025 State Revenue Sharing calculations. The City of Brooksville's Community Development Department estimates that the City will experience growth in population of 16.8% over the next 10 years. This estimate is based on the 2010 U.S. Census, and the growth rate applied by the Southwest Florida Water Management District to 2011 community data sheet projections and the growth in the last decade within the City.

The current year gross taxable values applicable to fiscal year 2025 is $739,902,028 and fiscal year 2024 is $739,902,028. This is an increase in taxable values of $29.5 million (4.16%).This growth reflects new construction, annexations, and rising property values. The City maintained its millage rate at 5.9000 mills for 2024. This stability in millage, combined with rising taxable values, supports incremental growth in ad valorem revenues.

Approximately ten years ago, the City expanded from about 5 square miles to approximately 10.68 square miles through voluntary annexations. These annexations significantly increased the acreage of taxable property within City boundaries. The City continues to strengthen its taxable property base by encouraging high-quality development and redevelopment projects, which are expected to enhance future revenue streams for decades to come.

Brooksville's strategic location and growing population have attracted national retailers and new commercial developments. The City maintains a competitive millage rate of 5.9000 mills, unchanged from the prior year, and continues its business-friendly policies, including the repeal of the Occupational Business License Tax in 2008. These measures, combined with infrastructure improvements, have positioned Brooksville as a desirable location for both residential and commercial growth.

Nationally franchised retailers operating in the City include Walmart, Lowe's Home Improvement, Tractor Supply, Publix, Winn-Dixie, Walgreens, CVS, Big Lots, WaWa, Culver's, Zaxby's, and numerous others. In addition, new restaurants and service businesses continue to open, reflecting Brooksville's changing demographics and economic vitality.

ECONOMIC FACTORS (CONTINUED)

2025 Millage Rate

Under Section 200.185, Florida Statutes, municipalities must adopt a tax levy within the limits permitted by law to retain eligibility for the half-cent sales tax distribution. If a municipality exceeds the maximum allowable millage, it risks losing this revenue source. By majority vote, the maximum millage rate is calculated as the rolled-back rate adjusted for the change in per capita Florida personal income (1.0569 for 2024). For FY25, the City of Brooksville's maximum rate by majority vote was approximately 14.3966 mills, and the two-thirds vote maximum was approximately 15.8363 mills, both exceeding the statutory cap of 10 mills. The City complied with these requirements and retained its half-cent sales tax distribution. For FY25, the City adopted a millage rate of 5.9000 mills, unchanged from FY24. The current year rolled-back rate was 5.5772 mills, which is lower than the adopted rate. The rolled-back rate is a tax rate the county property appraiser determines is necessary to give a governmental agency the same amount of property tax dollars it received during the previous budget year.

Next Year's Budget and Rates

the following known facts that will affect operations revenues and expenses are as follows:

1) The City adopted a millage rate of 6.5000 mills for FY2026, a 10% increase from prior year. The rolled-back rate for FY2025 is 5.7407 mills, meaning the adopted rate represents a 3% increase over the rolled-back rate.
2) The City approved adjustments to utility fees and wastewater connection charges in 2026 to address budget shortfalls and fund infrastructure expansion. These changes, the first in over two decades, aim to recover actual service costs and support capital improvements for water and sewer systems.
3) Ordinance provisions for reclaimed water service remain in effect, and the City anticipates increased participation in its reuse water program. This initiative will generate additional revenue for the utility system and promote sustainable water use.
4) The City entered into an interlocal agreement with Hernando County to consolidate fire rescue services effective October 1, 2025. A supplemental pension agreement ensures compliance with Florida statutes and protects employee benefits, but may impact future pension funding requirements.

Acknowledgements

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. Appreciation is also extended to the Mayor and City Council and the City Manager and Department Heads for their continuous commitment to the highest ethical standards in financial reporting and disclosure.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all of those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Finance Director, City of Brooksville, 201 Howell Avenue, Brooksville, Florida 34601.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Pooled Cash and Investments	$ 13,755,707	$ 16,144,853	$ 29,900,560
Accounts Receivable, Net	260,335	1,220,801	1,481,136
Internal Balances	(1,779,003)	1,779,003	-
Due from Other Governments	443,110	38,786	481,896
Inventory - Supplies	2,493	316,252	318,745
Prepaid Items	83,349	-	83,349
Restricted Assets:			
Cash and Investments	347,309	1,025,686	1,372,995
Capital Assets Not Being Depreciated/Amortized	3,781,159	7,131,601	10,912,760
Capital Assets Net of Accumulated Depreciation/Amortization	16,362,365	22,180,641	38,543,006
Total Assets	33,256,824	49,837,623	83,094,447
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	1,247,614	467,627	1,715,241
OPEB Related Items	121,685	24,923	146,608
Total Deferred Outflows of Resources	1,369,299	492,550	1,861,849
LIABILITIES			
Accounts Payable	1,184,756	913,081	2,097,837
Accrued Interest Payable	2,265	148,406	150,671
Accrued Wages Payable	256,191	76,873	333,064
Deposits	113,109	806,167	919,276
Other Current Liabilities	373,055	6,342	379,397
Unearned Revenue	24,943	-	24,943
Noncurrent Liabilities:			
Due Within One Year:			
Accrued Compensated Absences	74,820	-	74,820
Leases Payable	287,662	-	287,662
Subscriptions Payable	28,041	10,955	38,996
Notes Payable	509,325	58,292	567,617
Revenue Bonds Payable	16,417	735,780	752,197
Due in More Than One Year:			
Accrued Compensated Absences	184,537	82,825	267,362
Leases Payable	786,060	-	786,060
Subscriptions Payable	29,934	25,446	55,380
Notes Payable	3,056,325	802,152	3,858,477
Revenue Bonds Payable	106,826	1,138,026	1,244,852
Net Pension Liability	3,331,772	1,345,107	4,676,879
Total OPEB Liability	442,490	90,631	533,121
Other Long-Term Liabilities	-	1,434,771	1,434,771
Total Liabilities	10,808,528	7,674,854	18,483,382
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	1,136,324	212,563	1,348,887
OPEB Related Items	222,179	45,506	267,685
Total Deferred Inflows of Resources	1,358,503	258,069	1,616,572
NET POSITION			
Net Investment in Capital Assets	15,331,150	24,536,336	39,867,486
Restricted:			
Transportation	1,451,211	-	1,451,211
Public Safety	272,407	-	272,407
Community Redevelopment	151,655	-	151,655
Infrastructure	3,413,310	-	3,413,310
Debt Service	82,468	-	82,468
Capital Projects	18,409	-	18,409
Utility Debt Service	-	414,704	414,704
Nonexpendable	-	-	-
Unrestricted	1,738,482	17,446,210	19,184,692
Total Net Position	$ 22,459,092	$ 42,397,250	$ 64,856,342

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025

Functional/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Governmental Activities	Net Revenue (Expense) and Changes in Net Position: Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
Primary Government:							
General Government	$ 5,347,373	$ 570,446	$ 495,113	$ -	$ (4,281,814)	$ -	$ (4,281,814)
Public Safety	3,963,237	1,849,309	-	-	(2,113,928)	-	(2,113,928)
Physical Environment	481,707	-	-	993	(480,714)	-	(480,714)
Economic Development	192,176	-	-	-	(192,176)	-	(192,176)
Transportation	3,154,488	221,043	290,248	-	(2,643,197)	-	(2,643,197)
Culture and Recreation	1,385,203	284,831	-	-	(1,100,372)	-	(1,100,372)
Debt Service Interest on Long-Term Debt	151,255	-	-	-	(151,255)	-	(151,255)
Total Governmental Activities	14,675,439	2,925,629	785,361	993	(10,963,456)	-	(10,963,456)
Business-Type Activities:							
Utility	5,769,026	7,478,020	-	2,455,824	-	4,164,818	4,164,818
Sanitation	2,105,134	1,977,200	23,876	-	-	(104,058)	(104,058)
Total Business-Type Activities	7,874,160	9,455,220	23,876	2,455,824	-	4,060,760	4,060,760
Total Primary Government	$ 22,549,599	$ 12,380,849	$ 809,237	$ 2,456,817	(10,963,456)	4,060,760	(6,902,696)
GENERAL REVENUES:							
Taxes:							
Property Taxes					4,443,640	-	4,443,640
Utility Taxes					2,291,033	-	2,291,033
Fuel Taxes					469,266	-	469,266
Franchise Taxes					1,066,047	-	1,066,047
Sales Taxes					637,208	-	637,208
Other Taxes					68,077	-	68,077
State Shared Revenue					451,596	-	451,596
Investment Earnings					239,025	356,948	595,973
Miscellaneous					276,671	-	276,671
Gain on Sale of Capital Assets					49,627	93,980	143,607
TRANSFERS, NET					(917,903)	917,903	-
Total General Revenues and Transfers					9,074,287	1,368,831	10,443,118
CHANGE IN NET POSITION					(1,889,169)	5,429,591	3,540,422
Net Position - Beginning of Year					24,348,262	36,967,661	61,315,923
NET POSITION - END OF YEAR					$ 22,459,093	$ 42,397,252	$ 64,856,345

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	City of Brooksville Community Redevelopment Agency	Fire Department Fund	Local Option Gas Tax Fund	Road Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Pooled Cash and Investments	$ 4,865,405	$ 206,655	$ 208,703	$ 182,528	$ 2,865,021	$ 2,616,942	$ 10,945,254
Restricted Pooled Cash and Investments	-	-	-	-	-	355,531	355,531
Accounts Receivable	250,014	-	360	-	-	9,961	260,335
Due from Other Funds	152,742	-	-	-	-	-	152,742
Advance to Other Funds	58,388	-	-	-	-	-	58,388
Due from Other Governments	310,629	-	34,258	66,089	-	32,134	443,110
Inventory - Supplies	2,493	-	-	-	-	-	2,493
Prepaid Items	58,638	-	-	-	-	-	58,638
Total Assets	$ 5,698,309	$ 206,655	$ 243,321	$ 248,617	$ 2,865,021	$ 3,014,568	$ 12,276,491
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 877,210	$ -	$ 30,666	$ 160,965	$ -	$ 574	$ 1,069,415
Accrued Wages Payable	99,183	-	124,573	25,977	-	-	249,733
Unearned Revenue	-	-	18,750	-	4,779	1,414	24,943
Due to Other Funds	-	-	-	-	122,699	30,043	152,742
Deposits	113,109	-	-	-	-	-	113,109
Other Liabilities	343,415	-	11,497	6,832	12,292	-	374,036
Total Liabilities	1,432,917	-	185,486	193,774	139,770	32,031	1,983,978
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue: Intergovernmental	-	-	-	19,000	-	-	19,000
FUND BALANCES							
Nonspendable	119,519	-	-	-	-	269,692	389,211
Restricted	-	151,655	57,835	35,843	2,725,251	2,418,876	5,389,460
Committed	-	-	-	-	-	14,599	14,599
Assigned	-	55,000	-	-	-	279,370	334,370
Unassigned (Deficit)	4,145,873	-	-	-	-	-	4,145,873
Total Fund Balances	4,265,392	206,655	57,835	35,843	2,725,251	2,982,537	10,273,513
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,698,309	$ 206,655	$ 243,321	$ 248,617	$ 2,865,021	$ 3,014,568	$ 12,276,491

See accompanying Notes to Financial Statements.

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

Fund Balances - Total Governmental Funds		$ 10,273,513
Amounts reported for governmental activities in statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of Capital Assets	31,078,939	
Less: Accumulated Depreciation/Amortization	(12,979,659)	18,099,280
Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.		19,000
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Balances at year-end are:		
Compensated Absences	(251,643)	
Leases Payable	(36,608)	
Subscriptions Payable	(57,975)	
Notes Payable	(3,565,650)	
Bonds Payable	(123,243)	(4,035,119)
Net pension liability is not due and payable in the current period, therefore the liabilities and the related deferred outflows and inflows of resources are not reported in the funds. Balances at year-end are:		
Net Pension Liability	(3,331,772)	
Deferred Outflows of Resources - Pension Related	1,247,614	
Deferred Inflows of Resources - Pension Related	(1,136,324)	(3,220,482)
Total other postemployment benefits liability is not due and payable in the current period, therefore, the liabilities and the related deferred outflows and inflows of resources are not reported in the funds. Balances at year-end are:		
Total OPEB Liability	(442,490)	
Deferred Outflows of Resources - OPEB	121,685	
Deferred Inflows of Resources - OPEB	(222,179)	(542,984)
Internal service funds are used by management to charge the costs of certain activities to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		1,865,884
Net Position of Governmental Activities		$ 22,459,092

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	General Fund	City of Brooksville Community Redevelopment Agency	Fire Department Fund	Local Option Gas Tax Fund	Road Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 6,527,043	$ 202,896	$ 1,157,011	$ 277,336	$ -	$ 191,930	$ 8,356,216
Licenses and Permits	1,769,014	-	-	-	50,472	230,521	2,050,007
Intergovernmental Revenue	1,449,554	-	6,476	290,248	-	-	1,746,278
Charges for Services	423,286	-	34,441	-	-	-	457,727
Fines and Forfeitures	98,980	-	-	-	-	5,118	104,098
Net Investment Earnings	88,052	28	-	-	71,160	19,832	179,072
Miscellaneous Revenues	538,504	-	15,947	176,351	-	12,974	743,776
Total Revenues	10,894,433	202,924	1,213,875	743,935	121,632	460,375	13,637,174
EXPENDITURES							
Current:							
General Government	4,975,589	-	-	-	-	-	4,975,589
Culture and Recreation	1,126,736	-	-	-	-	28,490	1,155,226
Public Safety	1,313,766	-	2,424,498	-	-	-	3,738,264
Physical Environment	367,172	-	-	-	-	-	367,172
Economic Development	-	192,176	-	-	-	-	192,176
Transportation	97,275	-	-	2,619,681	-	-	2,716,956
Capital Outlay	1,197,706	-	19,561	323,916	43,200	-	1,584,383
Debt Service:							
Principal	240,918	-	18,575	14,933	-	296,375	570,801
Interest	116,035	-	5,855	891	-	28,474	151,255
Total Expenditures	9,435,197	192,176	2,468,489	2,959,421	43,200	353,339	15,451,822
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,459,236	10,748	(1,254,614)	(2,215,486)	78,432	107,036	(1,814,648)
OTHER FINANCING SOURCES (USES)							
SBITAs	35,022	-	-	-	-	-	35,022
Leases	45,837	-	-	-	-	-	45,837
Transfers In	1,137,942	-	1,292,929	1,790,071	-	656,697	4,877,639
Transfers Out	(4,966,238)	-	(7,563)	(1,683)	-	(820,058)	(5,795,542)
Total Other Financing Sources (Uses)	(3,747,437)	-	1,285,366	1,788,388	-	(163,361)	(837,044)
NET CHANGE IN FUND BALANCES	(2,288,201)	10,748	30,752	(427,098)	78,432	(56,325)	(2,651,692)
Fund Balances - Beginning of Year	6,553,593	195,907	27,083	524,989	2,646,819	3,038,862	12,987,253
Restatement	-	-	-	(62,048)	-	-	(62,048)
Fund Balances - Beginning of Year	6,553,593	195,907	27,083	462,941	2,646,819	3,038,862	12,925,205
FUND BALANCES - END OF YEAR	$ 4,265,392	$ 206,655	$ 57,835	$ 35,843	$ 2,725,251	$ 2,982,537	$ 10,273,513

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025

Net Changes in Fund Balances - Total Governmental Funds		$ (2,651,692)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is depreciated/amortized over their estimated useful lives.		
Capital Outlay	$ 1,584,383	
Less: Current Year Depreciation/Amortization	(1,145,944)	438,439
Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. This is the effect of these differences in the treatment of long-term debt and related items.		
Leases	(45,837)	
SBITA	(35,022)	
Principal Repayments - Leases Payable	17,451	
Principal Repayments - Subscriptions Payable	37,510	
Principal Repayments - Notes Payable	499,572	
Principal Repayments - Bonds Payable	16,268	489,942
Governmental funds report revenues from deferred inflows of resources in prior periods that are available in the current period. However, these inflows are not reported as revenues in the statement of activities.		
Intergovernmental Revenue		(43,048)
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 funds. The amounts below represent the change in these accounts		
Change in Compensated Absences		(69,407)
Changes in net pension liability and related pension amounts 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.		(53,469)
Changes in total other postemployment benefits (OPEB) liability and related OPEB amounts 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.		(536)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service fund is is reported with governmental activities.		602
Change in Net Position of Governmental Activities		$ (1,889,169)

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Utility Fund	Sanitation Fund	Total	
ASSETS				
Current Assets:				
Pooled Cash and Investments	$ 15,415,218	$ 729,635	$ 16,144,853	$ 2,802,231
Accounts Receivable, Net	944,736	276,065	1,220,801	-
Due from Other Governments	38,786	-	38,786	-
Due from Other Funds	-	292,178	292,178	-
Inventory - Supplies	316,252	-	316,252	-
Prepaid Items	-	-	-	24,711
Total Current Assets	16,714,992	1,297,878	18,012,870	2,826,942
Noncurrent Assets:				
Restricted Assets:				
Cash and Investments	1,025,686	-	1,025,686	-
Capital Assets, Net:				
Land	1,148,911	47,020	1,195,931	-
Construction in Progress	5,935,670	-	5,935,670	-
Building	1,045,951	317,288	1,363,239	-
Improvement Other than Building	14,789	57,040	71,829	-
Infrastructure	53,679,500	-	53,679,500	-
Machinery and Equipment	3,888,110	1,780,537	5,668,647	2,933,831
Right-to-Use Lease Assets	-	-	-	1,347,979
Subscription-Based Information Technology Arrangements	45,444	20,305	65,749	-
Total Capital Assets	65,758,375	2,222,190	67,980,565	4,281,810
Less: Accumulated Depreciation and Amortization	36,966,270	1,702,051	38,668,321	2,237,567
Net Capital Assets	28,792,105	520,139	29,312,244	2,044,243
Total Noncurrent Assets	29,817,791	520,139	30,337,930	2,044,243
Total Assets	46,532,783	1,818,017	48,350,800	4,871,185
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	297,449	170,178	467,627	-
OPEB Related Items	5,864	19,059	24,923	-
Total Deferred Outflows of Resources	303,313	189,237	492,550	-

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities			Governmental Activities -
	Utility Fund	Sanitation Fund	Total	Internal Service Fund
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 818,993	$ 94,088	$ 913,081	$ 115,337
Accrued Interest Payable	148,406	-	148,406	-
Accrued Wages Payable	49,187	27,686	76,873	6,458
Deposits	806,167	-	806,167	-
Due to Other Funds	292,178	-	292,178	-
Note Payable - Due within One Year	58,292	-	58,292	-
Bond Payable - Due within One Year	735,780	-	735,780	-
Other Current Liabilities	-	6,342	6,342	1,284
Leases Payable	-	-	-	278,018
Subscriptions Payable	7,572	3,383	10,955	-
Total Current Liabilities	2,916,575	131,499	3,048,074	401,097
Noncurrent Liabilities:				
Accrued Compensated Absences	53,925	28,900	82,825	7,714
Advance from Other Funds	58,388	-	58,388	-
Notes Payable	802,152	-	802,152	-
Bond Payable	1,138,026	-	1,138,026	-
Net Pension Liability	858,326	486,781	1,345,107	-
Total OPEB Liability	21,325	69,306	90,631	-
Other Long-Term Liabilities	1,434,771	-	1,434,771	-
Lease Payable	-	-	-	759,099
Subscriptions Payable	17,587	7,859	25,446	-
Total Noncurrent Liabilities	4,384,500	592,846	4,977,346	766,813
Total Liabilities	7,301,075	724,345	8,025,420	1,167,910
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	167,668	44,895	212,563	-
OPEB Related Items	10,707	34,799	45,506	-
Total Deferred Inflows of Resources	178,375	79,694	258,069	-
NET POSITION				
Net Investment in Capital Assets	24,025,904	510,432	24,536,336	1,007,126
Restricted for Debt Service	414,704	-	414,704	-
Unrestricted	14,916,036	692,783	15,608,819	2,696,149
Total Net Position	$ 39,356,644	$ 1,203,215	40,559,859	$ 3,703,275
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			1,837,391	
Net Position of Business-Type Activities			$ 42,397,250	

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities			Governmental Activities -
	Utility Fund	Sanitation Fund	Total	Internal Service Fund
OPERATING REVENUES				
Charges for Services	$ 7,426,093	$ 1,970,335	$ 9,396,428	$ 2,012,557
Miscellaneous Revenues	51,925	6,865	58,790	58,315
Total Operating Revenues	7,478,018	1,977,200	9,455,218	2,070,872
OPERATING EXPENSES				
Personal Services	1,489,698	933,248	2,422,946	1,662,346
Other Services and Charges	2,520,445	1,039,917	3,560,362	407,585
Depreciation	1,636,306	65,162	1,701,468	157,290
Total Operating Expenses	5,646,449	2,038,327	7,684,776	2,227,221
OPERATING INCOME (LOSS)	1,831,569	(61,127)	1,770,442	(156,349)
NONOPERATING REVENUES (EXPENSES)				
Net Investment Earnings	348,599	8,349	356,948	60,420
Interest Expense	(69,706)	-	(69,706)	-
Gain (Loss) on Sale of Capital Assets	-	21,206	21,206	49,627
Total Nonoperating Revenues (Expenses)	278,893	29,555	308,448	110,047
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	2,110,462	(31,572)	2,078,890	(46,302)
CONTRIBUTIONS AND TRANSFERS				
Capital Grants and Contributions	2,455,824	23,876	2,479,700	-
Transfers In	1,838,833	-	1,838,833	-
Transfers Out	(719,705)	(201,225)	(920,930)	-
Total Contributions and Transfers	3,574,952	(177,349)	3,397,603	-
CHANGE IN NET POSITION	5,685,414	(208,921)	5,476,493	(46,302)
Net Position - Beginning of Year	33,671,230	1,412,136		3,749,577
NET POSITION - END OF YEAR	$ 39,356,644	$ 1,203,215		$ 3,703,275
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds			(46,904)	
CHANGE IN POSITION OF BUSINESS-TYPE ACTIVITIES			$ 5,429,589	

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities			Governmental Activities -
	Utility Fund	Sanitation Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 7,103,644	$ 1,942,968	$ 9,046,612	$ 2,070,872
Payments to Employees	(1,595,535)	(941,754)	(2,537,289)	(1,635,759)
Payments to Suppliers	(1,731,337)	(989,326)	(2,720,663)	(401,639)
Net Cash Provided (Used) by Operating Activities	3,776,772	11,888	3,788,660	33,474
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	1,838,833	-	1,838,833	-
Transfers to Other Funds	(719,705)	(201,225)	(920,930)	-
Net Cash Provided (Used) by Noncapital Financing Activities	1,119,128	(201,225)	917,903	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants and Contributions	2,546,825	23,876	2,570,701	-
Acquisition and Construction of Capital Assets	(3,189,740)	(327,467)	(3,517,207)	(548,903)
Proceeds from Sale of Assets	-	93,980	93,980	49,627
Insurance Proceeds	-	-	-	-
Issuance of Long Term Debt	522,696	-	522,696	-
Principal Paid on Long-Term Debt	(781,409)	(2,812)	(784,221)	(209,912)
Interest Paid	(80,392)	-	(80,392)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(982,020)	(212,423)	(1,194,443)	(709,188)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends	348,599	8,349	356,948	60,421
Net Cash Provided by Investing Activities	348,599	8,349	356,948	60,421
NET INCREASE (DECREASE) IN POOLED CASH AND INVESTMENTS	4,262,479	(393,411)	3,869,068	(615,293)
Cash and Cash Equivalents - Beginning of Year	12,178,425	1,123,046	13,301,471	3,417,524
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 16,440,904	$ 729,635	$ 17,170,539	$ 2,802,231
REPORTED IN THE STATEMENT OF NET POSITION AS:				
Pooled Cash and Investments	$ 15,415,218	$ 729,635	$ 16,144,853	$ 2,802,231
Restricted Cash and Investments	1,025,686	-	1,025,686	-
Total Cash and Cash Equivalents	$ 16,440,904	$ 729,635	$ 17,170,539	$ 2,802,231

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Utility Fund	Sanitation Fund	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ 1,831,569	$ (61,127)	$ 1,770,442	$ (156,349)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,636,306	65,162	1,701,468	157,290
(Increase) Decrease in Assets:				
Accounts Receivable	4,381	(34,232)	(29,851)	-
Due from Other Governments	-	-	-	-
Inventories	(65,802)	-	(65,802)	-
Deferred Outflows of Pension Related Items	30,846	9,174	40,020	-
Deferred Outflows of OPEB Related Items	(4,088)	(11,362)	(15,450)	-
Increase (Decrease) in Liabilities:				
Accounts Payable	854,910	49,740	904,650	23,769
Accrued Wages Payable	11,272	9,330	20,602	2,876
Other Current Liabilities	-	851	851	475
Deposits	16,629	-	16,629	-
Accrued Compensated Absences	13,019	503	13,522	5,413
Net Pension Liability	(164,049)	(31,079)	(195,128)	-
Total OPEB Liability	7,508	9,432	16,940	-
Other Long-Term Liabilities	(395,384)	-	(395,384)	-
Deferred Inflows of Pension Related Items	(3,720)	2,470	(1,250)	-
Deferred Inflows of OPEB Related Items	3,375	3,026	6,401	-
Net Cash Provided (Used) by Operating Activities	$ 3,776,772	$ 11,888	$ 3,788,660	$ 33,474
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Capital Related Accounts Payable and Retainage	$ 248,069	$ 18,750	$ 266,819	$ -

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2025

	Private Purpose Trust Funds	Pension Trust Funds
ASSETS		
Cash and Pooled Cash	$ 1,933	$ 315,322
Investments:		
Debt Securities	-	2,578,433
Marketable Equity Securities	-	6,337,511
Real Estate Fund	-	743,947
Accounts Receivable	-	43,083
Total Assets	1,933	10,018,296
NET POSITION		
Restricted for Other Purposes	1,933	-
Restricted for Pension Benefits	-	10,018,296
Total Net Position	$ 1,933	$ 10,018,296

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED SEPTEMBER 30, 2025

	Private Purpose Trust Funds	Pension Trust Funds
ADDITIONS:		
CONTRIBUTIONS		
Employer	$ -	$ 282,847
Plan Members	-	78,884
State of Florida	-	136,830
Total Contributions	-	498,561
INVESTMENT EARNINGS		
Net Increase in Fair Value	-	470,419
Interest and Dividends	168	526,042
Total Investment Earnings	168	996,461
Total Additions	168	1,495,022
DEDUCTIONS:		
BENEFIT PAYMENTS	-	623,273
ADMINISTRATIVE EXPENSES	-	142,730
Total Deductions	-	766,003
CHANGE IN NET POSITION	168	729,019
Net Position - Beginning of Year	1,765	9,289,277
NET POSITION - END OF YEAR	$ 1,933	$ 10,018,296

See accompanying Notes to Financial Statements.

NOTE 1 REPORTING ENTITY

The City of Brooksville, Florida (the City) is an incorporated municipality, established in 1880, when the officers of the Town of Brooksville adopted ordinances declaring administrative and criminal laws. In 1931 the legislature of the State of Florida approved the Proposed Home Rule Charter for the City of Brooksville as contained in Chapter 15103 of the 1931 Acts of Florida. This chapter legalized and validated the charter election, which was held in the City on April 21, 1931. The City operates under a City Council-Manager form of government and provides the following municipal services: general administrative, public safety, permitting and zoning, development, public improvements, recreation, water and sewer, and sanitation and cemetery services.

The accompanying financial statements are prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB). The more significant of the City's accounting policies are described below.

As required by the Governmental Accounting Standards Board (GASB), these financial statements include the City (the primary government) and its component units, entities for which the City is considered to be financially accountable. The City is financially accountable if (a) it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City; (b) the organization is fiscally dependent upon the City; or (c) it would cause the financial statements to be misleading by excluding the organization.

The reporting entity's financial statements should allow users to distinguish between the primary government and its component units. However, some component units, because of the closeness of their relationships with the City should be blended as though they were part of the City. Otherwise, component units should be discretely presented. To accomplish this goal, the City's financial statements present the fund types of the City, including component units that have been blended.

City of Brooksville Community Redevelopment Agency

The City of Brooksville Community Redevelopment Agency (CRA), a public body corporate and politic created pursuant to Florida Statutes, Section 163.356 was created to oversee and implement the City's redevelopment plan and to supervise and control the expenditures of tax increment financing funds placed in the Community Redevelopment Area Trust Fund. The members of the City Council serve as the members of the CRA Board and approve the annual budget. The CRA satisfies the criteria for blending and is reported as a major Special Revenue Fund of the City. The CRA is designated as a major fund for public interest reasons. The CRA issues separate financial statements and they may be obtained by writing to Finance Director, City of Brooksville, 201 Howell Avenue, Brooksville, Florida 34601.

NOTE 1 REPORTING ENTITY (CONTINUED)

Brooksville Housing Authority

The Brooksville Housing Authority has not been included as part of the City for financial statement purposes. The governing board is appointed by the Mayor of the City with approval of City Council, as set forth in Florida Statute 421.05, but then the governing board is responsible for the hiring and firing of management; the budget, which is then approved by the federal government; and all fiscal matters. The City has no responsibility for any surplus or deficits of the Brooksville Housing Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic Financial Statements – Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (i.e., the Statement of Net Position and the Statement of Activities) and fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements categorize primary activities as either governmental or business type. The City's fire protection, parks, public works, cemetery, and general administrative services are classified as governmental activities. The City's water, sewer, and sanitation services are classified as business-type activities.

In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported using the economic resources measurement focus and the accrual basis of accounting, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports functional categories of programs provided by the City and demonstrates how and to what degree those programs are supported by specific revenue. The "Expenses" column reports direct expenses that are clearly identifiable with a specific function or program. "Program Revenues" are directly attributable to a specific function or program and are categorized as charges for services, operating grants and contributions, and capital grants and contributions. The net of program expenses less program revenues reflects the net cost of each function or program. The general revenues section includes revenues that are not program specific such as taxes and investment earnings.

As a general rule, the effect of interfund balances and transfers have been removed from the government-wide financial statements, except for the residual amounts between governmental and business-type activities reported as "internal balances," which are eliminated in the total column. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Government-Wide and Fund Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, expenditures (or expenses), as appropriate, and other financing sources and uses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds of the City are divided into three categories: governmental, proprietary, and fiduciary.

The emphasis in fund financial statements is on the major funds, as defined by GASB, in either the governmental or business-type activities categories. The nonmajor funds are combined in a column in the fund financial statements.

The City operates the following major governmental funds:

Governmental Funds

Governmental funds are used to account for all or most of a government's general activities. The City operates 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 required to be accounted for in another fund.
- The **City of Brooksville Community Redevelopment Agency**, a major special revenue fund, accounts for expenditures associated with oversight and implementation of the City's redevelopment plan and control of the expenditures of restricted tax increment financing funds placed in the City of Brooksville Community Redevelopment Agency.
- The **Fire Department Fund**, a major special revenue fund, accounts for funding restricted to fire protection and related essential services within the City.
- The **Local Option Gas Tax Fund**, a major special revenue fund, accounts for the gas tax restricted by Section 336.025, Florida Statutes, for use specific transportation expenditures.
- The **Road Impact Fees Fund**, a major special revenue fund, accounts for impact fees restricted by Section 163.31801, Florida Statutes, to acquire, construct, or improve capital facilities to benefit new users.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Proprietary funds are used to account for a government's ongoing activities, which are similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

The City reports the following major proprietary funds:

- The **Utility Fund** accounts for the fiscal activity of providing water and wastewater services to residential and commercial customers.
- The **Sanitation Fund** accounts for the fiscal activity of providing collection and disposal of solid waste to residential and commercial customers.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 City's enterprise funds and of the internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service fund 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 nonoperating revenues and expenses.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal service (vehicle maintenance, vehicle replacement, equipment replacement, employee benefits, and health insurance) are the City's governmental activities, the financial statements of the internal service funds are allocated largely into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Fiduciary Funds

Fiduciary funds are used to account for resources that a government holds as a trustee or agent on behalf of an outside party that cannot be used for to support the government's own programs. As a result, they are excluded from the government-wide financial statements.

The City reports the following fiduciary funds:

- The **Butterweck Bond Fund,** a private-purpose trust fund, accounts for the fiscal activity to maintain Butterweck Crypt at Brooksville Cemetery.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds (Continued)

- The **Fireman's Retirement Fund,** a pension trust fund, accounts for the firefighter's pension benefits, contractual services, and investment services.
- The **Police Retirement Fund,** a pension trust fund, accounts for the police pension benefits, contractual services, and investment services.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed by governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available 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 are recorded when the related fund liability has been incurred except for (1) principal and interest on long-term debt, which is recorded when due, and (2) the noncurrent portion of accrued vacation and sick leave.

Property taxes, sales taxes, and franchise taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, fines and forfeitures, charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

All proprietary funds are accounted for on the accrual basis of accounting and presented using the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Net position is segregated into three components: net investment in capital assets; restricted net position; and unrestricted net position. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The fiduciary funds consist of pension trust funds and private-purpose trust fund, which are prepared on the accrual basis of accounting and presented using the economic resources measurement focus.

Budgets and Budgetary Accounting

The City follows these procedures, which comply with legal requirements, in establishing the budgetary data reflected in the financial statements:

1. All funds have legally adopted annual budgets. Prior to the inception of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of funding them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budget amounts within departments; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council. City policy permits amendments to the budget during the fiscal year and subsequent to year-end. Per Section 166.241, Florida Statutes, those subsequent to year-end must occur within 60 days.
5. Budgets for the General Fund, special revenue funds, and capital projects funds are principally prepared on the modified accrual basis of accounting.

Upon legislative approval, the expenditure requests in the budget become binding appropriations, which may not legally be exceeded unless subsequently amended by the legislative body.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures of funds are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Funds. Encumbrances are not the equivalent of expenditures; but rather represent a future commitment to purchase goods or services. Although encumbrances lapse at fiscal year-end, it is the City's intention to honor these encumbrances under authority provided in the subsequent year's budget. Encumbrances outstanding as of September 30, 2025 totaled $2,818,100 of which $322,321 is General Fund, $70,576 is in the Fire Department Fund, $69,417 is Local Option Gas Tax Fund, and $1,334,240 is Utility Fund, and $1,021,556 is Solid Waste Fund.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments

All of the City's cash and investments, except pension funds and certain bond related investments, are combined in a pooled cash accounting system to allow the investment of idle cash for short periods of time, thereby maximizing interest earnings for the City as a whole. Interest earned on pooled cash is allocated to each fund participating in the pool on a pro-rata basis.

Allowances for Uncollectible

The City calculates its allowances for uncollectible using historical collection data, specific account analysis, and management’s judgment.

Investments

All investments, except non-participating investments, (i.e., certificates of deposits, and repurchase agreements), and investments in the external investments pools that meet the requirements of GASB 79 are reported at fair value.

Inventory of Supplies

Supplies inventory is valued at cost on a first-in, first-out basis. Supplies inventory consists of supplies held for consumption that are expensed at the time of consumption, rather than at the time a liability is incurred.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are expensed during the periods benefited.

Capital Assets

Capital assets, which include land, construction in progress, buildings, improvements other than buildings, equipment, and right-to-use leased assets, and subscription-based information technology arrangements (SBITA) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements.

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost if purchased or constructed. Contributed assets are reported at estimated acquisition value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance that do not add to the value of the asset or materially extend the asset life are not capitalized.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation on all assets is provided using the straight-line method. The estimated useful lives are as follows:

Buildings	40 Years
Utility Plant in Service	20 to 40 Years
Equipment	5 to 10 Years
Infrastructure	10 to 50 Years

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. As infrastructure is added, the assets are capitalized and depreciated appropriately.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received form the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

Governmental Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent:

Nonspendable Fund Balance – Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances (Continued)

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action of the City Council, the City's highest level of decision making authority. Commitments may only be removed or changed by the City Council taking the same formal action that imposed the constraint. The commitment action should occur by the end of the fiscal year.

Assigned Fund Balance – Amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City Council delegated the City Manager the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – The residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City has formally adopted a fund balance and spending policy to clearly define the process for tracking the various classifications of fund balance. When a fund expenditure is incurred which restricted, committed, assigned, or unassigned amounts are available to be used, the City will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

Minimum Fund Balance Policy

The City Council established a minimum fund balance by formally requiring, in accordance with its Fund Balance Policy, that the City will maintain a minimum unassigned fund balance in its General Fund of 3% of the current year's budgeted expenditures and outgoing transfers. If fund balance falls below the minimum 3%, the City will replenish shortages/deficiencies over a period not to exceed one year using one or the combination of the following:

- The City will reduce recurring expenditures to eliminate any structural deficit
- The City will increase revenues or pursue other funding sources

The City's Fund Balance Policy also states an unassigned fund balance in its General Fund over 20% of the subsequent year's budgeted expenditures and outgoing transfers will be considered a surplus. If fund balance rises above 20%, the City will consider such fund balance surpluses for one-time expenditures that are non-recurring in nature and which will not require additional future expenditure outlays for maintenance, additional staffing, or other recurring expenditures.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets and liabilities. The net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. All net position not reported as net investment in capital assets or restricted net position, is reported as unrestricted net position. 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.

Statement of Cash Flows

For purposes of the statement of cash flows, the proprietary funds consider pooled cash and investments to be cash equivalents, since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

Pensions

Single Employer: for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Firefighters' Retirement Trust Fund Chapter 175 and the Retired Police Officers' Substituted Trust Fund and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position 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 multiple items that can qualify for reporting in this category including differences between expected and actual experience, changes in actuarial assumptions, net difference in projected versus actual earnings on pension plan investments, changes in the proportion and differences between the City's contributions and proportionate share of contributions, and the City's contributions subsequent to the measurement date, related to the multiple pension and OPEB valuations. The other amounts will be recognized as increases in pension expense and OPEB expense in future years.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has multiple items that can qualify for reporting in this category including differences between expected and actual experience, changes in actuarial assumptions, net difference in projected versus actual earnings on pension plan investments, and changes in the proportion and differences between the City's contributions and proportionate share of contributions, related to the multiple pension and OPEB valuations.

In addition to the above pension related deferred inflows, the City also has one other type of deferred inflows of resources, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item *unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from certain transactions and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE 3 CASH AND INVESTMENTS

Cash Deposits

As of September 30, 2025, the City's cash deposits were entirely covered by federal depository insurance or by the banking network provided by Chapter 280 of the Florida Statutes. Florida Statutes provide for collateral pooling by banks and savings and loans, and limit local government deposits to "authorized depositories." Therefore, all cash deposits held by banks can be classified as fully insured. Customer deposits, renewal and replacement and debt retirement funds are shown as restricted cash due to the legal limitations imposed on them. At September 30, 2025, the carrying amount of the City's deposits were $17,415,502 and the bank balances were $17,496,499. The City also had $2,000 cash on hand at September 30, 2025.

Custodial Risk

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its deposits and securities that are in the possession of an outside party. Demand deposits are fully insured by the Federal Depository Insurance Corporation and the multiple financial institution collateral pool, required by Sections 280.07 and 280.08, Florida Statutes. To mitigate custodial risk, broker/dealers must meet established capital requirements as set forth by the Securities Exchange Commission, be registered in the State of Florida, provide proof of registration, complete a broker/dealer questionnaire, certify understanding of the City's investment policy, and provide a copy of most recent audit report.

Investments

The City's investment policy allows the City to invest surplus money in instruments provided by Florida Statutes Chapter 218.40 - 218.415. Among them are:

a. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act, as provided in Section 163.01, Florida Statutes;

b. Savings accounts in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes;

c. Certificates of deposit in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes;

d. Direct obligations of the U.S. Treasury;

e. Federal Agencies and instrumentalities;

f. Repurchase Contracts secured by U.S. Treasury or U.S. Government Agency Securities when market value shall be not less than 5% more than the amount of the contract. The 5% margin shall be maintained for the term of the contract. If the market value falls below the 5% margin, the issuer of the contract shall pledge additional collateral to restore the margin.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

City ordinance authorizes investments for the pension trust funds, as follows:

a. Annuity and life insurance contracts;
b. Time and savings accounts of National Bank and a State of Florida bank insured by FDIC;
c. Obligations of the United States;
d. State and local government bonds (as restricted); and
e. Corporate stocks and bonds (as restricted).

Pension trust fund investments are made up primarily of trust company and equity funds (bank common funds). The investments are insured or registered securities that are held by the City or its agent, in the City's name. As of September 30, 2025, pension trust fund investments totaled $9,659,891.

Investments in Local Government Investment Pools (LGIP)

The City invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2025, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 18.2% of Florida PRIME's portfolio at September 30, 2025.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments in Local Government Investment Pools (LGIP) (Continued)

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

The City also participates in the Florida Municipal Investment Trust (FMIvT), administered by the Florida League of Cities, Inc. FMIvt is an authorized investment under Section 163.01, Florida Statutes and is considered an external investment pool for reporting purposes. The City owns share in one or more FMIvt portfolios, not the individual securities held within each portfolio.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits investments to specified credit ratings for authorized investments. To mitigate credit risk, the City primarily invests in U.S. government securities and the State of Florida local government surplus trust fund pool. Money market accounts are held with qualified public depositories who meet the State of Florida requirements.

Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's. On September 30, 2025, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

The following illustrates the credit quality distribution with credit exposure as a percentage of the City's investment securities.

Investment Type	Credit Ratings	Concentration Risk at Fair Value	Percentage of Total Pooled Investments
LGIP - SBA Florida PRIME	AAAm	$ 2,432,785	17.15 %
LGIP - FMIvT: 0-2 Year High Quality Bond	AAAf/S1	9,212,704	64.93
LGIP - FMIvT: 1-3 Year High Quality Bond	AAAf/S2	1,758,923	12.40
LGIP - FMIvT: Intermediate High Quality Bond Fund	AAAf/S3	784,013	5.53
Total		$ 14,188,425	100.01 %

The Police Pension Fund and Fire Pension Fund limits credit risk by diversifying the investment portfolios so that potential losses on individual securities will be minimized.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

The following illustrates the credit quality distribution with credit exposure as a percentage of the Fire Pension Fund investment securities.

Investment Type	Credit Ratings	Concentration Risk at Fair Value	Percentage of Total Pooled Investments
Fixed Income:			
U.S. Government Obligations	No rating	$ 368,810	3.95 %
Mortgage/Asset Backed Securities	AA+		-
Mortgage/Asset Backed Securities	AAA	44,534	0.48
Mortgage/Asset Backed Securities	No rating	792,845	8.49
Mutual Funds (Bond Funds)	No rating	397,026	4.25
Corporate Bonds	AAA	5,425	0.06
Corporate Bonds	AA+	6,545	0.07
Corporate Bonds	AA	2,705	0.03
Corporate Bonds	AA-	20,424	0.22
Corporate Bonds	A+	11,793	0.13
Corporate Bonds	A	61,639	0.66
Corporate Bonds	A-	214,039	2.29
Corporate Bonds	BBB+	207,131	2.22
Corporate Bonds	BBB	164,904	1.77
Corporate Bonds	BBB-	55,826	0.60
Corporate Bonds	BB+		-
Corporate Bonds	No rating	25,052	0.27
Foreign Bonds NTS	AA-	6,490	0.07
Foreign Bonds NTS	A+	6,788	0.07
Foreign Bonds NTS	A	3,875	0.04
Foreign Bonds NTS	A-	4,411	0.05
Foreign Bonds NTS	BBB+	34,275	0.37
Foreign Bonds NTS	BBB	17,685	0.19
Foreign Bonds NTS	BBB-	5,641	0.06
Foreign Bonds NTS	No Rating	4,968	0.05
Domestic Equities	No Rating	4,780,072	51.21
International Equities	No Rating	1,347,770	14.44
Real Estate Fund	No Rating	743,947	7.97
Total		$ 9,334,620	100.00 %

The following illustrates the credit quality distribution with credit exposure as a percentage of the Police Pension Fund investment securities.

Investment Type	Credit Ratings	Concentration Risk at Fair Value	Percentage of Total Pooled Investments
Fixed Income:			
Mutual Funds (Bond Funds)	No Rating	$ 115,602	35.54 %
Domestic Equities	No Rating	209,669	64.46
Total		$ 325,271	100.00 %

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

Concentration of credit risk is the risk of loss attributable to the quality of investments in a single user. The City's investment policy, not including pensions, requires that investments be diversified by security type and institution. Approximately 83% of the City's investments are in Florida Municipal Investment Trust. Approximately 17% of the City's Investments are in the Local Government Surplus Trust Fund investment pool.

The Fire Pension Fund requires that not more than 65% of the Plan's assets may be invested in corporate common stock and convertible bonds. Foreign securities shall not exceed 25% of the market value of the Plans' assets. Investment in real estate must not exceed 10% of the cost value of the fund. Not more than 5% of the Plan's assets, at time of purchase, shall be invested in the common stock, capital stock, or convertible stock of any on issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company. The value of bonds issued by any single corporation shall not exceed 3% of the total fund.

The Police Pension Fund may not exceed 70% of the net asset value of the plan in fund equities. At September 30, 2025 holdings were approximately 62% in equities and 38% in fixed income.

The City does not have any investments in any one issuer that represent 5% or more of total investments.

Interest Rate Risk

To mitigate interest rate risk, the City's investment policy requires that the investment portfolio structure maturities to the City's cash needs for ongoing operations and that operating funds be invested primarily in short-term securities. The City's policy requires that investments have maturities no greater than five years.

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2025 was 47 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2025 was 74 days.

Investment Type	Average Duration
LGIP - SBA Florida PRIME	0.20
LGIP - FMIvT: 0-2 Year High Quality Bond	0.88
LGIP - FMIvT: 1-3 Year High Quality Bond	1.75
LGIP - FMIvT: Intermediate High Quality Bond Fund	4.10

The City's pension trust funds do not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The performance of the Police Pension Fund and Fire Pension Fund are measured against various nationally recognized benchmarks depending on the category.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

The Police Pension Fund maturities are as follows:

	Fixed Income Investments
One to Five Years	$ 115,602
Total Fair Value	$ 115,602

The Fire Pension Fund maturities are as follows:

	Fixed Income Investments
Less than One Year	$ 25,980
One to Five Years	1,202,970
Five to Ten Years	349,893
More than Ten Years	883,988
Total Fair Value	$ 2,462,831

Foreign Currency Risk

The City is not exposed to any foreign currency risk.

Fair Value Measurements

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 market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following illustrates the fair value of investments of the City:

		Fair Value Measurements Using		
	September 30, 2025	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
LGIP - FMIvT: 0-2 Year High Quality Bond	$ 9,212,704	$ -	$ 9,212,704	$ -
LGIP - FMIvT: 1-3 Year High Quality Bond	1,758,923	-	1,758,923	-
LGIP - FMIvT: Intermediate High Quality Bond Fund	784,013	-	784,013	-
Total	11,755,640	$ -	$ 11,755,640	$ -
Investments Measured at Amortized Cost:				
LGIP - SBA Florida PRIME	2,432,785			
Total Investments Measured at Amortized Cost	2,432,785			
Total Investments	$ 14,188,425			

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

FMIvT 0-2 Year High Quality Bond Fund

This fund invests mainly in U.S. government and agency securities and asset-backed securities. The underlying securities have observable Level 1 quoted pricing inputs or observable Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

FMIvT 1-3 Year High Quality Bond Fund

This fund invests mainly in U.S. government and agency securities and asset-backed securities. The underlying securities have observable Level 1 quoted pricing inputs or observable Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, IDC. While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

FMIvT Intermediate High Quality Bond Fund

This fund invests mainly in U.S. government and agency securities, asset-backed securities and corporate bonds and notes. The underlying securities have observable Level 1 quoted pricing inputs or observable Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, IDC. While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

The following illustrates the fair value of investments of the Police Pension Fund:

		Fair Value Measurements Using		
	September 30, 2025	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Debt Securities:				
Mutual Funds (Bond Funds)	$ 115,602	$ 115,602	$ -	$ -
Marketable Equity Funds:				
Domestic	209,669	209,669	-	-
Total Investments at Fair Value Level	$ 325,271	$ 325,271	$ -	$ -

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The following illustrates the fair value of investments of the Fire Pension Fund:

		Fair Value Measurements Using		
	September 30, 2025	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Debt Securities:				
U.S. Government Obligations	$ 368,810	$ -	$ 368,810	$ -
Mutual Funds (Bond Funds)	397,026	397,026	-	-
Mortgage/Asset Backed Securities	837,379	-	837,379	-
Corporate and Foreign Bonds	859,616	-	859,616	-
Subtotal - Debt Securities	2,462,831	397,026	2,065,805	-
Marketable Equity Funds:				
Domestic	4,780,072	4,780,072	-	-
International	1,347,770	1,347,770	-	-
Subtotal - Marketable Equity Funds	6,127,842	6,127,842	-	-
Total Investments at Fair Value Level	8,590,673	$ 6,524,868	$ 2,065,805	$ -
Investments by Net Asset Value (NAV):				
Real Estate Fund	743,947			
Total Investments Measured at the NAV	743,947			
Total Investments	$ 9,334,620			

Other information for investments measured at the NAV or its equivalent is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Fund	$ 743,947	$ -	Quarterly	Daily

Real Estate Fund – The American Core Realty Fund is an open-end diversified core real estate commingled fund whose primary objective is to provide returns that are attractive relative to other asset classes with stable income and potential for market appreciation. The American Core Realty Fund invests primarily in core institutional quality industrial, multi-family, office and retail properties located throughout the United States, and is diversified by product type, geographic region, and economic exposure in order to mitigate investment risk.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

A reconciliation of deposits and investments to amounts shown on the statement of net position and statement of fiduciary net position is as follows:

Deposits	$ 17,400,385
Cash on Hand	2,000
Investments	23,848,316
Total	$ 41,250,701
Statement of Net Position:	
Cash and Investments	$ 29,900,560
Restricted Cash and Investments	1,372,995
Statement of Fiduciary Net Positions:	
Pooled Cash	317,255
Investments	9,659,891
Total Cash and Investments	$ 41,250,701

NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due To/From Other Funds

The balances due to/from other funds were as follows at September 30, 2025:

Due To/From Other Funds	Interfund Receivable	Interfund Payable
Major Funds:		
General Fund	$ 152,742	$ -
Road Impact Fee Fund	-	122,699
Utilities Fund	-	292,178
Sanitation Fund	292,178	-
Nonmajor Governmental Funds	-	30,043
Total	$ 444,920	$ 444,920

Advance To/From Other Funds

The balance advanced to/from other funds was as follows at September 30, 2025:

Advances To/From Other Funds	Interfund Receivable	Interfund Payable
Major Funds:		
General Fund	$ 58,388	$ -
Utilities Fund	-	58,388
Total	$ 58,388	$ 58,388

NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Advance To/From Other Funds (Continued)

Interfund receivables and payables represent recurring activities between funds as well as temporary deficit cash balances. All interfund payables are expected to be repaid within one year, with the exception of the advance due between the General Fund and Utility Fund.

Interfund Transfers In/Transfers Out

Individual interfund transfers were as follows for the fiscal year ended September 30, 2025:

Transfers In/Out	Transfers In	Transfers Out
Major Funds:		
General Fund	$ 1,137,942	$ 4,966,238
Fire Department Fund	1,292,929	7,563
Local Option Gas Tax Fund	1,790,071	1,683
Utility Fund	1,838,833	719,705
Sanitation Fund	-	201,225
Nonmajor Governmental Funds	656,697	820,058
Total Transfers In/Transfers Out	$ 6,716,472	$ 6,716,472

Transfers between funds are primarily to move unrestricted revenues collected in funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 5 CAPITAL ASSETS

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

	Balance September 30, 2024	Additions	Deletions	Balance September 30, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 1,510,978	$ -	$ -	$ 1,510,978
Construction-in-Progress	7,712,349	-	(5,442,168)	2,270,181
Total Capital Assets, Not Being Depreciated	9,223,327	-	(5,442,168)	3,781,159
Capital Assets, Being Depreciated:				
Buildings	7,047,223	5,286,339	-	12,333,562
Improvements Other Than Building	4,598,720	65,000	-	4,663,720
Infrastructure	4,568,740	811,897	-	5,380,637
Equipment	6,467,786	1,438,709	(227,345)	7,679,150
Total Capital Assets, Being Depreciated	22,682,469	7,601,945	(227,345)	30,057,069
Less: Accumulated Depreciation				
Buildings	4,068,194	319,155	-	4,387,349
Improvements Other Than Building	1,966,779	197,677	-	2,164,456
Infrastructure	3,472,041	198,121	-	3,670,162
Equipment	4,416,039	380,829	(227,345)	4,569,523
Total Accumulated Depreciation	13,923,053	1,095,782	(227,345)	14,791,490
Total Capital Assets, Being Depreciated, Net	8,759,416	6,506,163	-	15,265,579
Right-to-Use Lease Assets:				
Equipment	394,518	999,298	-	1,393,816
Less Accumulated Amortization:				
Equipment	116,972	245,640	-	362,612
Total Right-to-Use Lease Assets, Net	277,546	753,658	-	1,031,204
Subscription-Based Information Technology Arrangement Assets	174,087	35,022	(80,403)	128,706
Less: Accumulated Amortization:				
Subscription-Based Information Technology Arrangements	82,589	60,938	(80,403)	63,124
Total Subscription Based Information Technology Arrangement Assets, Net	91,498	(25,916)	-	65,582
Total Governmental Activities Capital Assets, Net	$ 18,351,787	$ 7,233,905	$ (5,442,168)	$ 20,143,524

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Balance September 30, 2024	Additions	Deletions	Balance September 30, 2025
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 1,195,931	$ -	$ -	$ 1,195,931
Construction-in-Progress	4,183,279	2,634,928	(882,537)	5,935,670
Total Capital Assets, Not Being Depreciated	5,379,210	2,634,928	(882,537)	7,131,601
Capital Assets, Being Depreciated:				
Buildings	480,702	882,537	-	1,363,239
Improvements Other Than Buildings	71,829			71,829
Infrastructure	53,679,498			53,679,498
Machinery and Equipment	5,462,628	542,686	(336,667)	5,668,647
Total Capital Assets, Being Depreciated	59,694,657	542,686	(336,667)	60,783,213
Less: Accumulated Depreciation:				
Buildings	355,598	17,455		373,053
Improvements Other Than Buildings	71,310	238		71,548
Infrastructure	33,135,832	1,462,655		34,598,487
Machinery and Equipment	3,724,343	208,792	(336,667)	3,596,468
Total Accumulated Depreciation	37,287,083	1,689,140	(336,667)	38,639,556
Total Capital Assets, Being Depreciated, Net	22,407,574	(1,146,454)	-	22,143,657
Subscription-Based Information Technology Arrangement Assets	65,749	-	-	65,749
Less: Accumulated Amortization:				
Subscription-Based Information Technology Arrangements	16,437	12,328	-	28,765
Total Subscription Based Information Technology Arrangement Assets, Net	49,312	12,328	-	36,984
Total Business-Type Activities Capital Assets, Net	$ 27,836,096	$ 1,500,802	$ (882,537)	$ 29,312,242

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	$ 651,458
Public Safety	127,857
Physical Environment	103,411
Transportation	296,648
Culture and Recreation	222,986
Total Depreciation/Amortization for Governmental Activities	$ 1,402,360
Business-Type Activities:	
Water	$ 1,636,306
Solid Waste Fund	65,162
Total Depreciation/Amortization for Business-Type Activities	$ 1,701,468

NOTE 6 LONG-TERM LIABILITIES

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

	Balance October 1, 2024	Additions	Deductions	Balance September 30, 2025	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Direct Placements:					
2006 Capital Improvement Revenue Bonds	$ 85,000	$ -	$ 10,000	$ 75,000	$ 10,000
2016 Capital Improvement Revenue Bond	54,511	-	6,268	48,243	6,417
Total Direct Placements	139,511	-	16,268	123,243	16,417
Direct Borrowings:					
2011 Capital Improvement Revenue Note	649,261	-	280,106	369,155	281,242
Patch Truck Note	30,439	-	14,932	15,507	14,932
Mini Pumper Fire Truck Note	256,305	-	10,355	245,950	18,971
2022 Capital Improvement Revenue Note	3,129,217	-	194,179	2,935,038	194,180
Total Direct Borrowings	4,065,222	-	499,572	3,565,650	509,325
Leases Payable	293,565	999,298	219,141	1,073,722	287,662
SBITA Payable	60,463	35,022	37,510	57,975	28,041
Compensated Absences	184,537	74,820	-	259,357	74,820
Governmental Activity Long-Term Liabilities	$ 4,743,298	$ 1,109,140	$ 772,491	$ 5,079,947	$ 916,265
BUSINESS-TYPE ACTIVITIES					
Direct Placement:					
2013 Water and Sewer Refunding Revenue Bonds	$ 2,591,946	$ -	$ 718,140	$ 1,873,806	$ 735,780
Total Direct Placement	2,591,946	-	718,140	1,873,806	735,780
Direct Borrowings:					
Wastewater /ARRA Loan	237,589	-	34,294	203,295	35,087
Direct State Revolving Fund Loan WW270201	157,133	-	22,680	134,453	23,205
Direct State Revolving Fund Loan WW270220	-	522,696	-	522,696	-
Total Direct Borrowings	394,722	522,696	56,974	860,444	58,292
Compensated Absences	69,303	13,522	-	82,825	-
SBITA Payable	45,508	-	9,107	36,401	10,955
Other Long-Term Liabilities	1,830,155	-	395,384	1,434,771	-
Business-Type Activity Long-Term Liabilities	$ 4,931,634	$ 536,218	$ 1,179,605	$ 4,288,247	$ 805,027

The change in compensated absences is reported as a net change.

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

The following bonds payable and notes payable were outstanding at September 30, 2025:

Direct Placement – 2006 Capital Improvement Revenue

In November 2006, the City issued $258,800 in Capital Improvement Revenue Bonds, Series 2006 for the purpose of providing a part of the funds required to finance a part of the cost of acquiring and installing certain capital improvements to the City Hall Building and wastewater utility lift stations. The City established an advance between the General Fund and the Utility Fund for the Utility Fund's portion due for the cost of improvements at the wastewater utility lift stations. The balance of the advance at September 30, 2025 was $58,388 as disclosed in Note 4.

Interest on the 2006 bonds is payable annually on September 1 of each year. The bonds carry an interest rate of 4.125%. Bonds maturing September 1, 2017 and thereafter shall be redeemable, at the option of the Issuer, in whole or in part, in inverse numerical and maturity order, on September 1, 2016 or on any interest payment date thereafter at par and accrued interest, plus the following premiums, expressed as percentages of the par value of the Bonds so redeemed, if redeemed in the following years:

4% if redeemed on September 1, 2020 or thereafter, to and including September 1, 2023;
3% if redeemed on September 1, 2024 or thereafter, to and including September 1, 2027;
2% if redeemed on September 1, 2028 or thereafter, to and including September 1, 2031;
1% if redeemed on September 1, 2032 or thereafter, to and including September 1, 2036.

This debt contains a provision that in the event of default, the entire principal amount plus outstanding and accrued interest may become immediately due and payable.

Direct Placement – 2016 Capital Improvement Revenue

In November 2016, the City issued $94,500 in Capital Improvement Revenue Bonds, Series 2016 for the purpose of purchasing a fire truck. Interest on the 2016 bonds is payable annually on October 1 of each year. The 2016 Bonds have an interest rate of 2.375% and will mature October 1, 2031. The Bonds are not subject to redemption prior to their respected stated dates of maturity.

This debt contains a provision that in the event of default, the entire principal amount plus outstanding and accrued interest may become immediately due and payable.

Direct Placement – 2013 Water and Sewer Refunding Revenue

During 2013, City Council approved Resolution 2013-03 authorizing the issuance of the Water and Sewer Refunding Revenue Bond, Series 2013 of $9,510,366. This action refunds the Water and Sewer Systems Bonds Series 1999, Water and Sewer Revenue Refunding Bonds Series 2002, and the Hancock Bank Subordinated Water and Sewer Revenue Note Series 2008. The 2013 Bonds have an interest rate of 2.968% and will mature on October 1, 2027.

This debt contains a provision that in the event of default, any amount will bear interest at the default rate, which is the prime rate plus 3% per annum.

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Direct Placements

The annual requirements to amortize direct placements as of September 30, 2025 are as follows:

	Governmental Activities				Business-Type Activities	
	Direct Placements				Direct Placements	
	2006 Capital Improvement Revenue Bonds		2016 Capital Improvement Revenue Bonds		2013 Water and Sewer Refunding Revenue Bonds	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 10,000	$ 3,094	$ 6,417	$ 1,146	$ 735,780	$ 50,193
2027	11,000	2,681	6,569	993	753,860	28,223
2028	11,000	2,228	6,725	838	384,166	5,712
2029	11,000	1,774	6,885	678	-	-
2030	12,000	1,320	7,049	514	-	-
2031-2035	20,000	1,155	14,598	522	-	-
Total	$ 75,000	$ 12,252	$ 48,243	$ 4,691	$ 1,873,806	$ 84,128

Direct Borrowings – Notes Payable

Notes payable included in long-term liabilities as of September 30, 2025 are as follows:

	Amount
Governmental Activities:	
4.136% note payable to SunTrust Bank; principal and interest payable quarterly beginning January 1, 2012 until October 2026; subject to prepayment penalties; financing energy performance projects. The note contains a provision that in the event of default, additional interest will be required at the daily equivalent rate of 12% per annum and payments may be accelerated.	$ 369,155
3.77% note payable to SunTrust Bank; principal and interest payable monthly beginning October 14, 2018 until September 14, 2026; used to purchase a Patch Truck. The note contains a provision that in the event of default, all payments may become due and payable.	15,507
2.13% note payable to Truist Bank; principal and interest payable monthly beginning March 8, 2022 until March 8, 2036; used to purchase a Mini Pumper Fire Truck. The note contains a provision that in the event of default, all payments may become due and payable.	245,950
3.50% note payable to Truist Bank; principal and interest payable annually beginning June 1, 2023 until June 1, 2037; used to acquire, construct and finance a new public work building. The note contains a provision that in the event of default, the interest rate shall increase to the Default Rate while the payment default has occurred and is ongoing.	2,935,038
Total	$ 3,565,650

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Direct Borrowings – Notes Payable (Continued)

	Amount
Business-Type Activities:	
2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged revenues; principal and interest payable in semiannual installments. beginning August 15, 2011 until February 15, 2031. The note contains a provision that in the event of default, the repayment schedule may be accelerated or the financing rate on the unpaid principal may be increased to as much as 1.667 times the financing rate.	$ 203,295
2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged revenues; principal and interest payable in semiannual installments beginning August 15, 2011 until February 15, 2031. The note contains a provision that in the event of default, the repayment schedule may be accelerated or the financing rate on the unpaid principal may be increased to as much as 1.667 times the financing rate.	134,453
2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged revenues; principal and interest payable in semiannual installments beginning May 15, 2026 until November 15, 2046. The note contains a provision that in the event of default, the repayment schedule may be accelerated or the financing rate on the unpaid principal may be increased to as much as 1.667 times the financing rate.	522,696
Total	$ 860,444

The annual requirements to amortize direct borrowings as of September 30, 2025 are as follows:

	Governmental Activities		Business-Type Activities	
	Direct Borrowings		Direct Borrowings	
Year	Principal	Interest	Principal	Interest
2026	$ 509,325	$ 118,811	$ 58,292	$ 7,435
2027	302,965	101,097	99,241	6,086
2028	235,499	92,619	100,619	4,707
2029	243,464	84,654	102,033	3,295
2030	251,703	76,415	103,476	1,851
2031-2035	1,392,324	248,266	230,490	374
2036-2040	630,370	30,971	166,293	-
Total	$ 3,565,650	$ 752,833	$ 860,444	$ 23,748

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Compensated Absences

Compensated absences represent the City's liability for unused leave (e.g., vacation and other paid time off) that is attributable to services already rendered and is more likely than not to be either paid or settled.

Other Long-Term Liabilities

The City has recorded a liability for the water and sewer impact fee credits received from multiple developers. As of September 30, 2025 the liability is $1,434,771.

Lessee Arrangement

The City leases equipment under a long-term, non-cancelable lease agreement. The leases expire at various dates through 2030 and provide for renewal options in various terms.

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities	
Year	Principal	Interest
2026	$ 287,662	$ 41,806
2027	279,467	28,101
2028	222,195	16,734
2029	209,950	7,458
2030	74,448	484
Total Minimum Lease Payments	$ 1,073,722	$ 94,583

Subscription-Based Information Technology Arrangements

The City has entered into SBITAs which expire at various dates through 2028 and provide for renewal options.

Total future minimum subscription payments under SBITA agreements are as follows:

	Governmental Activities		Business-Type Activities	
Year	Principal	Interest	Principal	Interest
2026	$ 28,041	$ 1,306	$ 10,955	$ 1,382
2027	15,781	494	11,976	732
2028	14,153	-	13,470	-
Total Minimum SBITA Payments	$ 57,975	$ 1,800	$ 36,401	$ 2,114

NOTE 7 DEFINED BENEFIT PENSION PLANS

The City maintains two defined benefit pension plans. The Firefighter's Retirement Trust Fund Chapter 175 Plan (Firefighters' Plan) covers substantially all full-time firefighters employed by the City. The City of Brooksville Retired Police Officers' Substituted Trust Fund (Retired Police Officers' Plan) covers only certain police retirees. There are no separately issued financial statements for either plan.

The statements of fiduciary net position for the two pension plans at September 30, 2025, are as follows:

	Firefighter's Retirement Trust	Retired Police Officers' Substituted Trust	Total
ASSETS			
Cash and Pooled Cash	$ 309,791	$ 5,531	$ 315,322
Investments:			
Debt Securities	2,462,831	115,602	2,578,433
Marketable Equity Securities	6,127,842	209,669	6,337,511
Real Estate Fund	743,947	-	743,947
Accounts Receivable	43,083	-	43,083
Total Assets	9,687,494	330,802	10,018,296
LIABILITIES			
Other Current Liabilities	-	-	-
NET POSITION			
Restricted for Pension Benefits	$ 9,687,494	$ 330,802	$ 10,018,296

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

The statement of changes in fiduciary net position for the two pension plans for the year ended September 30, 2025 is as follows:

	Firefighter's Retirement Trust	Retired Police Officers' Substituted Trust	Total
ADDITIONS			
Contributions:			
Employer	$ 258,487	$ 24,360	$ 282,847
Plan Members	78,884	-	78,884
State	136,830	-	136,830
Total Contributions	474,201	24,360	498,561
Investment Income:			
Net Increase in Fair Value	467,653	2,766	470,419
Interest/Dividends	496,025	30,017	526,042
Total Investment Earnings	963,678	32,783	996,461
Total Additions	1,437,879	57,143	1,495,022
DEDUCTIONS			
Benefit Payments	593,901	29,372	623,273
Administrative Expenses	114,890	27,840	142,730
Total Deductions	708,791	57,212	766,003
CHANGE IN NET POSITION	729,088	(69)	729,019
Net Position - Beginning of Year	8,958,406	330,871	9,289,277
NET POSITION - END OF YEAR	$ 9,687,494	$ 330,802	$ 10,018,296

Summary of Significant Accounting Policies

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments – Investments are reported at fair value as described in Note 3.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175

The City provides a Firefighter's Retirement Trust Fund Chapter 175 Plan (Firefighter's Plan) covering substantially all full-time firefighters employed by the City. The plan was amended and restated by Ordinance 754-D, adopted by City Council on January 7, 2011. The plan is a single-employer defined benefit plan with actuarial valuations performed annually. Employees under the Firefighters' Plan who are classified as full-time and volunteer firefighters shall participate in the system as a condition of employment. Employees are 100% vested after 10 years of credited service.

Plan Description

Employees who are classified as full-time and volunteer firefighters shall participate in the System as a condition of employment.

Fire employees are required to contribute 3.29% of their annual salary. The City is required to contribute the remaining amounts after employee and state contributions necessary to fund the plans as specified by ordinance.

Plan Administration

The Firefighter's Plan is a single-employer defined benefit pension plan administered by the Firefighter's Plan's Board of Trustees comprised of:

a. Two Council appointees,
b. Two Members of the Department elected by the Membership, and
c. A Fifth Member elected by the other four and appointed by Council.

Firefighter's Plan membership as of October 1, 2025:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	16
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	23
Active Plan Members	16
Total	55

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Plan Description (Continued)

The following is a summary of eligibility, contribution methods, and plan provisions:

Benefits Provided

The Firefighter's Plan provides retirement, termination, disability, and death benefits.

Normal Retirement	
Date	Earlier of age 60, age 55 and 10 years of Credit Service, or 20 years of Credited Service regardless of age.
Benefit	3.1% of Average Final Compensation times Credited Service.
Early Retirement	
Eligibility	Age 50 and 10 years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year.
Cost-of-Living Adjustment	3% increase each January 1 from age 55 through age 65.
Vesting	
Schedule	100% after 10 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his/her accrued benefit payable at the otherwise Normal Retirement date.
Disability	
Eligibility	Service incurred: Covered from date of employment. Non-Service incurred: 10 years of Credited Service.
Benefit	Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).
Pre-Retirement Death Benefits	
Vested	Monthly accrued benefit payable to designated beneficiary for 10 years.
Nonvested	Refund of accumulated contributions, without interest.
Post-Retirement Death Benefits	Benefits payable to beneficiary in accordance with option selected at retirement.
Contributions	
Member Contributions	3.29% of Salary effective October 1, 2010.
City and State Contributions	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any. In no event will the City's contribution be less than 5% of the total salary of the members, as provided in Part VII of Chapter 112, Florida Statutes.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Plan Description (Continued)

Investment Policy

The following is the Firefighter's Plan's Board of Trustees adopted asset allocation policy as of September 30, 2025:

Asset Class	Target Allocation
Domestic Equity	45.00 %
International Equity	15.00
Domestic Fixed Income	25.00
Global Fixed Income	5.00
Real Estate	10.00
Total	100.00 %

Concentrations

The Firefighter's Plan did not hold investments in any one organization that represent 5% or more of the Pension Plan's Fiduciary Net Position.

Rate of Return

For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amount actually invested.

Actuarial Assumptions

The total pension liability was measured as of September 30, 2025 determined by an actuarial valuation as of October 1, 2025, rolled back to the measurement date of September 30, 2025, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service Based
Discount Rate	7.25%
Investment Rate of Return	7.25%

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Plan Description (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, which was a decrease from the discount rate of 7.55% used for the prior measurement. 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 sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighter's Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Deferred Retirement Option Program

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed the earlier of 60 months or the completion of 30 years of service with the City as a Firefighter.
Rate of Return	At Member's election, either 6.5% or Net Investment Return.

The DROP balance as of September 30, 2025 is $-0-.

Net Pension Liability

The table below shows the sensitivity of the net pension liability to the changes in the Discount Rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Liability (Asset)	$ 1,618,215	$ 365,766	$ (562,581)

The components of the net pension liability of the City on September 30, 2025 were as follows:

Total Pension Liability	$ 10,053,260
Less: Plan Fiduciary Net Position	9,687,494
Sponsor's Net Pension Liability	$ 365,766
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.36%

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Plan Description (Continued)

Net Pension Liability (Continued)

The schedule of changes in Net Pension Liability on September 30, 2025 was as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2024	$ 9,442,111	$ 8,958,406	$ 483,705
Changes for a Year:			
Service Cost	148,553	-	148,553
Interest	677,444	-	677,444
Change in Benefit Terms	-	-	-
Difference between Expected and Actual Experience	212,445	-	212,445
Assumption Changes	169,281	-	169,281
Contributions - Employer	-	258,487	(258,487)
Contributions - State	-	136,830	(136,830)
Contributions - Employee	-	78,884	(78,884)
Net Investment Income	-	963,678	(963,678)
Benefit Payments, Including Refunds of Employee Contributions	(596,574)	(593,901)	(2,673)
Administrative Expense	-	(114,890)	114,890
Net Changes	611,149	729,088	(117,939)
Balances at September 30, 2025	$ 10,053,260	$ 9,687,494	$ 365,766

For the year ended September 30, 2025, the City recognized pension expense of $477,477 On September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 106,223	$ -
Changes of Assumptions	86,979	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	519,698
Total	$ 193,202	$ 519,698

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Plan Description (Continued)

Net Pension Liability (Continued)

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

Year Ending September 30,	Amount
2026	$ 265,827
2027	(302,790)
2028	(256,684)
2029	(32,849)
Total	$ (326,496)

Firefighter's Retirement Trust Fund Chapter 175

Events Subsequent to the September 30, 2025, Measurement Date

Effective October 1, 2025, The Firefighters' Plan was terminated as a result of a consolidation with the County's pension plan. In connection with the termination, the Board of Trustees has offered each active and inactive member the choice of either a lump sum distribution or an annuity to be purchased by the Board on the member's behalf.

As of the date of this report, the final net pension liability to the City has not been determined, as it is dependent upon the elections made by individual plan members and the ultimate cost of annuities purchased. Based on preliminary estimates, the City's final obligation could range from a small net pension asset to a net pension liability of approximately $9,000,000.

Upon final settlement of the Plan, the City will be required to recognize any remaining deferred outflows of resources and deferred inflows of resources related to pensions, along with any difference between the final settlement amount and the previously reported net pension liability, as pension expense in the fiscal year in which the Plan is fully terminated and all obligations are settled.

Management is continuing to monitor the member elections and annuity pricing and will record the final impact in the City's financial statements when the amounts become known and reasonably estimable.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

City of Brooksville Retired Police Officers' Substituted Trust Fund

Plan Description

On June 1, 2018, the City disbanded the police department and entered into an agreement with the Hernando County Sheriff's Office to provide law enforcement services. The Police Retirement Trust Fund Chapter 185 plan (Prior Plan) termination date was also June 1, 2018. The City had 24 months under Section 185.37, Florida Statutes, to complete the termination. Plan members of the original plan were eligible for several options including: 1) payment in cash, 2) purchase of an insured annuity, or 3) maintenance of another or substituted trust fund. Those electing the first two options received their payouts early in fiscal year 2020. Those who elected the third option became members of the new plan.

On March 2, 2020, the City passed Ordinance No. 914 establishing the City of Brooksville Retired Police Officers' Substituted Trust Fund (Retired Police Officers' Plan), which is intended to be a governmental plan as provided in Internal Revenue Code Section 414(d). Substantially all remaining assets of the original plan were transferred to the new plan on that date. Therefore, the City is treating it as a continuation of the Prior Plan for financial reporting purposes. The Retired Police Officers' Plan covers only retirees. There are no active plan members or employees of the City that are eligible to participate.

Plan Administration

The Retired Police Officers' Plan is a single-employer defined benefit pension plan administered by the Board of Trustees comprised of:

a. Two person who are City residents or a retiree of the Retired Police Officers' Plan, elected by a majority of the retired members of this plan.

b. City Finance Director

c. One City resident selected by City Council

d. Fifth Member appointed by City Council

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

City of Brooksville Retired Police Officers' Substituted Trust Fund (Continued)

Plan Description (Continued)

Plan membership as of October 1, 2025:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	2
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	6
Total	8

The following is a summary of eligibility, contribution methods, and plan provisions:

Benefits Provided

The Plan provides retirement, disability, and death benefits.

Normal Retirement	
Date	20 years of Credited Service before May 31, 2018, regardless of age; or attainment of age 55 and completion of 6 years of credited service.
Benefit	4.00% of Average Final Compensation times credited service.
Early Retirement	
Eligibility	Age 50 and 6 years of credited service.
Benefit	Accrued benefit, reduced 3.00% per year.
Cost-of-Living Adjustment	3% increase each January 1 from age 55 through age 65.
Disability	There are no retired members entitled to disability benefits.
Death Benefits	Shall be paid in accordance with the form of benefit chosen at the time of retirement.

Contributions

There are no member contributions to the plan as there are no active members.

Investment Policy

The investment advisor is authorized to invest funds of the plan in equities in an amount not to exceed 70% of the net asset value of the plan.

Concentrations

The Police Officers' Plan does not have any individual issuer or organization concentration limits.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

City of Brooksville Retired Police Officers' Substituted Trust Fund (Continued)

Rate of Return

For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of Pension Plan investment expense, was 6.01%. The money-weighted rate of return expresses investment performance, net investment expense, adjusted for the changing amounts invested.

Actuarial Assumptions

The total pension asset was measured as of September 30, 2025, determined by an actuarial valuation as of October 1, 2025, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	N/A
Discount Rate	7.25%
Investment Rate of Return	7.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.25% which was no change from the discount rate used for the prior measurement. 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 sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Retired Police Officers' Plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability

The table below shows the sensitivity of the net pension liability to the changes in the discount rate:

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.25%	7.25%	8.25%
Sponsor's Net Pension Asset	$ 41,247	$ 10,997	$ (13,351)

The components of the net pension asset of the City on September 30, 2025 were as follows:

Total Pension Liability	$ 336,627
Less: Plan Fiduciary Net Position	325,630
Sponsor's Net Pension Liability	$ 10,997
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.73%

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

City of Brooksville Retired Police Officers' Substituted Trust Fund (Continued)

The schedule of changes in Net Pension Asset on September 30, 2025 was as follows:

	Increase(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balances at September 30, 2024	$ 322,395	$ 330,867	$ (8,472)
Changes for a Year:			
Interest	22,309	-	22,309
Differences between Expected and Actual Experience	9,263	-	9,263
Changes of Assumptions	12,032	-	12,032
Contributions - Employer	-	24,360	(24,360)
Net Investment Income	-	27,615	(27,615)
Benefit Payments, Including Refunds of Employee Contributions	(29,372)	(29,372)	-
Administrative Expense	-	(27,840)	27,840
Net Changes	14,232	(5,237)	19,469
Balances at September 30, 2025	$ 336,627	$ 325,630	$ 10,997

For the year ended September 30, 2025, the City recognized pension expense of $55,678. On September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	$ -	$ 507

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

Year Ending September 30,	Amount
2026	$ 14,664
2027	(8,497)
2028	(7,304)
2029	630
Total	$ (507)

Florida Retirement System Pension Plan

Pursuant to Chapter 95-338, Laws of Florida, the City of Brooksville declared as its policy and purpose, a revocation of election to participate in the Florida Retirement System for all employees or officers hired on or after January 1, 1996. Effective January 1, 2002, the City elected to again participate in the Florida Retirement System for general employees and officers.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Background

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

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

Plan Description

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

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service:	% Value
Regular Class Members Initially Enrolled Before July 1, 2011	
Retirement Up to Age 62 or Up to 30 Years of Service	1.60 %
Retirement at Age 63 or With 31 Years of Service	1.63
Retirement at Age 64 or With 32 Years of Service	1.65
Retirement at Age 65 or With 33 Years of Service	1.68
Regular Class Members Initially Enrolled On or After July 1, 2011	
Retirement Up to Age 65 or Up to 33 Years of Service	1.60
Retirement at Age 66 or With 34 Years of Service	1.63
Retirement at Age 67 or With 35 Years of Service	1.65
Retirement at Age 68 or With 36 Years of Service	1.68
Elected City Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service On and After October 1, 1974	3.00

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

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the City, for Fiscal Year 2024-25 were applied to employee salaries as follows: regular employees 11.57%, city elected officials 56.62%, senior management 32.46%, and DROP participants 19.13%. The City's contributions to the FRS Plan were $576,002 for the year ended September 30, 2025.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2025, the City reported a liability of $2,923,297 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The City's proportion of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2024, through June 30, 2025, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2025, the City's proportion was 0.009419315%, which was an increase of 0.00030956% from its proportion measured as of June 30, 2024.

For the year ended September 30, 2025, the City recognized pension expense of $447,396 for its proportionate share of FRS's pension expense. In addition, the City reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 312,239	$ -
Changes in Actuarial Assumptions	339,471	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		488,074
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	458,543	
City Contributions Subsequent to the Measurement Date	136,410	
Total	$ 1,246,663	$ 488,074

$136,410 reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending September 30,	Amount
2026	$ 664,006
2027	68,015
2028	(38,467)
2029	(71,375)
Total	$ 622,179

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per Year
Salary Increases	3.50%, Average, Including Inflation
Investment Rate of Return	6.70%

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

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	3.2 %	3.2 %	1.1 %
Fixed Income	29.0	5.5	5.4	3.9
Global Equity	45.0	8.5	6.9	18.2
Real Estate	12.0	8.4	7.1	16.6
Private Equity	11.0	12.4	8.8	28.4
Strategic Investments	2.0	6.5	6.1	8.7
Total	100.0 %			
Assumed Inflation - Mean			2.4 %	1.5 %

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.70% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase
FRS Plan Discount Rate	5.70 %	6.70 %	7.70 %
City's Proportionate Share of the FRS Plan Net Pension Liability	$ 5,736,925	$ 2,923,297	$ 564,392

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at http://www.dms.myflorida.com.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided

Eligible retirees and beneficiaries received a monthly HIS payment of $7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $45 and a maximum HIS payment of $225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2% of payroll pursuant to section 112.363, Florida Statues. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City's contributions to the HIS Plan were $99,135 for the year ended September 30, 2025.

Pension Costs

At September 30, 2025, the City reported a liability of $1,376,819 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The City's proportion of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2024, through June 30, 2025, relative to the total employer contributions received from all participating employers. At June 30, 2025, the City's proportion was 0.010741761%, which was an increase of 0.000715036% from its proportion measured as of June 30, 2024.

For the year ended September 30, 2025, the City recognized pension expense of $87,160 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 8,219	$ 2,184
Changes in Actuarial Assumptions	12,186	333,017
Net Difference Between Projected and Actual Earnings on HIS Program Investments	-	1,146
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	231,727	4,261
City Contributions Subsequent to the Measurement Date	23,244	-
Total	$ 275,376	$ 340,608

$23,244 reported as deferred outflows of resources related to pensions resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending September 30,	Amount
2026	$ (972)
2027	(17,624)
2028	(24,606)
2029	(27,160)
2030	(18,114)
Total	$ (88,476)

Actuarial Assumptions

The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per Year
Salary Increases	3.50%, Average, Including Inflation
Municipal Bond Rate	5.20%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021. The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.20% for the HIS Plan, which was a 1.27% increase from 3.93% rate as of June 30, 2025. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase
HIS Plan Discount Rate	4.20 %	5.20 %	6.20 %
City's Proportionate Share of the HIS Plan Net Pension Liability	$ 1,552,585	$ 1,376,819	$ 1,229,407

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at http://www.dms.myflorida.com.

Summary

The aggregate amount of net pension liability related deferred inflows of resources and deferred outflows of resources, and pension expense for the City's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual funds in which the employee's costs are associated.

	Firefighters' Retirement Plan	Police Officers' Retirement Plan	FRS Plan	HIS Plan	Total
Net Pension Liability	$ 365,766	$ 10,997	$ 2,923,297	$ 1,376,819	$ 4,676,879
Deferred Outflows of Resources	193,202	-	1,246,663	275,376	1,715,241
Deferred Inflows of Resources	519,698	507	488,074	340,608	1,348,887
Pension Expense	477,477	55,678	447,396	87,160	1,067,711

NOTE 8 DEFINED CONTRIBUTION PENSION PLAN

Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City's Investment Plan pension expense totaled $ 235,445 for the year ended September 30, 2025. Employee contributions to the Investment Plan totaled $42,265 for the year ended September 30, 2025.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City is obligated to make available to qualified retired employees the option to maintain coverage with the group medical (including prescription drug) and life insurance plans sponsored by the City. The City of Brooksville Plan (the Plan) is a single-employer defined benefit OPEB plan. The Plan is currently being funded on a pay as you go basis. No trust fund has been established for the Plan.

Benefits Provided

The City provides health insurance benefits and life insurance to its eligible retired employees through a single-employer plan administered by the City. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the City may continue in the City's Plan on the same basis that they were covered immediately before their retirement. Eligible retirees may choose the same medical plan available for active employees of the City. Timely premium contributions of 100% of the premium cost are required for retiree and any dependent coverage. Retirees may also continue the group life insurance coverage offed by the City into retirement. Retirees are limited to $15,000 face value and are charged a set monthly premium.

Employees Covered by Benefit Terms

At September 30, 2025, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	15
Active Plan Members	107
Total	122

Total OPEB Liability

The City's Total OPEB liability was measured as of September 30, 2024 and was determined by an actuarial valuation as of October 1, 2024. The following table shows the City's total OPEB liability for the year ended September 30, 2025.

	Total OPEB Liability
Balance - October 1, 2024	$ 460,567
Changes for the Year:	
Service Cost	36,736
Interest	22,570
Differences Between Expected and Actual Experience	(86,460)
Changes in Assumptions	119,404
Benefit Payments	(19,696)
Net Changes	72,554
Balance - September 30, 2025	$ 533,121

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate Sensitivity

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

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	2.81%	3.81%	4.81%
Total OPEB Liability	$ 628,357	$ 533,121	$ 456,207

Healthcare Trend Rate Sensitivity

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
Total OPEB Liability	$ 486,944	$ 533,121	$ 593,227

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

For the year ended September 30, 2025, the City recognized an OPEB expense of $27,048. In addition, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 127,994	$ 53,737
Difference Between Expected and Actual Experience	-	213,948
Employer Benefits Paid Subsequent to the Measurement Date	18,614	-
Total	$ 146,608	$ 267,685

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

$18,614 reported as deferred outflows of resources related to OPEB resulting from City benefits paid subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2026. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized as an decrease in OPEB expense as follows:

Year Ending September 30,	Amount
2026	$ (34,580)
2027	(40,734)
2028	(20,851)
2029	(22,551)
2030	(23,687)
Thereafter	2,712
Total	$ (139,691)

Actuarial Assumptions

The total OPEB liability in the October 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Employees other than firefighters: Salary increase rates used in the July 1, 2024 actuarial valuation of the Florida Retirement System for Regular Class members; 3.65% - 6.35%, including inflation.
	Firefighters: Salary increase rates used by the pension actuary in the October 1, 2024 actuarial valuation of the City's Firefighters' Retirement Trust Fund.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at -2.00% for 2025 (based on actual premiums), followed by 6.50% for 2026, and gradually decreasing to an ultimate trend rate of 4.00% in 2050.
Other Information	The discount rate was changed from 4.63% as of the beginning of the measurement period to 3.81% as of September 30, 2024. This change is reflected in the Schedule of Changes in Total OPEB Liability.

The actuarial cost method used was the Entry Age Normal method.

Mortality tables used for non-K-12 Instructional Regular Class and Special Risk Class members in the July 1, 2024 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2018 through 2023.

The discount rate used to measure the total OPEB liability was 3.81%, based on a daily rate closest to but not later than the measurement date of the Bond Buyer ’20-Bond GO Index.

NOTE 10 TRUST FUNDS

Butterweck Bond Fund

This Fund is used for the future maintenance of the Butterweck Crypt of the Brooksville Cemetery. As of September 30, 2025, the balance remaining is $1,933.

NOTE 11 PROPERTY TAXES

Property tax collections, sales, and liens are governed by Chapter 197 of the Florida Statutes.

All property taxes are levied and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4%, 3%, 2%, and 1% in November through February, respectively. Delinquent taxes on real property may be paid after the date of delinquency but prior to the sale of a tax certificate by paying all taxes, costs, advertising charges, and interest of 18% per annum. For all real property with delinquent taxes, the Tax Collector advertises as required by Statute and sells tax certificates. All unsold certificates are issued to the County.

Any persons owning real property upon which a tax certificate has been sold may redeem the property by paying the Tax Collector the face amount of the tax certificate plus interest and costs associated with the sale of the certificate. After taxes have been delinquent (April 1) for two years, the owner of a tax certificate may file an application for tax deed sale. The County is able to do the same two years after taxes were due (November 1). All taxes imposed on any property become a first lien, superior to all other liens, as of January 1 of the year the taxes are levied.

NOTE 12 RISK MANAGEMENT

The City's risk management activities are spread through several funds including the General, Utility, and Sanitation funds. Significant losses are covered by commercial insurance, workers' compensation, unemployment, and disability insurance. Settlement amounts have not exceeded insurance coverage for the current year or prior three years. The City carries such insurance as is ordinarily carried by private or public corporations owning and operating similar utilities. The City, in addition to general liability and personal liability for auto accidents and property damage of autos, buildings and equipment, carries an umbrella policy for an additional $1,000,000. The City does not carry insurance against loss or damage to the Utility Fund's water meters, fire hydrants, or water and sewer lines, but self-funds these expenses.

NOTE 13 IMPACT FEES

On September 20, 2005, the Hernando County Board of County Commissioners voted to extend the prepayment of impact fees from one to three years. County property owners were allowed to prepay their impact fees prior to an increase on July 5, 2005. County property owners who prepaid impact fees were given until June 2, 2008 to obtain a building permit. If a building permit was not pulled by June 2, 2008, the increased impact fees would be charged. Subsequently, the Hernando County Board of Commissioners extended the prepaid program through June 2012. Through Interlocal Agreement, the City opted to assess the same impact fees for roads, public buildings, police, fire, parks, and schools as Hernando County. The City stopped collecting Impact Fees effective November 2011, and impact fees were reinstated for year ending September 30, 2015. As of September 30, 2025, the City had the following in prepaid impact fees: Road Impact Fees $4,779, Public Building Impact Fees $525; Police Impact Fees $341; Fire Impact Fees $230; and Parks Impact Fees $318. The amounts are reflected as unearned revenues in the accompanying financial statements.

NOTE 14 GOVERNMENTAL FUND BALANCES

The specific purpose detail for the fund balances of governmental funds as of September 30, 2025 were as follows:

	Major Funds						
	General Fund	City of Brooksville Community Redevelopment Agency	Fire Department Fund	Local Option Gas Tax Fund	Road Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Inventories	$ 2,493	$ -	$ -	$ -	$ -	$ -	$ 2,493
Prepaid Items	58,638	-	-	-	-	-	58,638
Advance to Other Funds	58,388	-	-	-	-	-	58,388
Cemetery:							
Perpetual Care	-	-	-	-	-	269,692	269,692
Total Nonspendable	119,519	-	-	-	-	269,692	389,211
Restricted:							
Community Redevelopment	-	151,655	-	-	-	-	151,655
Law Enforcement	-	-	-	-	-	272,407	272,407
Infrastructure Projects	-	-	-	-	2,725,251	688,059	3,413,310
Enrichment Center	-	-	-	-	-	-	-
Public Works Building	-	-	-	-	-	-	-
Transportation	-	-	-	35,843	-	1,357,533	1,393,376
Capital Projects	-	-	57,835	-	-	18,409	76,244
Debt Service	-	-	-	-	-	82,468	82,468
Total Restricted	-	151,655	57,835	35,843	2,725,251	2,418,876	5,389,460
Committed:							
Traffic Camera	-	-	-	-	-	14,599	14,599
Assigned:							
Capital Projects	-	-	-	-	-	86,622	86,622
Community Redevelopment	-	55,000	-	-	-	-	55,000
Cemetery:							
Perpetual Care	-	-	-	-	-	192,748	192,748
Total Assigned	-	55,000	-	-	-	279,370	334,370
Unassigned (Deficit)	4,145,873	-	-	-	-	-	4,145,873
Total Fund Balance	$ 4,265,392	$ 206,655	$ 57,835	$ 35,843	$ 2,725,251	$ 2,982,537	$ 10,273,513

NOTE 15 COMMITMENTS AND CONTINGENCIES

Commitments

The City routinely enters into various construction commitments. As of September 30, 2025, the City has the following outstanding major construction commitments in process:

Project	Project Authorization	Expended in Prior Years	Expended in September 30, 2025	Commitment
Business-Type Activities:				
Cortez Blvd Master Lift Station Project	$ 125,345	$ 85,380	$ 7,294	$ 32,672
Sewer Rehab Phase IV	4,050,114	1,430,874	2,435,739	183,501
WWTP Expansion	526,559	-	27,120	499,439
Markham Lane Water Line Replacement	187,928	-	164,362	23,566
Total Business-Type Activities	$ 4,889,946	$ 1,516,253	$ 2,634,515	$ 739,178

Contingencies

Various suits and claims, arising in the ordinary course of the City's operations, are pending. These claims consist of suits involving sewer fees, loss of employment and discrimination. Management does not expect the resolution of these matters to have a material effect on the City's financial statements.

At September 30, 2025, the City held approximately $1.69 million of road impact fees that were collected more than ten years ago. A significant portion of these impact fees have been encumbered.

Grants

Amounts received or receivable for grants are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 16 SUBSEQUENT EVENTS

Effective October 1, 2025, The Firefighter's Retirement Trust Fund Chapter 175 Defined Benefit Pension Plan (Firefighters' Plan) was terminated as a result of a consolidation with the County's pension plan. Members were offered the choice of a lump sum distribution or an annuity purchase. The final financial impact to the City is dependent upon the elections made by plan members and the ultimate cost of annuities purchased. See Note 7 - Defined Benefit Pension Plan for additional information regarding the Plan termination and its estimated financial impact to the City.

NOTE 17 RESTATEMENT OF PRIOR PERIOD

During the current year, the City determined that certain grant revenue had been incorrectly recognized in the prior year in the Local Option Gas Tax Fund. The related revenues were not received within the period of availability required for revenue recognition under the modified accrual basis of accounting. As a result, unavailable revenue was understated by $62,048 and revenues and fund balance were overstated by the same amount at September 30, 2024.

Accordingly, beginning fund balance of the Local Option Tax Gas Fund has been restated to correct the error as follows.

	Local Option Gas Tax Fund
Fund Balance, September 30, 2024 as Previously Reported	$ 524,989
Restatement: Intergovernmental Revenue	(62,048)
Fund Balance, September 30, 2024 as Restated	$ 462,941

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – FIREFIGHTERS' RETIREMENT TRUST FUND CHAPTER 175 PLAN
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability										
Service Cost	$ 127,478	$ 125,632	$ 150,432	$ 110,943	$ 143,254	$ 151,372	$ 153,423	$ 159,253	$ 163,690	$ 148,553
Interest	539,879	508,878	543,429	556,749	563,667	572,145	590,991	612,311	634,087	677,444
Change in Benefit Terms	-	-	-	(207)	-	-	-	-	398,022	-
Change in Excess State Money	-	28,271	-	-	(1,273)	-	-	-	-	-
Differences Between Expected and Actual Experience	(103,758)	(221,245)	82,081	(176,362)	(9,804)	(19,875)	112,365	122,296	39,386	212,445
Changes of Assumptions	213,065	-	(33,387)	-	(161,047)	78,994	-	-	264,393	169,281
Benefit Payments, Including Refunds of Employee Contributions	(881,295)	(583,203)	(443,859)	(430,468)	(435,961)	(430,767)	(441,261)	(719,193)	(507,455)	(596,574)
Administrative Expense	-	-	-	-	-	-	-	3,454	13,126	-
Net Change in Total Pension Liability	(104,631)	(141,667)	298,696	60,655	98,836	351,869	415,518	178,121	1,005,249	611,149
Total Pension Liability - Beginning	7,279,465	7,174,834	7,033,167	7,331,863	7,392,518	7,491,354	7,843,223	8,258,741	8,436,862	9,442,111
Total Pension Liability - Ending	7,174,834	7,033,167	7,331,863	7,392,518	7,491,354	7,843,223	8,258,741	8,436,862	9,442,111	10,053,260
Plan Fiduciary Net Position										
Contributions - Employer	315,784	311,742	302,731	316,938	244,967	244,189	214,943	201,349	208,192	258,487
Contributions - State	71,580	86,827	77,143	74,872	66,751	59,955	34,514	36,136	116,631	136,830
Contributions - Employee	24,646	24,914	26,044	30,829	31,753	32,297	76,428	109,839	38,637	78,884
Net Investment Income	342,409	691,977	474,955	360,409	681,821	1,432,304	(1,206,566)	794,301	1,630,160	963,678
Benefit Payments, Including Refunds of Employee Contributions	(881,295)	(583,203)	(443,859)	(430,634)	(435,200)	(429,778)	(451,604)	(684,871)	(507,093)	(593,901)
Administrative Expense	(42,052)	(73,972)	(78,944)	(87,634)	(81,304)	(87,670)	(87,839)	(87,542)	(86,533)	(114,890)
Other Changes	-	-	-	159	168	1,138	2,739	-	-	-
Net Change in Plan Fiduciary Net Position	(168,928)	458,285	358,070	264,939	508,956	1,252,435	(1,417,385)	369,212	1,399,994	729,088
Plan Fiduciary Net Position - Beginning	5,932,828	5,763,900	6,222,185	6,580,255	6,845,194	7,354,150	8,606,585	7,189,200	7,558,412	8,958,406
Plan Fiduciary Net Position - Ending	5,763,900	6,222,185	6,580,255	6,845,194	7,354,150	8,606,585	7,189,200	7,558,412	8,958,406	9,687,494
City's Net Pension (Asset) Liability - Ending	$ 1,410,934	$ 810,982	$ 751,608	$ 547,324	$ 137,204	$ (763,362)	$ 1,069,541	$ 878,450	$ 483,705	$ 365,766
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.33%	88.47%	89.75%	92.60%	98.17%	109.73%	87.05%	89.59%	94.88%	96.36%
Covered Payroll	$ 749,109	$ 786,866	$ 790,608	$ 940,588	$ 939,524	$ 981,667	$ 1,049,061	$ 1,098,358	$ 1,249,462	$ 1,196,193
City's Net Pension (Asset)/Liability as a Percentage of Covered Payroll	188.35%	103.06%	95.07%	58.19%	14.60%	-77.76%	101.95%	79.98%	38.71%	30.58%

Notes to Schedule:

Changes of Assumptions:

Total Pension Liability as of the September 30, 2024 measurement date reflects the following assumption changes:

- The discount rate was updated from 7.55% to 7.25%.
- Updated retirement and termination rates.
- Adjusted salary increase rates upward with higher rates for service between 2-5 years.

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – RETIRED POLICE OFFICERS' SUBSTITUTED TRUST FUND PLAN
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability										
Service Cost	$ 389,348	$ 412,219	$ 231,019	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	361,055	419,346	321,058	342,688	308,887	23,615	23,343	23,241	22,772	22,309
Change in Excess State Money	-	(9,465)	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(91,070)	231,600	-	-	-	-	4,320	-	-	9,263
Plan Termination	-	-	452,250	1,094,223	(83,569)	-	-	-	-	-
Changes of Assumptions	274,425	-	-	-	(9,455)	-	-	-	-	12,032
Other Changes	(17,723)	22,846	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(6,143)	(21,827)	(186,724)	(258,746)	(8,274,230)	(27,091)	(27,637)	(30,483)	(28,948)	(29,372)
Net Change in Total Pension Liability	909,892	1,054,719	817,603	1,178,165	(8,058,367)	(3,476)	26	(7,242)	(6,176)	14,232
Total Pension Liability - Beginning	4,437,251	5,347,143	6,401,862	7,219,465	8,397,630	339,263	335,787	335,813	328,571	322,395
Total Pension Liability - Ending	5,347,143	6,401,862	7,219,465	8,397,630	339,263	335,787	335,813	328,571	322,395	336,627
Plan Fiduciary Net Position										
Contributions - Employer	305,679	396,856	228,319	-	1,518,215	-	-	-	24,360	24,360
Contributions - State	99,121	-	114,101	117,524	-	-	-	-	-	-
Contributions - Employee	13,413	12,149	7,796	-	-	-	-	-	-	-
Net Investment Income	470,503	675,930	569,054	141,140	28,259	42,766	(71,439)	38,285	72,935	27,615
Benefit Payments, Including Refunds of Employee Contributions	(6,143)	(21,827)	(186,724)	(277,107)	(8,274,230)	(27,091)	(27,637)	(28,739)	(30,521)	(29,372)
Administrative Expense	(30,335)	(39,809)	(112,855)	(115,304)	(69,537)	(51,520)	(31,680)	(41,345)	(32,328)	(27,840)
Net Change in Plan Fiduciary Net Position	852,238	1,023,299	619,691	(133,747)	(6,797,293)	(35,845)	(130,756)	(31,799)	34,446	(5,237)
Plan Fiduciary Net Position - Beginning	4,930,633	5,782,871	6,806,170	7,425,861	7,292,114	494,821	458,976	328,220	296,421	330,867
Plan Fiduciary Net Position - Ending	5,782,871	6,806,170	7,425,861	7,292,114	494,821	458,976	328,220	296,421	330,867	325,630
City's Net Pension (Asset) Liability - Ending	$ (435,728)	$ (404,308)	$ (206,396)	$ 1,105,516	$ (155,558)	$ (123,189)	$ 7,593	$ 32,150	$ (8,472)	$ 10,997
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	108.15%	106.32%	102.86%	86.84%	145.85%	136.69%	97.74%	90.22%	102.63%	96.73%
Covered Payroll	$ 1,341,342	$ 1,214,837	$ 737,813	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City's Net Pension Liability as a Percentage of Covered Payroll	-32.48%	-33.28%	-27.97%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Plan Termination:
On May 31, 2018 the City disbanded the police department and entered into an agreement with the Hernando County Sheriff's Office to provide law and enforcement services. The plan has been terminated and a substituted Trust for the distribution of pension benefits to retired and former police officers became effective as of March 2, 2020.

Changes of Assumptions:
Total Pension Liability and GASB 68 Pension Expense measured as of September 30, 2025 reflect no assumption changes.

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CONTRIBUTIONS –
FIREFIGHTERS' RETIREMENT TRUST FUND CHAPTER 175 PLAN
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	$ 387,364	$ 397,604	$ 380,520	$ 385,265	$ 327,142	$ 294,991	$ 267,090	$ 272,613	$ 321,362	$ 359,576
Contributions in Relation to the Actuarially Determined Contributions	387,364	398,569	379,874	391,810	311,718	304,144	269,500	308,585	343,204	386,489
Contribution Deficiency (Excess)	$ -	$ (965)	$ 646	$ (6,545)	$ 15,424	$ (9,153)	$ (2,410)	$ (35,972)	$ (21,842)	$ (26,913)
Covered Payroll *	$ 749,109	$ 786,866	$ 790,608	$ 940,588	$ 939,524	$ 981,667	$ 1,049,061	$ 1,098,358	$ 1,249,462	$ 1,196,193
Contributions as a Percentage of Covered Payroll	51.71%	50.65%	48.05%	41.66%	33.18%	30.98%	25.69%	28.10%	27.47%	32.31%

** The Covered Payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.*

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS –
FIREFIGHTERS' RETIREMENT TRUST FUND CHAPTER 175 PLAN (CONTINUED)
LAST TEN FISCAL YEARS

Notes to the Schedule of Contributions

Valuation Date:	10/1/2025

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

Methods and assumptions used to determine contribution rates:

Inflation	2.50%
Salary Increases	Service Based
Discount Rate	7.25%
Investment Rate of Return	7.25%
Mortality Rate	*Mortality Rate Healthy Lives:* Female: PubS.H-2010 for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. *Mortality Rate Healthy Retiree Lives:* Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. *Mortality Rate Beneficiary Lives:* Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. *Mortality Rate Disabled Lives:* 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements. The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. The most recent actuarial experience study used to review the other significant assumptions was dated December 15, 2024.
Investment Rate of Return	The Long-Term Expected Rate of Return on Pension Plan investments can be 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.
Inflation Rate	For 2025, the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CONTRIBUTIONS –
RETIRED POLICE OFFICERS' SUBSTITUTED TRUST FUND PLAN
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	$ 422,523	$ 383,475	$ 279,631	$ 90,622	$ 97,133	$ -	$ -	$ -	$ 24,360	$ 24,360
Contributions in Relation to the Actuarially Determined Contributions	404,800	396,856	342,420	117,524	1,518,215	-	-	-	24,360	24,360
Contribution from Excess State Money	-	9,465	-	-	-	-	-	-	-	-
Contribution from Contribution Surplus Account	17,723	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ (22,846)	$ (62,789)	$ (26,902)	$ (1,421,082)	$ -	$ -	$ -	$ -	$ -
Covered Payroll *	$ 1,341,342	$ 1,214,837	$ 737,813	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	30.18%	32.67%	46.41%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** The Covered Payroll figures were not available. Pensionable Salary has been reported instead.*

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CONTRIBUTIONS –
RETIRED POLICE OFFICERS' SUBSTITUTED TRUST FUND PLAN (CONTINUED)
LAST TEN FISCAL YEARS

Notes to the Schedule of Contributions

Valuation Date:	10/1/2025

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

Methods and assumptions used to determine contribution rates:

Inflation	2.50%
Salary Increases	N/A
Discount Rate	7.25%
Investment Rate of Return	7.25%
Mortality	*Healthy Active Lives:* Female: PubS.H-2010 for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. Retiree Lives: Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. *Beneficiary Lives:* Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. *Disabled Lives:* 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements. The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees. The most recent actuarial experience study used to review the other significant assumptions was dated May 14, 2012.
Investment Rate of Return	The Long-Term Expected Rate of Return on Pension Plan investments can be 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.
Inflation Rate	For 2025 the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF INVESTMENT RETURNS –
FIREFIGHTERS' RETIREMENT TRUST FUND CHAPTER 175 PLAN AND
RETIRED POLICE OFFICERS' SUBSTITUTED TRUST FUND PLAN
LAST TEN FISCAL YEARS

FIREFIGHTERS' RETIREMENT TRUST FUND

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Money-Weighted Rate of Return Net of Investment Expenses	6.14%	11.82%	7.22%	4.98%	9.58%	19.26%	-14.68%	10.72%	21.08%	10.45%

RETIRED POLICE OFFICERS' SUBSTITUTED TRUST FUND

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Money-Weighted Rate of Return Net of Investment Expenses	9.32%	11.50%	7.74%	1.80%	0.87%	6.78%	-19.41%	9.01%	20.37%	6.01%

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City's Proportion of the Net Pension Liability	0.008173955%	0.008237147%	0.007693597%	0.007066271%	0.584429920%	0.000063872 %	0.007078476%	0.008343182%	0.009109759%	0.009419315%
City's Proportionate Share of the Net Pension Liability	$ 2,063,930	$ 2,436,493	$ 2,317,351	$ 2,433,524	$ 2,533,005	$ 482,478	$ 2,633,762	$ 3,324,489	$ 3,524,083	$ 2,923,297
City's Covered Payroll	$ 2,607,338	$ 2,665,147	$ 2,608,363	$ 2,423,772	$ 2,496,976	$ 2,763,106	$ 3,401,347	$ 3,892,059	$ 4,236,730	$ 4,824,719
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	79.16%	91.42%	88.84%	100.40%	101.44%	17.46%	77.43%	85.42%	83.18%	60.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%	82.38%	83.70%	87.26%

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

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CITY CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 233,891	$ 212,061	$ 217,041	$ 214,705	$ 203,887	$ 265,784	$ 295,669	$ 427,088	$ 534,406	$ 576,002
Contributions in Relation to the Contractually Required Contribution	(233,891)	(212,061)	(217,041)	(214,705)	(203,887)	(265,784)	(295,669)	(427,088)	(534,406)	(576,002)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 2,487,433	$ 2,745,922	$ 2,665,371	$ 2,526,749	$ 2,543,266	$ 2,928,979	$ 3,443,525	$ 3,900,390	$ 4,301,790	$ 4,460,313
Contributions as a Percentage of Covered Payroll	9.40%	7.72%	8.14%	8.50%	8.02%	9.07%	8.59%	10.95%	12.42%	12.91%

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

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City's Proportion of the Net Pension Liability	0.008445996%	0.008358747%	0.000000000%	0.007326592%	0.007192943%	0.007804904%	0.009333318%	0.009780150%	0.010026723%	0.010741761%
City's Proportionate Share of the Net Pension Liability	$ 984,346	$ 893,756	$ 844,595	$ 819,772	$ 878,247	$ 957,390	$ 988,547	$ 1,553,218	$ 1,504,107	$ 1,376,819
City's Covered Payroll	$ 2,607,338	$ 2,665,147	$ 2,608,363	$ 2,423,772	$ 2,496,976	$ 2,763,106	$ 3,401,347	$ 3,892,059	$ 4,236,730	$ 4,824,719
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	37.75%	33.53%	32.38%	33.82%	35.17%	34.65%	29.06%	39.91%	35.50%	28.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%	4.12%	4.80%	6.36%

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

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CITY CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 31,765	$ 45,593	$ 44,278	$ 41,920	$ 41,141	$ 42,227	$ 48,940	$ 57,175	$ 86,625	$ 99,135
Contributions in Relation to the Contractually Required Contribution	(31,765)	(45,593)	(44,278)	(41,920)	(41,141)	(42,227)	(48,940)	(57,175)	(86,625)	(99,135)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 2,487,433	$ 2,745,922	$ 2,665,371	$ 2,526,749	$ 2,171,860	$ 2,543,266	$ 2,928,979	$ 3,443,525	$ 4,301,790	$ 4,460,313
Contributions as a Percentage of Covered Payroll	1.28%	1.66%	1.66%	1.66%	1.89%	1.66%	1.67%	1.66%	2.01%	2.22%

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

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS[1]
LAST TEN MEASUREMENT DATES

Employer Measurement Date	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service Cost	$ 30,056	$ 29,828	$ 42,643	$ 53,812	$ 59,054	$ 37,180	$ 36,736
Interest	17,786	20,131	18,880	13,819	14,108	20,471	22,570
Changes of Benefit Terms	-	3,142	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	(144,892)	-	(153,404)	-	(86,460)
Changes in Assumptions	(23,411)	106,530	(24,145)	20,988	(54,979)	(16,126)	119,404
Benefit Payments	(3,778)	(9,779)	(13,195)	(20,479)	(25,634)	(18,052)	(19,696)
Net Change in Total OPEB Liability	20,653	149,852	(120,709)	68,140	(160,855)	23,473	72,554
Total OPEB Liability - Beginning	480,013	500,666	650,518	529,809	597,949	437,094	460,567
Total OPEB Liability - Ending	$ 500,666	$ 650,518	$ 529,809	$ 597,949	$ 437,094	$ 460,567	$ 533,121
Covered Employee Payroll**	$ 2,710,912	$ 2,805,794	$ 3,727,538	$ 3,839,364	$ 3,956,302	$ 4,074,991	$ 4,837,899
Total OPEB Liability as a Percentage of the Covered Employee Payroll	18.47%	23.18%	14.21%	15.57%	11.05%	11.30%	11.02%

**Covered-Employee Payroll presented above is an estimate based on data submitted for the respective valuations. GASB Statement 75 defines Covered-Employee Payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period (fiscal year ended September 30, 2024).

Notes to Schedule:
The OPEB plan is not administered through a trust and there are no assets accumulated in trust for payment of benefits.

The discount rate was changed from 4.63% as of the beginning of the measurement period to 3.81% as of September 30, 2024.

The expected claims cost and premiums were updated and the healthcare cost trend assumption was revised.

The Firefighters Retirement Plan updated retirement, withdrawal, and salary increase rates effective October 1, 2024.

The mortality for all groups was updated to the tables used by FRS for its July 1, 2024 Valuation. For General Employees in FRS, the withdrawal, disability, salary increase, retirement, and DROP entry rates were also updated to align with the FRS July 1, 2024 Actuarial Valuation, which were based on the results of a statewide experience study covering the period 2018 through 2023.

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

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2025

	General Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	$ 6,001,901	$ 6,001,901	$ 6,527,043	$ 525,142
Licenses and Permits	1,313,000	1,313,000	1,769,014	456,014
Intergovernmental Revenue	1,530,543	1,418,043	1,449,554	31,511
Charges for Services	347,324	341,124	423,286	82,162
Fines and Forfeits	12,500	12,500	98,980	86,480
Net Investment Earnings	54,393	35,000	88,052	53,052
Miscellaneous Revenues	153,000	133,000	538,504	405,504
Total Revenues	9,412,661	9,254,568	10,894,433	1,639,865
EXPENDITURES				
Current:				
General Government	4,836,823	5,189,040	4,975,589	213,451
Culture and Recreation	1,305,867	1,295,367	1,126,736	168,631
Public Safety	1,138,347	1,138,147	1,313,766	(175,619)
Physical Environment	374,728	371,228	367,172	4,056
Transportation	-	-	97,275	(97,275)
Debt Service:				
Principal	188,844	187,613	240,918	(53,305)
Interest	116,075	116,075	116,035	40
Capital Outlay	495,000	1,225,260	1,197,706	27,554
Total Expenditures	8,455,684	9,522,730	9,435,197	87,533
EXCESS OF REVENUES OVER EXPENDITURES	956,977	(268,162)	1,459,236	1,727,398
OTHER FINANCING SOURCES (USES)				
SBITA	-	-	45,837	45,837
Leases	-	-	35,022	35,022
Transfers In	664,783	642,733	1,137,942	495,209
Transfers Out	(3,125,904)	(4,466,779)	(4,966,238)	(499,459)
Reserves	(2,016,322)	(2,016,322)	-	2,016,322
Total Other Financing Sources (Uses)	(4,477,443)	(5,840,368)	(3,747,437)	2,092,931
NET CHANGE IN FUND BALANCES	(3,520,466)	(6,108,530)	(2,288,201)	3,820,329
Fund Balances - Beginning of Year	3,520,466	6,108,530	6,553,593	445,063
FUND BALANCES - END OF YEAR	$ -	$ -	$ 4,265,392	$ 4,265,392

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – COMMUNITY REDEVELOPMENT AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 180,000	$ 180,000	$ 202,896	$ 22,896
Net Investment Earnings	50	50	28	(22)
Total Revenues	180,050	180,050	202,924	22,874
EXPENDITURES				
Current:				
Economic Development:				
Operating Expenditures	296,902	296,902	192,176	104,726
Capital Outlay	85,000	85,000	-	85,000
Total Expenditures	381,902	381,902	192,176	189,726
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(201,852)	(201,852)	10,748	212,600
Fund Balances - Beginning of Year	201,852	201,852	195,907	(5,945)
FUND BALANCES - END OF YEAR	$ -	$ -	$ 206,655	$ 206,655

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – FIRE DEPARTMENT FUND
YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 1,130,461	$ 1,130,461	$ 1,157,011	$ 26,550
Intergovernmental Revenue	26,750	8,000	6,476	(1,524)
Charges for Services	41,028	-	34,441	34,441
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenues	299	-	15,947	15,947
Total Revenues	1,198,538	1,138,461	1,213,875	75,414
EXPENDITURES				
Current:				
Public Safety	2,464,856	2,320,332	2,424,498	(104,166)
Debt Service:				
Principal	18,971	18,971	18,575	396
Interest	5,460	5,460	5,855	(395)
Capital Outlay	25,000	25,000	19,561	5,439
Total Expenditures	2,514,287	2,369,763	2,468,489	(98,726)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,315,749)	(1,231,302)	(1,254,614)	(23,312)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,292,928	1,292,928	1,292,929	1
Transfers Out	(7,563)	(7,563)	(7,563)	-
Reserves	(30,000)	(30,000)	-	30,000
Total Other Financing Sources (Uses)	1,255,365	1,255,365	1,285,366	30,001
NET CHANGE IN FUND BALANCE	(60,384)	24,063	30,752	6,689
Fund Balances - Beginning of Year	60,384	(56,551)	27,083	83,634
FUND BALANCES - END OF YEAR	$ -	$ (32,488)	$ 57,835	$ 90,323

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – LOCAL OPTION GAS TAX FUND
YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 262,640	$ 262,640	$ 277,336	$ 14,696
Intergovernmental Revenue	-	-	290,248	290,248
Miscellaneous Revenues	150,000	150,000	176,351	26,351
Total Revenues	412,640	412,640	743,935	331,295
EXPENDITURES				
Current:				
Transportation	1,615,973	2,143,236	2,619,681	(476,445)
Capital Outlay	600,000	923,916	323,916	600,000
Debt Service:				
Principal	16,374	16,374	14,933	1,441
Interest	1,069	1,069	891	178
Total Expenditures	2,233,416	3,084,595	2,959,421	125,174
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,820,776)	(2,671,955)	(2,215,486)	456,469
OTHER FINANCING SOURCES (USES)				
SBITA	-	-	-	-
Transfers In	1,790,071	1,790,071	1,790,071	-
Transfers Out	(1,684)	(1,683)	(1,683)	-
Reserves	(107,994)	(107,994)	-	107,994
Total Other Financing Sources (Uses)	1,680,393	1,680,394	1,788,388	107,994
NET CHANGE IN FUND BALANCES	(140,383)	(991,561)	(427,098)	564,463
Fund Balances - Beginning of Year	-	-	524,989	524,989
Restatement - See Note 17	-	-	(62,048)	(62,048)
Fund Balances - Beginning of Year	140,383	991,561	462,941	(528,620)
FUND BALANCES - END OF YEAR	$ -	$ -	$ 35,843	$ 35,843

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – ROAD IMPACT FEES FUND
YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	$ 10,140	$ 10,140	$ 50,472	$ 40,332
Net Investment Earnings	2,500	2,000	71,160	69,160
Total Revenues	12,640	12,140	121,632	109,492
EXPENDITURES				
Current:				
Capital Outlay	1,245,223	1,245,223	43,200	1,202,023
Total Expenditures	1,245,223	1,245,223	43,200	1,202,023
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,232,583)	(1,233,083)	78,432	1,311,515
OTHER FINANCING SOURCES (USES)				
Reserves	(1,482,545)	(1,482,545)	-	1,482,545
NET CHANGE IN FUND BALANCES	(2,715,128)	(2,715,628)	78,432	2,794,060
Fund Balances - Beginning of Year	2,715,128	2,715,628	2,646,819	(68,809)
FUND BALANCES - END OF YEAR	$ -	$ -	$ 2,725,251	$ 2,725,251

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds					
	Police Special Education Fund	Law Enforcement Trust Fund	Law Enforcement Investigative Trust	Law Enforcement Impact Fees	Public Building Impact Fees	Fire Impact Fees
ASSETS						
Pooled Cash and Investments	$ 139,726	$ 87,503	$ 45,178	$ 80,586	$ 64,461	$ 300,132
Restricted Pooled Cash and Investments	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Total Assets	$ 139,726	$ 87,503	$ 45,178	$ 80,586	$ 64,461	$ 300,132
LIABILITIES AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ -
Unearned Revenue	-	-	-	341	525	230
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	-	-	-	341	525	230
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	139,726	87,503	45,178	80,245	63,936	299,902
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances (Deficits)	139,726	87,503	45,178	80,245	63,936	299,902
Total Liabilities and Fund Balances (Deficits)	$ 139,726	$ 87,503	$ 45,178	$ 80,586	$ 64,461	$ 300,132

CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2025

	Special Revenue Funds				
	Parks Impact Fees	Traffic Camera	Enrichment Center Premises Maintenance	1/5 Cent Local Option Gas Tax	Total Special Revenue Funds
ASSETS					
Pooled Cash and Investments	$ 244,294	$ 14,599	$ 20,656	$ 1,325,399	$ 2,322,534
Restricted Pooled Cash and Investments	-	-	-	-	-
Accounts Receivable	-	-	9,961	-	9,961
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	32,134	32,134
Prepaid Items	-	-	-	-	-
Total Assets	$ 244,294	$ 14,599	$ 30,617	$ 1,357,533	$ 2,364,629
LIABILITIES AND FUND BALANCES (DEFICITS)					
LIABILITIES					
Accounts Payable	$ -	$ -	$ 574	$ -	$ 574
Unearned Revenue	318	-	-	-	1,414
Due to Other Funds	-	-	30,043	-	30,043
Total Liabilities	318	-	30,617	-	32,031
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	243,976	-	-	1,357,533	2,317,999
Committed	-	14,599	-	-	14,599
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances (Deficits)	243,976	14,599	-	1,357,533	2,332,598
Total Liabilities and Fund Balances (Deficits)	$ 244,294	$ 14,599	$ 30,617	$ 1,357,533	$ 2,364,629

CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2025

	Capital Project Funds					
ASSETS	McKethan Park	Multi-Year Capital Project Accumulation	Capital Improvement Revenue 2006 Bond	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Loan - 2016	Total Capital Project Funds
Pooled Cash and Investments	$ 28,390	$ 58,232	$ 13,405	$ -	$ 1,633	$ 101,660
Restricted Pooled Cash and Investments	-	-	3,371	-	-	3,371
Accounts Receivable	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Total Assets	$ 28,390	$ 58,232	$ 16,776	$ -	$ 1,633	$ 105,031
LIABILITIES AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ -
Unearned Revenue	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	16,776	-	1,633	18,409
Committed	-	-	-	-	-	-
Assigned	28,390	58,232	-	-	-	86,622
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances (Deficits)	28,390	58,232	16,776	-	1,633	105,031
Total Liabilities and Fund Balances (Deficits)	$ 28,390	$ 58,232	$ 16,776	$ -	$ 1,633	$ 105,031

CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2025

	Debt Service Funds				Permanent Fund		
	Capital Improvement Revenue Loan - 2016	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Bond 2006	Total Debt Service Funds	Cemetery Perpetual Care	Total Permanent Funds	Total Nonmajor Governmental Funds
ASSETS							
Pooled Cash and Investments	$ -	$ -	$ -	$ -	$ 192,748	$ 192,748	$ 2,616,942
Restricted Pooled Cash and Investments	17,955	50,655	13,858	82,468	269,692	269,692	355,531
Accounts Receivable	-	-	-	-	-	-	9,961
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	32,134
Prepaid Items	-	-	-	-	-	-	-
Total Assets	$ 17,955	$ 50,655	$ 13,858	$ 82,468	$ 462,440	$ 462,440	$ 3,014,568
LIABILITIES AND FUND BALANCES (DEFICITS)							
LIABILITIES							
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 574
Unearned Revenue	-	-	-	-	-	-	1,414
Due to Other Funds	-	-	-	-	-	-	30,043
Total Liabilities	-	-	-	-	-	-	32,031
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	269,692	269,692	269,692
Restricted	17,955	50,655	13,858	82,468	-	-	2,418,876
Committed	-	-	-	-	-	-	14,599
Assigned	-	-	-	-	192,748	192,748	279,370
Unassigned (Deficit)	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	17,955	50,655	13,858	82,468	462,440	462,440	2,982,537
Total Liabilities and Fund Balances (Deficits)	$ 17,955	$ 50,655	$ 13,858	$ 82,468	$ 462,440	$ 462,440	$ 3,014,568

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds					
	Police Special Education Fund	Law Enforcement Trust Fund	Law Enforcement Investigative Trust	Law Enforcement Impact Fees	Public Building Impact Fees	Fire Impact Fees
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	14,529	87,518	33,300
Intergovernmental Revenue	-	-	-	-	-	-
Fines and Forfeitures	4,747	-	-	-	-	-
Net Investment Earnings	-	-	-	-	2,261	1,750
Miscellaneous Revenues	-	-	-	-	-	-
Total Revenues	4,747	-	-	14,529	89,779	35,050
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,747	-	-	14,529	89,779	35,050
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(495,209)	-
Total Other Financing Sources (Uses)	-	-	-	-	(495,209)	-
NET CHANGE IN FUND BALANCES	4,747	-	-	14,529	(405,430)	35,050
Fund Balances (Deficits) - Beginning of Year	134,979	87,503	45,178	65,716	469,366	264,852
FUND BALANCES (DEFICITS) - END OF YEAR	$ 139,726	$ 87,503	$ 45,178	$ 80,245	$ 63,936	$ 299,902

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds				
	Parks Impact Fees	Traffic Camera	Enrichment Center Premises Maintenance	1/5 Cent Local Option Gas Tax	Total Special Revenue Funds
REVENUES					
Taxes	$ -	$ -	$ -	$ 191,930	$ 191,930
Licenses and Permits	66,194	-	-	-	201,541
Intergovernmental Revenue	-	-	-	-	-
Fines and Forfeitures	-	371	-	-	5,118
Net Investment Earnings	1,147	-	-	4,106	9,264
Miscellaneous Revenues	-	-	12,974	-	12,974
Total Revenues	67,341	371	12,974	196,036	420,827
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Culture and Recreation	-	-	28,490	-	28,490
Public Safety	-	-	-	-	-
Transportation	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	-	-	28,490	-	28,490
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	67,341	371	(15,516)	196,036	392,337
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	10,505	-	10,505
Transfers Out	-	-	-	-	(495,209)
Total Other Financing Sources (Uses)	-	-	10,505	-	(484,704)
NET CHANGE IN FUND BALANCES	67,341	371	(5,011)	196,036	(92,367)
Fund Balances (Deficits) - Beginning of Year	176,635	14,228	5,011	1,161,497	2,424,965
FUND BALANCES (DEFICITS) - END OF YEAR	$ 243,976	$ 14,599	$ -	$ 1,357,533	$ 2,332,598

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Capital Project Funds					
	McKethan Park	Multi-Year Capital Project Accumulation	Capital Improvement Revenue 2006 Bond	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Loan - 2016	Total Capital Project Funds
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	28,980	-	-	28,980
Intergovernmental Revenue	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Net Investment Earnings	725	3,394	187	-	-	4,306
Miscellaneous Revenues	-	-	-	-	-	-
Total Revenues	725	3,394	29,167	-	-	33,286
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	725	3,394	29,167	-	-	33,286
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	303,780	7,563	311,343
Transfers Out	-	-	(13,506)	(303,780)	(7,563)	(324,849)
Total Other Financing Sources (Uses)	-	-	(13,506)	-	-	(13,506)
NET CHANGE IN FUND BALANCES	725	3,394	15,661	-	-	19,780
Fund Balances (Deficits) - Beginning of Year	27,665	54,838	1,115	-	1,633	85,251
FUND BALANCES (DEFICITS) - END OF YEAR	$ 28,390	$ 58,232	$ 16,776	$ -	$ 1,633	$ 105,031

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Debt Service Funds				Permanent Fund		
	Capital Improvement Revenue Loan - 2016	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Bond 2006	Total Debt Service Funds	Cemetery Perpetual Care	Total Permanent Funds	Total Nonmajor Governmental Funds
REVENUES							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 191,930
Licenses and Permits	-	-	-	-	-	-	230,521
Intergovernmental Revenue	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	5,118
Net Investment Earnings	-	-	-	-	6,262	6,262	19,832
Miscellaneous Revenues	-	-	-	-	-	-	12,974
Total Revenues	-	-	-	-	6,262	6,262	460,375
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	28,490
Public Safety	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	6,268	280,107	10,000	296,375	-	-	296,375
Interest and Fiscal Charges	1,295	23,673	3,506	28,474	-	-	28,474
Total Expenditures	7,563	303,780	13,506	324,849	-	-	353,339
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,563)	(303,780)	(13,506)	(324,849)	6,262	6,262	107,036
OTHER FINANCING SOURCES (USES)							
Transfers In	7,563	303,780	13,506	324,849	10,000	10,000	656,697
Transfers Out	-	-	-	-	-	-	(820,058)
Total Other Financing Sources (Uses)	7,563	303,780	13,506	324,849	10,000	10,000	(163,361)
NET CHANGE IN FUND BALANCES	-	-	-	-	16,262	16,262	(56,325)
Fund Balances (Deficits) - Beginning of Year	17,955	50,655	13,858	82,468	446,178	446,178	3,038,862
FUND BALANCES (DEFICITS) - END OF YEAR	$ 17,955	$ 50,655	$ 13,858	$ 82,468	$ 462,440	$ 462,440	$ 2,982,537

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Fund			
	Police Special Education Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Fines and Forfeitures	$ -	$ -	$ 4,747	$ 4,747
Total Revenues	-	-	4,747	4,747
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	4,747	4,747
OTHER FINANCING SOURCES (USES)				
Reserves	(95,046)	(95,046)	-	95,046
Total Other Financing Sources (Uses)	(95,046)	(95,046)	-	95,046
NET CHANGE IN FUND BALANCES	(95,046)	(95,046)	4,747	99,793
Fund Balances - Beginning of Year	95,046	95,046	134,979	39,933
FUND BALANCES - END OF YEAR	$ -	$ -	$ 139,726	$ 139,726

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Law Enforcement Trust Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Reserves	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balances - Beginning of Year	-	-	87,503	87,503
FUND BALANCES - END OF YEAR	$ -	$ -	$ 87,503	$ 87,503

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Law Enforcement Investigative Trust			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Reserves	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balances - Beginning of Year	-	-	45,178	45,178
FUND BALANCES - END OF YEAR	$ -	$ -	$ 45,178	$ 45,178

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Law Enforcement Impact Fees			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits	$ -	$ -	$ 14,529	$ 14,529
Total Revenues	-	-	14,529	14,529
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	14,529	14,529
OTHER FINANCING SOURCES (USES)				
Reserves	(61,563)	(61,563)	-	61,563
Total Other Financing Sources (Uses)	(61,563)	(61,563)	-	61,563
NET CHANGE IN FUND BALANCES	(61,563)	(61,563)	14,529	76,092
Fund Balances - Beginning of Year	61,563	61,563	65,716	4,153
FUND BALANCES - END OF YEAR	$ -	$ -	$ 80,245	$ 80,245

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Public Building Impact Fees			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and Permits	$ 9,320	$ 9,320	$ 87,518	$ 78,198
Net Investment Earnings	100	100	2,261	2,161
Total Revenues	9,420	9,420	89,779	80,359
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,420	9,420	89,779	80,359
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(495,209)	(495,209)
Reserves	(471,080)	(471,080)	-	471,080
Total Other Financing Sources (Uses)	(471,080)	(471,080)	(495,209)	(24,129)
NET CHANGE IN FUND BALANCES	(461,660)	(461,660)	(405,430)	56,230
Fund Balances - Beginning of Year	461,660	461,660	469,366	7,706
FUND BALANCES - END OF YEAR	$ -	$ -	$ 63,936	$ 63,936

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Fire Impact Fees			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits	$ 4,880	$ 4,880	$ 33,300	$ 28,420
Net Investment Earnings	100	100	1,750	1,650
Total Revenues	4,980	4,980	35,050	30,070
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,980	4,980	35,050	30,070
OTHER FINANCING SOURCES (USES)				
Reserves	(243,450)	(243,450)	-	243,450
Total Other Financing Sources (Uses)	(243,450)	(243,450)	-	243,450
NET CHANGE IN FUND BALANCES	(238,470)	(238,470)	35,050	273,520
Fund Balances - Beginning of Year	238,470	238,470	264,852	26,382
FUND BALANCES - END OF YEAR	$ -	$ -	$ 299,902	$ 299,902

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Parks Impact Fees			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits	$ 13,520	$ 13,520	$ 66,194	$ 52,674
Net Investment Earnings	100	100	1,147	1,047
Total Revenues	13,620	13,620	67,341	53,721
EXPENDITURES				
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,620	13,620	67,341	53,721
OTHER FINANCING SOURCES (USES)				
Reserves	(187,435)	(187,435)	-	187,435
Total Other Financing Sources (Uses)	(187,435)	(187,435)	-	187,435
NET CHANGE IN FUND BALANCES	(173,815)	(173,815)	67,341	241,156
Fund Balances - Beginning of Year	173,815	173,815	176,635	2,820
FUND BALANCES - END OF YEAR	$ -	$ -	$ 243,976	$ 243,976

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Traffic Camera			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Fines and Forfeitures	$ -	$ -	$ 371	$ 371
Net Investment Earnings	-	-	-	-
Miscellaneous Revenues	-	-	-	-
Total Revenues	-	-	371	371
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	371	371
OTHER FINANCING SOURCES (USES)				
Reserves	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	371	371
Fund Balances - Beginning of Year	-	-	14,228	14,228
FUND BALANCES - END OF YEAR	$ -	$ -	$ 14,599	$ 14,599

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Enrichment Center Premises Maintenance			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Miscellaneous Revenues	$ 15,160	$ 15,160	$ 12,974	$ (2,186)
Total Revenues	15,160	15,160	12,974	(2,186)
EXPENDITURES				
Current:				
Culture and Recreation	25,886	25,886	28,490	(2,604)
Total Expenditures	25,886	25,886	28,490	(2,604)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,726)	(10,726)	(15,516)	(4,790)
OTHER FINANCING SOURCES (USES)				
Transfers In	9,000	9,000	10,505	1,505
Reserves	(5,000)	(5,000)	-	5,000
Total Other Financing Sources (Uses)	4,000	4,000	10,505	6,505
NET CHANGE IN FUND BALANCES	(6,726)	(6,726)	(5,011)	1,715
Fund Balances - Beginning of Year	6,726	6,726	5,011	(1,715)
FUND BALANCES - END OF YEAR	$ -	$ -	$ -	$ -

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	1/5 Cent Local Option Gas Tax			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	$ 180,000	$ 180,000	$ 191,930	$ 11,930
Net Investment Earnings	500	500	4,106	3,606
Total Revenues	180,500	180,500	196,036	15,536
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	180,500	180,500	196,036	15,536
OTHER FINANCING SOURCES (USES)				
Reserves	(1,142,421)	(1,142,421)	-	1,142,421
Total Other Financing Sources (Uses)	(1,142,421)	(1,142,421)	-	1,142,421
NET CHANGE IN FUND BALANCES	(961,921)	(961,921)	196,036	1,157,957
Fund Balances - Beginning of Year	961,921	961,921	1,161,497	199,576
FUND BALANCES - END OF YEAR	$ -	$ -	$ 1,357,533	$ 1,357,533

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Capital Project Funds			
	McKethan Park			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Net Investment Earnings	$ 150	$ 150	$ 725	$ 575
Total Revenues	150	150	725	575
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	150	150	725	575
OTHER FINANCING SOURCES (USES)				
Reserves	(26,989)	(26,989)	-	26,989
Total Other Financing Sources (Uses)	(26,989)	(26,989)	-	26,989
NET CHANGE IN FUND BALANCES	(26,839)	(26,839)	725	27,564
Fund Balances - Beginning of Year	26,839	26,839	27,665	826
FUND BALANCES - END OF YEAR	$ -	$ -	$ 28,390	$ 28,390

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Capital Project Funds			
	Multi-Year Capital Project Accumulation			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Net Investment Earnings	$ 250	$ 250	$ 3,394	$ 3,144
Total Revenues	250	250	3,394	3,144
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	250	250	3,394	3,144
OTHER FINANCING SOURCES (USES)				
Reserves	(50,664)	(50,664)	-	50,664
Total Other Financing Sources (Uses)	(50,664)	(50,664)	-	50,664
NET CHANGE IN FUND BALANCES	(50,414)	(50,414)	3,394	53,808
Fund Balances - Beginning of Year	50,414	50,414	54,838	4,424
FUND BALANCES - END OF YEAR	$ -	$ -	$ 58,232	$ 58,232

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Capital Project Funds			
	Capital Improvement Revenue 2006 Bond			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits	$ 33,500	$ 33,500	$ 28,980	$ (4,520)
Net Investment Earnings	50	50	187	137
Total Revenues	33,550	33,550	29,167	(4,383)
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	33,550	33,550	29,167	(4,383)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(34,772)	(13,506)	(13,506)	-
Total Other Financing Sources (Uses)	(34,772)	(13,506)	(13,506)	-
NET CHANGE IN FUND BALANCES	(1,222)	20,044	15,661	(4,383)
Fund Balances - Beginning of Year	1,222	(20,044)	1,115	21,159
FUND BALANCES - END OF YEAR	$ -	$ -	$ 16,776	$ 16,776

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Capital Project Funds			
	Capital Improvement Revenue Note - 2011			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	303,780	303,780	303,780	-
Transfers Out	(303,780)	(303,780)	(303,780)	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	$ -	$ -	$ -	$ -

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Capital Project Funds			
	Capital Improvement Revenue Loan - 2016			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	7,563	7,563	7,563	-
Transfers Out	(7,563)	(7,563)	(7,563)	-
Reserves	(1,633)	(1,633)	-	1,633
Total Other Financing Sources (Uses)	(1,633)	(1,633)	-	1,633
NET CHANGE IN FUND BALANCES	(1,633)	(1,633)	-	1,633
Fund Balance - Beginning of Year	1,633	1,633	1,633	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ 1,633	$ 1,633

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Debt Service Funds			
	Capital Improvement Revenue Loan - 2016			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Debt Service:				
Principal	6,417	6,417	6,268	149
Interest	1,146	1,146	1,295	(149)
Total Expenditures	7,563	7,563	7,563	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,563)	(7,563)	(7,563)	-
OTHER FINANCING SOURCES (USES)				
Transfers In	7,563	7,563	7,563	-
Reserves	(15,619)	(15,619)	-	15,619
Total Other Financing Sources (Uses)	(8,056)	(8,056)	7,563	15,619
NET CHANGE IN FUND BALANCES	(15,619)	(15,619)	-	15,619
Fund Balances - Beginning of Year	15,619	15,619	17,955	2,336
FUND BALANCES - END OF YEAR	$ -	$ -	$ 17,955	$ 17,955

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Debt Service Funds			
	Capital Improvement Revenue Note - 2011			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Debt Service:				
Principal	281,243	281,243	280,107	1,136
Interest	22,537	22,537	23,673	(1,136)
Total Expenditures	303,780	303,780	303,780	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(303,780)	(303,780)	(303,780)	-
OTHER FINANCING SOURCES (USES)				
Transfers In	303,780	303,780	303,780	-
Total Other Financing Sources (Uses)	303,780	303,780	303,780	-
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balances - Beginning of Year	-	-	50,655	50,655
FUND BALANCES - END OF YEAR	$ -	$ -	$ 50,655	$ 50,655

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Debt Service Funds			
	Capital Improvement Revenue Bond - 2006			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Debt Service:				
Principal	10,000	10,000	10,000	-
Interest	3,506	3,506	3,506	-
Total Expenditures	13,506	13,506	13,506	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,506)	(13,506)	(13,506)	-
OTHER FINANCING SOURCES (USES)				
Transfers In	13,506	13,506	13,506	-
Reserves	(13,857)	(13,857)	-	13,857
Total Other Financing Sources (Uses)	(351)	(351)	13,506	13,857
NET CHANGE IN FUND BALANCES	(13,857)	(13,857)	-	13,857
Fund Balances - Beginning of Year	13,857	13,857	13,858	1
FUND BALANCES - END OF YEAR	$ -	$ -	$ 13,858	$ 13,858

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Permanent Fund			
	Cemetery Perpetual Care			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Net Investment Earnings	$ 200	$ 200	$ 6,262	$ 6,062
Total Revenues	200	200	6,262	6,062
EXPENDITURES				
Public Safety	204,249	204,249	-	204,249
Total Expenditures	204,249	204,249	-	204,249
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(204,049)	(204,049)	6,262	210,311
OTHER FINANCING SOURCES (USES)				
Transfers In	10,000	10,000	10,000	-
Reserves	(245,208)	(245,208)	-	245,208
Total Other Financing Sources (Uses)	(235,208)	(235,208)	10,000	245,208
NET CHANGE IN FUND BALANCES	(439,257)	(439,257)	16,262	455,519
Fund Balances - Beginning of Year	439,257	439,257	446,178	6,921
FUND BALANCES - END OF YEAR	$ -	$ -	$ 462,440	$ 462,440

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2025

	Internal Service Funds					
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	Total Internal Service Funds
ASSETS						
Current Assets:						
Pooled Cash and Investments	$ 87,224	$ 2,236,506	$ 23,104	$ 9,775	$ 445,622	$ 2,802,231
Prepaid	-	-	-	24,711	-	24,711
Total Current Assets	87,224	2,236,506	23,104	34,486	445,622	2,826,942
Noncurrent Assets:						
Machinery and Equipment	41,954	2,750,443	141,434	-	-	2,933,831
Right-to-Use Leased Asset	-	1,347,979	-	-	-	1,347,979
Less: Accumulated Depreciation	36,649	2,108,564	92,354	-	-	2,237,567
Net Capital Assets	5,305	1,989,858	49,080	-	-	2,044,243
Total Assets	92,529	4,226,364	72,184	34,486	445,622	4,871,185
LIABILITIES						
Current Liabilities:						
Accounts Payable	16,424	3,331	-	23,752	71,830	115,337
Accrued Wages Payable	6,458	-	-	-	-	6,458
Other Current Liabilities	1,284	-	-	-	-	1,284
Leases Payable	-	278,018	-	-	-	278,018
Total Current Liabilities	24,166	281,349	-	23,752	71,830	401,097
Noncurrent Liabilities:						
Accrued Compensated Absences	7,714	-	-	-	-	7,714
Leases Payable	-	759,099	-	-	-	759,099
Total Liabilities	31,880	1,040,448	-	23,752	71,830	1,167,910
NET POSITION						
Net Investment in Capital Assets	5,305	952,741	49,080	-	-	1,007,126
Unrestricted	55,344	2,233,175	23,104	10,734	373,792	2,696,149
Total Net Position	$ 60,649	$ 3,185,916	$ 72,184	$ 10,734	$ 373,792	$ 3,703,275

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	Internal Service Funds					
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	Total Internal Service Funds
OPERATING REVENUES						
Charges for Services	$ 344,451	$ 345,710	$ 10,000	$ 88,396	$ 1,224,000	$ 2,012,557
Miscellaneous Revenues	1,845	-	-	-	56,470	58,315
Total Operating Revenues	346,296	345,710	10,000	88,396	1,280,470	2,070,872
OPERATING EXPENSES						
Personnel Services	232,029	-	-	95,761	1,334,556	1,662,346
Other Services and Charges	89,650	317,935	-	-	-	407,585
Depreciation	637	146,055	10,598	-	-	157,290
Total Operating Expenses	322,316	463,990	10,598	95,761	1,334,556	2,227,221
OPERATING INCOME (LOSS)	23,980	(118,280)	(598)	(7,365)	(54,086)	(156,349)
NONOPERATING REVENUES						
Net Investment Earnings	311	60,022	87	-	-	60,420
Gain on Sale of Capital Assets	-	49,627	-	-	-	49,627
Total Nonoperating Revenues	311	109,649	87	-	-	110,047
CHANGE IN NET POSITION	24,291	(8,631)	(511)	(7,365)	(54,086)	(46,302)
Net Position - Beginning of Year	36,358	3,194,547	72,695	18,099	427,878	3,749,577
NET POSITION - END OF YEAR	$ 60,649	$ 3,185,916	$ 72,184	$ 10,734	$ 373,792	$ 3,703,275

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	Internal Service Funds					
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	$ 346,296	$ 345,710	$ 10,000	$ 88,396	$ 1,280,470	$ 2,070,872
Payments to Employees	(223,265)	-	-	(88,916)	(1,323,578)	(1,635,759)
Payments to Suppliers	(77,094)	(324,545)	-	-	-	(401,639)
Net Cash Provided (Used) by Operating Activities	45,937	21,165	10,000	(520)	(43,108)	33,474
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	-	(548,903)	-	-	-	(548,903)
Principal Paid on Long Term Debt	-	(209,912)	-	-	-	(209,912)
Proceeds from Sale of Assets	-	49,627	-	-	-	49,627
Net Cash Used by Capital and Related Financing Activities	-	(709,188)	-	-	-	(709,188)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and Dividends	311	60,023	87	-	-	60,421
NET INCREASE (DECREASE) IN POOLED CASH AND INVESTMENTS	46,248	(628,000)	10,087	(520)	(43,108)	(615,293)
Pooled Cash and Investments - Beginning of Year	40,976	2,864,506	13,017	10,295	488,730	3,417,524
POOLED CASH AND INVESTMENTS - END OF YEAR	$ 87,224	$ 2,236,506	$ 23,104	$ 9,775	$ 445,622	$ 2,802,231
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	$ 23,980	$ (118,280)	$ (598)	$ (7,365)	$ (54,086)	$ (156,349)
Depreciation	637	146,055	10,598	-	-	157,290
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Increase (Decrease) in:						
Accounts Payable	12,556	(6,610)	-	6,845	10,978	23,769
Accrued Wages Payable	2,876	-	-	-	-	2,876
Other Current Liabilities	475	-	-	-	-	475
Accrued Compensated Absences	5,413	-	-	-	-	5,413
Total Adjustments	21,957	139,445	10,598	6,845	10,978	189,823
Net Cash Provided (Used) by Operating Activities	$ 45,937	$ 21,165	$ 10,000	$ (520)	$ (43,108)	$ 33,474
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Capital Assets Acquired through Leases	$ -	$ -	$ -	$ -	$ -	$ -

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

	Private Purpose Trust Funds		Pension Trust Funds		
	Butterwick Bond Fund	Total Private Purpose Trust Funds	Fireman's Retirement Fund	Police Retirement Fund	Total Pension Trust Funds
ASSETS					
Cash and Pooled Cash	$ 1,933	$ 1,933	$ 309,791	$ 5,531	$ 315,322
Investments:					
Debt Securities	-	-	2,462,831	115,602	2,578,433
Marketable Equity Securities	-	-	6,127,842	209,669	6,337,511
Real Estate Fund	-	-	743,947	-	743,947
Contributions Receivable	-	-	43,083	-	43,083
Total Assets	1,933	1,933	9,687,494	330,802	10,018,296
LIABILITIES					
Other Current Liabilities	-	-	-	-	-
Total Liabilities	-	-	-	-	-
NET POSITION					
Restricted for Other Purposes	1,933	1,933	-	-	-
Restricted for Pension Benefits	-	-	9,687,494	330,802	10,018,296
Total Net Position	$ 1,933	$ 1,933	$ 9,687,494	$ 330,802	$ 10,018,296

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2025

	Private Purpose Trust Funds		Pension Trust Funds		
	Butterweck Bond Fund	Total Private Purpose Trust Funds	Fireman's Retirement Fund	Police Retirement Fund	Total Pension Trust Funds
ADDITIONS:					
CONTRIBUTIONS					
Employer	$ -	$ -	$ 258,487	$ 24,360	$ 282,847
Plan Members	-	-	78,884	-	78,884
State of Florida	-	-	136,830	-	136,830
Total Contributions	-	-	474,201	24,360	498,561
INVESTMENT EARNINGS					
Net Increase in Fair Value	-	-	467,653	2,766	470,419
Interest/Dividends	168	168	496,025	30,017	526,042
Total Investment Earnings	168	168	963,678	32,783	996,461
Total Additions	168	168	1,437,879	57,143	1,495,022
DEDUCTIONS:					
BENEFIT PAYMENTS	-	-	593,901	29,372	623,273
ADMINISTRATIVE EXPENSES	-	-	114,890	27,840	142,730
Total Deductions	-	-	708,791	57,212	766,003
CHANGE IN NET POSITION	168	168	729,088	(69)	729,019
Net Position - Beginning of Year	1,765	1,765	8,958,406	330,871	9,289,277
NET POSITION - END OF YEAR	$ 1,933	$ 1,933	$ 9,687,494	$ 330,802	$ 10,018,296

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2025

Grantor Program/Project Title	Contract #	CSFA #	Funds Expended
STATE FINANCIAL ASSISTANCE			
Florida Department of Environmental Protection			
Wastewater Treatment Facility Construction	WW270220	37.077	$ 2,613,481
Statewide Water Quality Restoration Projects	LPQ0032	37.039	247,200
Statewide Water Quality Restoration Projects	LPA0479	37.039	7,707
Statewide Water Quality Restoration Projects	QG036	37.039	27,120
Subtotal			282,027
Unique and Innovative Grants Program	LPA0480	37.014	78,381
Total Florida Department of Environmental Protection			2,973,889
Total Expenditures of State Financial Assistance			$ 2,973,889

CITY OF BROOKSVILLE, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state financial assistance activity of the City of Brooksville, Florida (City), under programs of the state government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Chapter 691-5, Rules of the Florida Department of Financial Services. 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 assets, 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 for awards reported in governmental funds and the accrual basis of accounting for awards reported in enterprise funds. Such expenditures are recognized following the Chapter 691-5, Rules of the Florida Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 LOANS OUTSTANDING

The City has the following loan balance outstanding at September 30, 2025.

Program Tittle	Number	Outstanding
Florida Department of Environmental Protection		
Wastewater Treatment Facility Construction	37.077	$ 522,696

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

City Council
City of Brooksville, Florida
Brooksville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brooksville, Florida (City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 City'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 cost as item 2025-001 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 deficiency described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

Report on Compliance and Other Matters

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
June 29, 2026

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Directors
City of Brooksville, Florida
Lakeland, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited the City of Brooksville, Florida's (City), compliance with the types of compliance requirements identified as subject to audit in the Florida Department of Financial Service's *State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2025. The City's major state projects 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 compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2025.

Basis for Opinion on Each 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; and the audit requirements of Chapter 10.550, Rules of the Auditor General for *Local Governmental Entity Audits*. Our responsibilities under those standards 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 state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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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*, 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 state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Chapter 10.550, Rules of the Auditor General, 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 state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 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 Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
June 29, 2026

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2025

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? x yes ____ no
   - Significant deficiency(ies) identified? x yes ____ none reported
3. Noncompliance material to financial statements noted? ____ yes x no

State Financial Assistance

1. Internal control over state projects:
   - Material weakness(es) identified? ____ yes x no
   - Significant deficiency(ies) identified? ____ yes x none reported
2. Type of auditors' report issued on compliance for state projects: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General? ____ yes x no

Identification of Major State Projects

CSFA Number(s)	Name of State Project
37.077	Wastewater Treatment Facility Construction

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2025

Section II – Financial Statement Findings

2025-001 – Financial Statement Adjustments

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Condition: As part of the audit, we proposed adjustments to correct the following errors in the City's financial statements:

- Revenue and related receivables were recorded for FEMA reimbursement related to Hurricane Milton that had not been obligated prior to year end. This resulted in overstatement of revenues and receivables within the Local Option Gas Tax Fund.
- Capital Asset Additions were understated due to a missing asset on the capital asst schedule.
- Depreciation expense was not recorded within the Enterprise Funds, including the Utility, Sanitation, Fleet Maintenance, Vehicle Replacement, and Equipment Replacement Funds. This resulted in understatement of accumulated depreciation and overstatement of net capital assets.
- A duplicate closing entry originating from fiscal year 2024 was posted within the Sanitation Fund. This resulted in misstatement of net position and capital assets.
- Beginning fund balance within the Local Option Gas Tax Fund was overstated due to revenue improperly recognized in the prior year. The amount was not received within the period of availability for recognition and should have been recognized as revenue in fiscal year 2025. This resulted in a restatement of opening fund balance.
- Disbursements from the Clean Water State Revolving Fund grant were recorded entirely as revenue within the Utility Fund. The loan portion of the grant was not properly recorded as long-term debt, resulting in overstatement of revenue and understatement of long-term liabilities by $522,696.

Criteria or specific requirement: The City's management is responsible for establishing and maintaining internal controls to ensure that transactions are properly recorded and reported in the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Section II – Financial Statement Findings (Continued)

2025-001 – Financial Statement Adjustments (Continued)

Effect: The errors resulted in misstated assets, liabilities, revenues, and expenses related to the areas listed above.

Cause: Reconciliation and review processes did not detect errors in account balances.

Repeat Finding: Yes

Recommendation: We recommend the City update its year-end closing policies and procedures to strengthen internal controls over financial reporting. The updated procedures should include a formal end-of-year checklist requiring reconciliation and review of all general ledger accounts.

Views of responsible officials and planned corrective actions: City staff will conduct a year-end review of all general ledger funds and accounts to verify that balances are accurate, complete, and properly reconciled. Formal procedures will be incorporated into the year-end closing checklist to ensure that all general ledger accounts are reviewed, reconciled, and balanced prior to finalizing the fiscal year-end financial records.

2025-002 – Inventory Valuation

Type of Finding:

- Significant Deficiency in Internal Control Over Financial Reporting

Condition: During our audit of the City's financial statements, we noted certain items included in the City's inventory listing did not have an associated cost recorded in the accounting system. Management was unable to provide historical cost information or other documentation to support the valuation of these items. To obtain a reasonable estimate for these items, a current replacement cost approach was used, applying average costs of comparable items with similar type and utility.

Criteria or specific requirement: The City's management is responsible for establishing and maintaining internal controls to ensure that transactions are properly recorded and reported in the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Effect: The absence of adequate controls over inventory valuation increases the risk of material misstatement in the financial statements. Using estimated costs without a documented methodology or supporting evidence may result in misstated inventory values in the financial statements, potentially impacting the accuracy of reported assets and related disclosures**.**

Cause: The City does not have sufficient procedures in place to ensure that all inventory items are recorded on an appropriate basis.

Section II – Financial Statement Findings (Continued)

Repeat Finding: Yes

Recommendation: Management should conduct regular reviews to ensure inventory records are complete and accurate.

Views of responsible officials and planned corrective actions: Finance staff will work together with the Inventory Specialist to ensure the proper cost is assigned to all inventory items in the system. Monthly inventory reports will be generated and reviewed to ensure the accurate accounting and reconciliation of all inventory items.

Section III – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Chapter 10.550, Rules of the Auditor General.

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MANAGEMENT LETTER

City Council
City of Brooksville, Florida
Brooksville, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Brooksville, Florida (City), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 29, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 29, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. See the Status of Prior Year Findings section of the accompanying Schedule of Findings and Responses.

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. See Note 1 to the financial statements.

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Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires the City to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the City's geographical boundaries during the fiscal year under audit. A PACE program did not operate within the City.

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 necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the City of Brooksville Community Redevelopment Agency reported their required information in their audit report.

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. Our current year findings and recommendations are listed in Appendix A to this Management Letter.

Board of Directors
City of Brooksville, Florida

Purpose of this Letter

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

CliftonLarsonAllen LLP

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Lakeland, Florida
June 29, 2026

CITY OF BROOKSVILLE
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2025

STATUS OF PRIOR YEAR FINDINGS

Prior Year Findings		Current Year Status		Current Year Finding #	2023-2024 Year Finding #	2022-2023 Year Finding #
		Reported	Not Reported			
Financial Statement Adjustments	Material Weakness in Internal Control over Financial Reporting	X		2025-001	2024-001	2023-001
Inventory - Supplies	Material Weakness in Internal Control over Financial Reporting	X		2025-002	2024-002	N/A
Investment Compliance	Policy and State Compliance	X		2025-003	2024-003	N/A
Firefighter Overtime	Internal Control Over Compliance		X	N/A	2024-004	N/A

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2025-003 – Noncompliance with Investment Policy and Florida Statute 218.415

Criteria: The City should conform with all requirements within its investment policy and requirements of Section 218.415, Florida Statutes.

Condition: The City did not comply with its investment policy or the continuing education requirements of Section 218.415, Florida Statutes. The policy and statute require the Director of Finance or designee responsible for investment decisions to complete eight (8) hours of annual continuing education related to investment practices and products. No continuing education was completed during the fiscal year.

Cause: The City did not have adequate monitoring procedures in place to ensure compliance with its investment policy and the continuing education requirements outlined in Section 218.415, Florida Statutes. Specifically, there was no process to track or verify that the Director of Finance or designee completed the required eight (8) hours of annual continuing education related to investment practices and products.

Effect: The City is not in compliance with Section 218.415, Florida Statutes.

Recommendation: The City should implement procedures to ensure compliance with its investment policy and Section 218.415, Florida Statutes. Specifically, the City should establish a process to track and verify that the Director of Finance or designee completes the required eight (8) hours of annual continuing education related to investment practices and products. This may include maintaining a compliance calendar, requiring documentation of completed training, and periodic review by management.

Views of responsible officials and planned corrective actions: Finance Staff have joined the FGFOA, FLCLASS, and Regan Capital emailing lists to stay informed about continuing education requirements. These organizations offer webinars and training sessions on current investment market trends and updates that qualify toward the required eight (8) hours of continuing education.

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2025

STATUS OF PRIOR YEAR FINDINGS

Prior Year Findings		Current Year Status		Current Year Finding #	2023-2024 Year Finding #	2022-2023 Year Finding #
		Reported	Not Reported			
Financial Statement Adjustments	Material Weakness in Internal Control over Financial Reporting		X	2025-001	2024-001	2023-001
Inventory - Supplies	Material Weakness in Internal Control over Financial Reporting		X	2025-002	2024-002	N/A
Firefighter Overtime	Internal Control Over Compliance	X		N/A	2024-003	N/A

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2025-003 – Noncompliance with Investment Policy and Florida Statute 218.415

Criteria: The City should conform with all requirements within its investment policy and requirements of Section 218.415, Florida Statutes.

Condition: The City did not comply with its investment policy or the continuing education requirements of Section 218.415, Florida Statutes. The policy and statute require the Director of Finance or designee responsible for investment decisions to complete eight (8) hours of annual continuing education related to investment practices and products. No continuing education was completed during the fiscal year.

Cause: The City did not have adequate monitoring procedures in place to ensure compliance with its investment policy and the continuing education requirements outlined in Section 218.415, Florida Statutes. Specifically, there was no process to track or verify that the Director of Finance or designee completed the required eight (8) hours of annual continuing education related to investment practices and products.

Effect: The City is not in compliance with Section 218.415, Florida Statutes.

Recommendation: The City should implement procedures to ensure compliance with its investment policy and Section 218.415, Florida Statutes. Specifically, the City should establish a process to track and verify that the Director of Finance or designee completes the required eight (8) hours of annual continuing education related to investment practices and products. This may include maintaining a compliance calendar, requiring documentation of completed training, and periodic review by management.

Views of responsible officials and planned corrective actions: Finance Staff have joined the FGFOA, FLCLASS, and Regan Capital emailing lists to stay informed about continuing education requirements. These organizations offer webinars and training sessions on current investment market trends and updates that qualify toward the required eight (8) hours of continuing education.

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INDEPENDENT ACCOUNTANTS' REPORT

City Council
City of Brooksville, Florida
Brooksville, Florida

We have examined the City of Brooksville, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2025. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements 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 City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether 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.

Our examination disclosed the following deviations from Section 218.415, Florida Statutes. While the City does have internal control procedures in place related to investment activity, it was determined the City's Director of Finance or designee responsible for making investment decisions did not obtain the required eight hours of continuing education for the year ended September 30, 2024 as described in their investment policies as required by 218.415(14).

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

Our examination does not provide legal determination on City's compliance with specified requirements.

In our opinion, except for the deviation described above, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025.

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



CliftonLarsonAllen LLP

Lakeland, Florida
June 29, 2026

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