GOING FURTHER

CITY OF LABELLE, FLORIDA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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, and pension and other post-employment benefit schedules on pages 4 through 9 and 56 through 64, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, Schedule to Determine Compliance with Interlocal Fire Protection and Animal Control Agreements, and Schedule of Revenues and Expenses – Business-Type Activities – Utility Fund (collectively the "supplementary information") 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is 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 March 2, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 2, 2026

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Management's Discussion and Analysis

Management's discussion and analysis presents a narrative overview and analysis of the City of LaBelle's (the "City") financial performance for the fiscal year ended September 30, 2025. It is designed to provide a broad overview and a short- and long-term analysis of the City's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activities, identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), clarify material deviations from the approved budget, and explain individual fund issues. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements (beginning on page 10) and notes to the financial statements (pages 22 through 55).

HIGHLIGHTS

Financial Highlights for the Fiscal Year Ended September 30, 2025 and Subsequent Financial Information are shown below:

1. The City's overall net position increased by $6,285,183.
2. The total cost of all the City's programs was $13,121,856, which was $1,868,318 more than the prior year.
3. The City's governmental activities increased net position by $805,867.
4. During the year, the City had expenses of $6,931,164 for governmental activities, which was $1,551,855 more than the prior year. This was primarily related to increased costs associated with public safety and general government.
5. The City's business-type activities increased net position by $5,479,316 primarily due to increased capital improvement grants and higher utility rates.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both 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, highways and streets, developmental services, and culture and recreation. The business-type activities of the City include electric, water and sewer, and sanitation operations.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: (1) governmental funds, and (2) proprietary funds.

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

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

The City maintains one individual governmental fund – the General Fund.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

Proprietary funds. The City of LaBelle, Florida maintains a 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 an enterprise fund to account for water and sewer, and solid waste utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility operations, which is considered to be a major fund.

The basic proprietary fund financial statements can be found on pages 16 through 19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 55 of this report.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. The City's assets (and deferred outflows of resources) exceeded liabilities (and deferred inflows of resources) by $40,852,183 (net position) on September 30, 2025.

$30.5 million (74.8%) of the City's net position reflects its investment in capital assets (e.g. land, construction in progress, buildings, vehicles, machinery and equipment) less related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City reports investment in its capital assets net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to pay debt.

The following schedule provides a summary of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the City:

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 10,135,784	$ 10,248,686	$ 7,972,952	$ 4,848,559	$ 18,108,736	$ 15,097,245
Capital assets	8,102,970	7,615,076	36,799,496	32,465,039	44,902,466	40,080,115
Total assets	18,238,754	17,863,762	44,772,448	37,313,598	63,011,202	55,177,360
Total deferred outflows of resources	397,328	409,479	116,679	139,756	514,007	549,235
Other liabilities	1,326,502	1,932,975	4,209,047	2,007,132	5,535,549	3,940,107
Long-term liabilities	1,853,781	1,879,167	14,255,770	14,507,392	16,109,551	16,386,559
Total liabilities	3,180,283	3,812,142	18,464,817	16,514,524	21,645,100	20,326,666
Total deferred inflows of resources	833,936	645,103	193,990	187,826	1,027,926	832,929
Net position:						
Net investment in capital assets	7,424,488	6,997,178	23,120,346	18,579,986	30,544,834	25,577,164
Restricted	1,454,256	1,559,082	1,662,538	1,662,538	3,116,794	3,221,620
Unrestricted	5,743,119	5,259,736	1,447,436	508,480	7,190,555	5,768,216
Total net position	$ 14,621,863	$ 13,815,996	$ 26,230,320	$ 20,751,004	$ 40,852,183	$ 34,567,000

A portion of the City's net position, $3.1 million (7.6%), represents resources that are subject to restrictions on how they may be used. The unrestricted portion of net position, $7.2 million, may be used to meet the City's ongoing obligations to citizens and creditors.

The City's overall financial condition improved during the year ended September 30, 2025. The overall increase in the City's net position was $6.3 million (18.2%) during the year.

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 1,455,388	$ 1,386,593	$ 6,384,016	$ 5,034,223	$ 7,839,404	$ 6,420,816
Operating grants and contributions	11,815	-	-	-	11,815	-
Capital grants and contributions	385,386	40,819	5,272,983	2,224,674	5,658,369	2,265,493
General revenues:						
Property taxes	1,893,971	1,757,188	-	-	1,893,971	1,757,188
Intergovernmental	3,635,831	3,618,462	-	-	3,635,831	3,618,462
Investment income	269,315	121,236	13,009	17,621	282,324	138,857
Miscellaneous	85,325	64,188	-	-	85,325	64,188
Total revenues	7,737,031	6,988,486	11,670,008	7,276,518	19,407,039	14,265,004
Operating expenses:						
General government	1,608,755	1,095,254	-	-	1,608,755	1,095,254
Public safety	2,855,634	2,187,013	-	-	2,855,634	2,187,013
Physical environment	1,323,626	1,158,309	-	-	1,323,626	1,158,309
Transportation	91,815	87,065	-	-	91,815	87,065
Culture and recreation	583,259	476,969	-	-	583,259	476,969
Economic environment	3,611	15,833	-	-	3,611	15,833
Human services	450,877	345,249	-	-	450,877	345,249
Interest on long-term debt	13,587	13,587	-	-	13,587	13,587
Water system	-	-	3,113,715	2,946,587	3,113,715	2,946,587
Sewer system	-	-	1,985,660	2,000,482	1,985,660	2,000,482
Solid waste	-	-	1,091,317	927,190	1,091,317	927,190
Total operating expenses	6,931,164	5,379,279	6,190,692	5,874,259	13,121,856	11,253,538
Change in net position	805,867	1,609,207	5,479,316	1,402,259	6,285,183	3,011,466
Net position, beginning,	13,815,996	12,206,789	20,751,004	19,348,745	34,567,000	31,555,534
Net position, ending	$ 14,621,863	$ 13,815,996	$ 26,230,320	$ 20,751,004	$ 40,852,183	$ 34,567,000

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025, is $44.9 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings, wastewater and drainage systems improvements, vehicles, machinery and equipment, park facilities, roads and highways, and software. There was an increase of the City's investment in capital assets for the year end, September 30, 2025, of which $4,822,351 was due mostly to on-going water and wastewater system improvements.

City of LaBelle, Florida's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land and improvements	$ 4,139,129	$ 4,139,129	$ 1,531,338	$ 1,466,338	$ 5,670,467	$ 5,605,467
Construction in progress	423,298	126,629	8,498,624	4,048,268	8,921,922	4,174,897
Buildings	3,154,611	3,118,742	-	-	3,154,611	3,118,742
Equipment, furniture, and fixtures	4,747,809	4,436,307	1,699,563	995,789	6,447,372	5,432,096
Infrastructure	3,807,764	3,554,292	-	-	3,807,764	3,554,292
Treatment plans and systems	-	-	47,617,613	47,151,329	47,617,613	47,151,329
Less accumulated depreciation	(8,169,641)	(7,760,023)	(22,547,642)	(21,196,685)	(30,717,283)	(28,956,708)
Total capital assets	$ 8,102,970	$ 7,615,076	$ 36,799,496	$ 32,465,039	$ 44,902,466	$ 40,080,115

Additional information on the City's capital assets can be found in Note 6 of this report.

Long-term debt. On September 30, 2025, the City had total long-term liabilities outstanding of $16.1 million. The debt amount represents notes payable and bonds payable secured by specified revenue sources and equipment.

City of LaBelle, Florida's Long-Term Liabilities Outstanding

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Notes payable	$ 454,457	$ 387,765	$ 269,150	$ 91,053	$ 723,607	$ 478,818
Bonds payable	224,025	230,133	13,410,000	13,794,000	13,634,025	14,024,133
Net pension liability	960,605	1,145,587	469,192	559,544	1,429,797	1,705,131
Total OPEB liability	89,219	35,618	48,523	20,908	137,742	56,526
Compensated absences	125,475	80,064	58,905	41,887	184,380	121,951
Total debt	$ 1,853,781	$ 1,879,167	$ 14,255,770	$ 14,507,392	$ 16,109,551	$ 16,386,559

Additional information on the City's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budget and Rates

The City Commission considered many factors while determining to lower the millage rate in fiscal year 2026 budget, including increased utility service fees and raising the assessment for the Fire Department. Primary factors considered were the local economy and increased costs of operating and maintaining the Fire Department. The City received capital improvement grants of $6M to help offset the capital asset costs for a ladder truck and hardening of the Fire Station, offsetting the need for additional taxpayer funding.

The City's local economy consists largely of retail, agriculture, and service industries. Some of the largest business entities in the City include agribusiness, general merchandise, grocery, and vehicle retail establishments. Hendry County's unemployment rate was 4.9% in December 2025, which was an increase from 3.5% in December 2024. According to the Census.gov site, the population of the City of LaBelle is estimated at 5,472 as of July 1, 2024, with an estimated annual growth rate of 2.29%.

The City of LaBelle's infrastructure has aged and is near the end of its economic life. The City continues to seek and procure significant capital improvement grants to offset the cost of capital improvements. Consultants experienced with wastewater plants assist with managing the existing plant while a new plant is being built. The plant is close to capacity and City staff are working with the DEP on associated issues. Work on septic to sewer conversions is on-going in the remaining areas of the City, including the northeast quadrant. The water plant needs additional improvements including storage tanks for redundancy and additional capacity for the City. Designs on both plants were completed and approved by DEP and construction is expected to commence in 2026.

New commercial establishments and residential housing within the City are in progress and some have recently opened for business. Developers are contacting the City to discuss additional residential and commercial projects. The City has added projects to install new water and sewer lines to the Southwestern quadrant of the City to allow for expansion of homes and businesses. Design and planning began in 2024 and is continuing into 2026. The City is utilizing state and federal government grants to offset most of the costs of capital improvements, reducing the taxpayer burden.

The current real estate market and general economy in Hendry County is in a cooling trend with falling prices and a buyer-friendly environment. The area offers a more affordable option compared to neighboring counties. High homeowners' insurance premiums, increases in property taxes, and interest rates have a major impact on new homeowners. New home construction activity continues to help the economy, and several projects have been permitted and are in the construction phase. The City of LaBelle is optimistic and continues to look ahead to new opportunities.

Requests for Information

This discussion and analysis is designed to provide a general overview of the City's finances for readers of the City's financial statements. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of LaBelle Finance Department, 481 West Hickpochee Ave, LaBelle, Florida 33935. Additional information can be found on the City's website at http://www.citylabelle.com.

BASIC FINANCIAL STATEMENTS

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STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 6,596,554	$ 1,952,393	$ 8,548,947
Accounts receivables, net	117,825	1,019,396	1,137,221
Due from other governments	225,110	4,560,986	4,786,096
Internal balances	1,742,039	(1,742,039)	-
Restricted asset, cash and cash equivalents	-	2,182,216	2,182,216
Net pension asset	1,454,256	-	1,454,256
Capital assets			
Non-depreciable	4,562,427	10,029,961	14,592,388
Depreciable, net	3,540,543	26,769,535	30,310,078
Total assets	18,238,754	44,772,448	63,011,202
Deferred outflows of resources			
Deferred outflows - pension	397,328	116,679	514,007
Total deferred outflows of resources	397,328	116,679	514,007
Liabilities			
Accounts payable	627,105	2,380,609	3,007,714
Accrued liabilities	88,515	20,345	108,860
Accrued interest payable	11,725	39,858	51,583
Customer deposits payable	16,925	459,431	476,356
Unearned revenue	582,232	1,308,804	1,891,036
Noncurrent liabilities			
Due within one year	142,966	643,717	786,683
Due in more than one year	1,710,815	13,612,053	15,322,868
Total liabilities	3,180,283	18,464,817	21,645,100
Deferred inflows of resources			
Deferred inflows - pension	833,936	193,990	1,027,926
Total deferred inflows of resources	833,936	193,990	1,027,926
Net position			
Net investment in capital assets	7,424,488	23,120,346	30,544,834
Restricted for			
Capital improvements	-	1,140,891	1,140,891
Pensions	1,454,256	-	1,454,256
Debt service	-	521,647	521,647
Unrestricted	5,743,119	1,447,436	7,190,555
Total net position	$ 14,621,863	$ 26,230,320	$ 40,852,183

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Functions/programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 1,608,755	$ 249,916	$ 11,815	$ 52,872	$ (1,294,152)	$ -	$ (1,294,152)
Public safety	2,855,634	924,702	-	332,514	(1,598,418)	-	(1,598,418)
Transportation	1,323,626	-	-	-	(1,323,626)	-	(1,323,626)
Physical environment	91,815	-	-	-	(91,815)	-	(91,815)
Economic environment	3,611	-	-	-	(3,611)	-	(3,611)
Culture and recreation	583,259	69,750	-	-	(513,509)	-	(513,509)
Human services	450,877	211,020	-	-	(239,857)	-	(239,857)
Interest on long-term debt	13,587	-	-	-	(13,587)	-	(13,587)
Total governmental activities	6,931,164	1,455,388	11,815	385,386	(5,078,575)	-	(5,078,575)
Business-type activities:							
Water	3,113,715	3,716,885	-	964,096	-	1,567,266	1,567,266
Sewer	1,985,660	1,530,164	-	4,308,887	-	3,853,391	3,853,391
Solid waste	1,091,317	1,136,967	-	-	-	45,650	45,650
Total business-type activities	6,190,692	6,384,016	-	5,272,983	-	5,466,307	5,466,307
Total primary government	$ 13,121,856	$ 7,839,404	$ 11,815	$ 5,658,369	(5,078,575)	5,466,307	387,732
General revenues							
Property taxes					1,893,971	-	1,893,971
Gas taxes					371,611	-	371,611
Sales taxes					289,453	-	289,453
Communication services					209,554	-	209,554
Utility service taxes					341,812	-	341,812
Franchise taxes					478,389	-	478,389
Other taxes					1,752,232	-	1,752,232
Unrestricted state revenue sharing					192,780	-	192,780
Investment earnings					269,315	13,009	282,324
Miscellaneous					85,325	-	85,325
Total general revenues					5,884,442	13,009	5,897,451
Change in net position					805,867	5,479,316	6,285,183
Net position, beginning of year					13,815,996	20,751,004	34,567,000
Net position, end of year					$ 14,621,863	$ 26,230,320	$ 40,852,183

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

BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2025

	General Fund
Assets	
Cash and cash equivalents	$ 6,596,554
Accounts receivable, net	117,825
Due from other funds (advances)	1,742,039
Due from other governments	225,110
Total assets	$ 8,681,528
Liabilities and fund balances	
Liabilities	
Accounts payable	$ 627,105
Accrued liabilities	88,515
Customer deposits	16,925
Unearned revenue	582,232
Total liabilities	1,314,777
Fund balances	
Nonspendable	1,742,039
Unassigned	5,624,712
Total fund balances	7,366,751
Total liabilities and fund balances	$ 8,681,528

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

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2025

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

Total fund balances - governmental fund		$ 7,366,751
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 16,272,611	
Accumulated depreciation	(8,169,641)	8,102,970
Deferred outflows, deferred inflows, and the net pension asset and liability related to the City's pension and OPEB plans are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.		
Deferred outflows - pension	397,328	
Deferred inflows - pension	(833,936)	
Net pension asset	1,454,256	
Net pension liability	(960,605)	
Total OPEB liability	(89,219)	(32,176)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Accrued interest payable	(11,725)	
Compensated absences	(125,475)	
Notes payable	(454,457)	
Revenue bonds payable	(224,025)	(815,682)
Net position of governmental activities		$ 14,621,863

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund
Revenues	
Taxes	$ 4,436,973
Other taxes	88,571
Licenses and permits	706,165
Intergovernmental revenues	923,070
Charges for services	1,192,578
Fines and forfeitures	35,034
Investment earnings	269,315
Miscellaneous revenues	85,325
Total revenues	7,737,031
Expenditures	
Current	
General government	1,344,415
Public safety	2,635,494
Transportation	1,262,643
Economic environment	3,611
Culture and recreation	476,468
Human services	379,841
Debt service	
Principal retirement	51,226
Interest	13,587
Capital outlay	1,066,930
Total expenditures	7,234,215
Excess of revenues over expenditures	502,816
Other financing sources	
Issuance of debt	95,581
Total other financing sources	95,581
Change in fund balances	598,397
Fund balances, beginning of year	6,768,354
Fund balances, end of year	$ 7,366,751

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

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

Net change in fund balances − total governmental fund		$ 598,397
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives.		
Capital outlay	$ 1,065,971	
Less current year depreciation	(575,452)	490,519
The net effect of various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net position.		(2,625)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Debt proceeds	(95,581)	
Principal repayment of long-term debt	34,997	(60,584)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	(45,411)	
Change in total OPEB liability	(53,601)	
Change in net pension liability	(120,828)	(219,840)
Change in net position of governmental activities		$ 805,867

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

STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2025

	Utility Fund
Assets	
Current assets	
Cash and cash equivalents	$ 1,952,393
Accounts receivable, net	1,019,396
Due from other governments	4,560,986
Restricted cash and cash equivalents	2,182,216
Total current assets	9,714,991
Noncurrent assets	
Capital assets, non-depreciable	10,029,961
Capital assets, net	26,769,535
Total noncurrent assets	36,799,496
Total assets	46,514,487
Deferred outflows of resources	
Deferred outflows - pension	116,679
Total deferred outflows of resources	116,679
Liabilities	
Current liabilities	
Accounts payable	2,380,609
Accrued liabilities	20,345
Unearned revenue	1,308,804
Compensated absences	41,887
Liabilities payable from restricted assets	
Accrued interest	39,858
Customer deposits payable	459,431
Current portion of note payable	206,830
Current portion of revenue bonds payable	395,000
Total current liabilities	4,852,764
Noncurrent liabilities	
Due to other funds (advances)	1,742,039
Compensated absences	17,018
Notes payable, net of current portion	62,320
Revenue bonds payable, net of current portion	13,015,000
Net pension liability	469,192
Total OPEB liability	48,523
Total noncurrent liabilities	15,354,092
Total liabilities	20,206,856
Deferred inflows of resources	
Deferred inflows - pension	193,990
Total deferred inflows of resources	193,990
Net position	
Net investment in capital assets	23,120,346
Restricted for	
Debt service	1,140,891
Capital improvements	521,647
Unrestricted	1,447,436
Total net position	$ 26,230,320

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Utility Fund
Operating revenues	
Charges for services	$ 6,384,016
Total operating revenues	6,384,016
Operating expenses	
Treatment plants	2,046,683
Wastewater collection	1,326,456
Sanitation fees	1,091,317
Depreciation	1,350,957
Total operating expenses	5,815,413
Operating (loss)	568,603
Nonoperating revenues (expenses)	
Investment earnings	13,009
Interest expense	(375,279)
Total nonoperating revenues (expenses)	(362,270)
(Loss) before capital contributions	206,333
Capital contributions	5,272,983
Change in net position	5,479,316
Total net position, beginning of year	20,751,004
Total net position, end of year	$ 26,230,320

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Utility Fund
Cash flows from operating activities	
Cash received from customers	$ 7,259,037
Cash paid to suppliers for goods and services	(2,625,671)
Cash paid to employees for services and benefits	(10,118)
Net cash provided by operating activities	4,623,248
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(5,685,414)
Principal paid on notes payable	178,097
Principal paid on bonds payable	(384,000)
Capital grants received	1,646,428
Interest paid	(364,025)
Net cash used in capital and related financing activities	(4,608,914)
Cash flows from investing activities	
Interest received	13,009
Net cash provided by investing activities	13,009
Net change in cash and cash equivalents	27,343
Cash and cash equivalents, beginning of year	4,107,266
Cash and cash equivalents, end of year	$ 4,134,609
Cash and cash equivalents classified as	
Cash and cash equivalents	$ 1,952,393
Restricted cash and cash equivalents	2,182,216
Total cash and cash equivalents	$ 4,134,609

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Utility Fund
Reconciliation of operating (loss) to net cash provided operating activities	
Operating (loss)	$ 568,603
Adjustment to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation	1,350,957
Change in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	541,815
Deferred outflows - pension	23,077
Increase (decrease) in liabilities:	
Accounts payable	1,851,095
Accrued liabilities	6,360
Due to other funds	(12,310)
Unearned revenue	286,307
Compensated absences payable	17,018
Net pension liability	(90,352)
Total OPEB liability	27,615
Deferred inflows - pension	6,164
Customer deposits	46,899
Net cash provided by operating activities	$ 4,623,248

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2025

	Pension Trust Fund
Assets	
Cash	$ 37,235
Investments at fair value	3,347,767
Total assets	3,385,002
Net position	
Restricted for pension benefits	$ 3,385,002

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Pension Trust Fund
Additions	
Contributions	
Employer	$ 204,233
Employee	6,404
State	64,875
Investment income	278,890
Total additions	554,402
Deductions	
Pension benefits	32,025
Administrative expenses	24,133
Total deductions	56,158
Change in net position	498,244
Net position, beginning of year	2,886,758
Net position, end of year	$ 3,385,002

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of LaBelle, Florida (the "City") is a municipal corporation, incorporated by the Laws of Florida, Acts of 1925, Chapter 11580 – (245). The City is governed by a five-member board consisting of an elected Mayor and four other elected City Commissioners. The Board appoints a City Manager to administer the policies emanating from its statutory powers and authority. The City's major operations include police and fire protection, parks and recreation, library, public works, and general administrative services. In addition, the City owns and operates a water and sewer system.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America applicable to governmental units and the Uniform Accounting System mandated by Chapter 218.33, Florida Statutes. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting in the United States.

Reporting Entity

As required by GAAP, this report presents the financial statements of the funds of the City (the primary government). In evaluating the City as a reporting entity, management has considered all potential component units for which the City may or may not be financially accountable and included within the City's financial statements. Management utilized criteria set forth in GASB Statement 61 as amended for determining financial accountability of potential component units in evaluating potential component units. In accordance with GASB Statement 61 as amended, the City is financially accountable if it appoints a voting majority of the potential component unit's governing board, and it is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Retirement Plan for the Firefighters of the City of LaBelle is a single-employer defined benefit pension plan, that qualifies as a Fiduciary Component Unit under GASB 84. As of September 30, 2025, the City has no component units, as defined by GASB Statement 61 as amended.

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used have not been eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as with accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Hendry County Tax Collector bills and collects property taxes for the City in accordance with the laws of the State of Florida. Property taxes attach as an enforceable lien on property as of the date of assessment and remain in effect until discharge by payment. Taxes are payable when levied (on November 1, or as soon thereafter as the assessment roll becomes available to the Tax Collector).

The following is the current property tax calendar:

Lien date	January 1
Levy date	November 1
Due date	November 1
Delinquent date	April 1
Sale of tax certificates	by June 1

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Discounts of 1% are granted for each month taxes are paid on or before February 28, with a maximum discount of 4% if paid by November 30. Revenue recognition criteria for property taxes under GASB requires that property taxes expected to be collected within 60 days of the current period be accrued. Current year ad valorem taxes, which are uncollected as of the end of the fiscal year, are generally immaterial in amount, therefore, are not recorded as a receivable.

Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

GASB Statement 34 sets forth minimum criteria (percentage of assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. The City has used GASB Statement 34 minimum criteria for major fund determination to determine which funds are required to be reported as major funds. The following two broad classifications are used to categorize the fund types used by the City:

Governmental Fund
Governmental funds focus on the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) and not net income. The City has the following major governmental fund:

The *General Fund* is the City's primary operating fund and is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Fund
Proprietary funds focus on the determination of net income, changes in net position, financial position and cash flows. The following is a description of the City's major proprietary fund:

Utility Fund – Accounts for the operations and activities related to the water distribution, wastewater collection, and solid waste collection within the City.

Fiduciary Fund
Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The City's fiduciary fund is presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third-party (pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The fiduciary fund of the City is the Firefighters' Pension Trust Fund.

Cash and Cash Equivalents

Each fund's cash on hand, demand deposits, and short-term investments are considered cash and cash equivalents. For purposes of these statements, all highly liquid debt instruments (including restricted assets), with a maturity of three months or less when purchased, are considered to be cash equivalents.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments

Section 218.415, Florida Statutes, requires the investment of surplus public funds and prescribes the instruments in which those investments are authorized. Specifically, allowable investments include:

- The State of Florida Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the United States.

The City adheres strictly to the provisions of those cited statutes, as well as with Chapter 280, Florida Statutes, which requires the City to maintain deposits only with qualified public depositories. The City maintains a cash and investment pool available for use by all funds. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. In addition, restricted cash accounts and money market deposit accounts are separately maintained by several City funds in accordance with bond ordinances and other contractual agreements. Investments are stated at fair value, based on quoted market prices.

The City's cash and investment pool and certain individual funds participate in the Florida State Board of Administration (SBA) Florida PRIME. The SBA is governed by Chapter 19-1 of the Florida Administrative Code (FAC). The FAC provides guidance and establishes the general operating procedures for the administration of the Local Government Surplus Trust Funds. Additionally, the Florida Auditor General performs an operational audit of activities and investments of the SBA. GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, applies to Florida PRIME. GASB Statement 31 outlines the two options for accounting and reporting for money market investment pools as either "2a-7 like" or fluctuating net asset value (NAV). GASB Statement 31 describes a "2a-7 like" pool as an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940. Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV of $1.00 per share, provided that such funds meet certain conditions. City investments with the SBA may be made or liquidated by wire on a same day basis, subject to limitations described in Note 3. These funds are considered a SEC “2a-7 like” fund and are recorded at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables

Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans between funds outstanding at the end of the fiscal year are referred to as either "due to other funds" or "due from other funds" (i.e., the current portion of interfund loans) or "advances" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances" and are not eliminated in the process of consolidation.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Services provided, deemed to be at market, or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation. All proprietary fund receivables are shown net of an allowance for uncollectibles. The City's allowance estimate is based on historical collection experience and a review of the current status of accounts receivable.

Inventory and Prepaid Items

Inventory in governmental funds is valued at the lower of cost or net realizable value using the first in/first out (FIFO) method. A portion of the General Fund balance equal to the inventory amount has been reserved in the fund financial statements to indicate that it is not available for appropriation.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, infrastructure, water and sewer distribution systems and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets costing in excess of $1,000 with estimated useful lives in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed.

Capital assets are stated at cost, except for contributed assets, which are recorded at acquisition value on the date received by the City. Property, plant and equipment of the primary government are depreciated/amortized using the straight-line method generally over the following estimated useful lives:

	Years
Buildings	40
Improvements other than buildings	10-40
Machinery and equipment	5-10

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation leave and associated employee-related costs. A liability for these amounts is reported in governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

The difference between the reacquisition price (new debt) and the net carrying value of the old debt creates a deferred gain/loss from advance refunding of debt. This difference is deferred and amortized as a component of interest expense using the bonds outstanding method over the shorter of the remaining life of the old debt or the life of the new debt. The deferred account is offset against the new liability.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, gains/loss from refunding, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums and gains from refundings received on debt issuances are reported as other financing sources while discounts and losses from refundings on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's Pension Trust Fund (the "Plan"), as well as the Florida Retirement Systems (FRS) and Health Insurance Subsidy (HIS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan and FRS. For this purpose, benefit payments (including refunds of employee contributions, if any) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB Statement 54, are as follows:

Nonspendable – includes amounts that are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, deposits, prepaids, and advances to other funds.

Restricted – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed – includes fund balance amounts that can be used only for the specific purposes that are internally imposed by a formal action (Resolution) of the government's highest level of decision making authority, the City Commission. Commitments may be changed or lifted only by the City taking the same formal action (Resolution) that imposed the constraint. Contractual obligations are included to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual obligations.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Intent is expressed by the City Commission or a body (for example: a budget or finance committee) or official to which the City Commission has delegated the authority to assign amounts to be used for specific purposes. This indicates that resources in these funds are, at a minimum, intended to be used for the purposes of that fund. The City Commission has not authorized a specific party to assign fund balance. The City Commission may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's budget.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed on fund balances. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification with the General Fund. The General Fund is the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

Net Position

Net position is classified in three categories. The general meaning of each is as follows:

Net investment in capital assets – represents the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Restricted – this category includes resources restricted by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation.

Unrestricted – indicates that portion of net position that is available for future periods.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 8 for additional information on the City’s deferred outflows of resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has two items that qualifies for reporting in this category which relates to the City's pension plan. See Note 8 for additional information on the City's deferred inflows of resources related to pensions.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted by ordinance for all governmental and proprietary funds. However, budgets for proprietary funds are not legally required to be reported on and are not included in these financial statements. All appropriations lapse at fiscal year-end except for appropriations related to multi-year capital projects. Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. Chapter 129, Florida Statutes, governs the manner in which the budget may be legally amended once it has been approved.

The City sets the legal level of budgetary control at the fund level. The transfer of budgeted amounts within departments may be requested by department heads and may be made upon approval by the Finance Director and City Manager. Budgetary transfers between funds or changes in the total budget of a fund require approval of the City Commission through the passage of a resolution which is required to be posted on the City's website. The schedule of expenditures by department budget and actual is presented in the financial statements to demonstrate compliance with the previous City policy which required budget approvals at the total department level. The City issues a separate budgetary report to demonstrate compliance with the new policy due to the exceptionally low level at which budgetary control has been set.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgets (Continued)

If, during the fiscal year, additional revenue becomes available for appropriations in excess of those estimated in the budget, the City Commission by resolution can make supplemental appropriations for the year. During the current fiscal year, various supplemental appropriations were approved by the City Commission. Budgetary data presented in the accompanying basic financial statements in the final budgeted amounts column represents the final budgetary data. In this column, the effects of budget amendments have been applied to original budgetary data.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources that are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances outstanding at year-end are reported as commitments of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. All encumbrances were closed at the end of the year. Therefore, no provision for encumbrances has been made at September 30, 2025.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposit policies – The City's cash and cash equivalents (including restricted assets) include cash on hand, demand deposits, short-term highly liquid debt instruments with original maturities of three months or less from the date of acquisition, pooled investments and money market funds.

Deposits

Custodial credit risk – There is a risk that in the event of failure of a depository financial institution, the government will not be able to recover their deposits. It is the City's policy to maintain its deposits only with qualified public depositories as defined in Chapter 280, Florida Statutes. The provisions of this statute allow qualified public depositories to participate in a multiple financial institution collateral pool to ensure security for public deposits. All qualified public depositories must place with or in the name of the Chief Financial Officer of the State of Florida, collateral in the amount of the average daily balance of public deposits multiplied by the average monthly balance of public deposits or 125% of the average daily balance of public deposits greater than capital. In the event of default by a qualified public depository, excess losses over insurance and collateral will be recovered through assessments from all qualified public depositories of the same type as the depository in default. Under this method, all City's deposits are considered fully insured. The City has no further custodial credit risk policy.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

At September 30, 2025, the carrying amount of the City's checking accounts was $10,729,688 and the bank balance was $11,111,708. The City also held $1,475 in petty cash.

Pension Trust Fund Investments

As of September 30, 2025, the City's pension trust fund had the following investments:

Pension Trust Fund Investments	Fair Value
Broad Market HQ Bond Fund	$ 338,500
Core Plus Fixed Income	348,655
Diversified Large Cap	1,035,811
Diversified Small to Mid Cap	497,595
International Equity	825,941
Core Real Estate	301,265
	$ 3,347,767

Fair Value Measurements

The City categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs for similar assets, and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of September 30, 2025:

Pension Trust Fund Investments	Level 1	Level 2	Level 3	Fair Value
Broad Market HQ Bond Fund	$ -	$ 338,500	$ -	$ 338,500
Core Plus Fixed Income	-	-	348,655	348,655
Diversified Large Cap	-	1,035,811	-	1,035,811
Diversified Small to Mid Cap	-	497,595	-	497,595
International Equity	-	825,941	-	825,941
Core Real Estate	-	-	301,265	301,265
	$ -	$ 2,697,847	$ 649,920	$ 3,347,767

Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Securities classified in Level 3 are valued using discounted cash flow techniques.

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2025 were as follows:

	General Fund	Utility Fund	Total
Accounts receivable - billed	$ 117,825	$ 860,915	$ 978,740
Accounts receivable - unbilled	-	113,182	113,182
Due from other governments	225,110	4,560,986	4,786,096
Assessments receivable	-	81,955	81,955
Less allowance for doubtful accounts	-	(36,656)	(36,656)
	$ 342,935	$ 5,580,382	$ 5,923,317

Due from Other Governments

Amounts due from other governments in the General Fund and Utility Fund relate to grant and other intergovernmental revenue.

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due From/To Other Funds (Advances)

Due from/to other funds (advances) generally represent recurring activities between funds, as well as temporary cash deficits. Balances as of September 30, 2025 were as follows:

	Due To
	General
Due From	Fund
Utility Fund	$ 1,742,039

Interfund Transfers

Interfund transfers represent transfers of funds for operating purposes from the fund that collected them to the fund that is authorized to expend them. There were no transfers between funds for the year ended September 30, 2025.

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended September 30, 2025 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land and improvements	$ 4,139,129	$ -	$ -	$ 4,139,129
Construction in progress	126,629	296,669	-	423,298
Total assets not being depreciated	4,265,758	296,669	-	4,562,427
Capital assets being depreciated				
Buildings	3,118,742	35,869	-	3,154,611
Equipment, furniture and fixtures	4,436,307	311,502	-	4,747,809
Infrastructure	3,554,292	421,931	(168,459)	3,807,764
Total assets being depreciated	11,109,341	769,302	(168,459)	11,710,184
Less accumulated depreciation	(7,760,023)	(575,452)	165,834	(8,169,641)
Total accumulated depreciation	(7,760,023)	(575,452)	165,834	(8,169,641)
Total assets depreciated, net	3,349,318	193,850	(2,625)	3,540,543
Governmental activities, net	$ 7,615,076	$ 490,519	$ (2,625)	$ 8,102,970

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land and improvements	$ 1,466,338	$ 65,000	$ -	$ 1,531,338
Construction in progress	4,048,268	4,681,780	(231,424)	8,498,624
Total assets not being depreciated	5,514,606	4,746,780	(231,424)	10,029,962
Capital assets being depreciated				
Treatment plants and systems	47,151,329	234,860	231,424	47,617,613
Other equipment	995,789	703,774	-	1,699,563
Total assets being depreciated	48,147,118	938,634	231,424	49,317,176
Less accumulated depreciation	(21,196,685)	(1,350,957)	-	(22,547,642)
Total accumulated depreciation	(21,196,685)	(1,350,957)	-	(22,547,642)
Total assets depreciated, net	26,950,433	(412,323)	231,424	26,769,534
Business-type activities, net	$ 32,465,039	$ 4,334,457	$ -	$ 36,799,496

NOTE 6. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to function/programs of the City as follows:

Governmental Activities	
General government	$ 185,119
Public safety	130,844
Transportation	12,700
Physical environment	91,815
Culture and recreation	94,721
Human services	60,253
	$ 575,452
Business-Type Activities	
Water	$ 750,700
Sewer	600,257
	$ 1,350,957

NOTE 7. LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2025 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable from direct borrowings	$ 387,765	$ 95,581	$ (28,889)	$ 454,457	$ 54,195
Revenue bond payable	230,133	-	(6,108)	224,025	6,306
Net pension liability	1,145,587	434,492	(619,474)	960,605	-
Total OPEB liability	35,618	59,525	(5,924)	89,219	-
Compensated absences	80,064	45,411 *	-	125,475	82,465
Total governmental activities	$ 1,879,167	$ 635,009	$ (660,395)	$ 1,853,781	$ 142,966
Business-type activities					
Revenue bonds payable	$ 13,794,000	$ -	$ (384,000)	$ 13,410,000	$ 395,000
Notes payable from direct borrowings	91,053	192,270	(14,173)	269,150	206,830
Net pension liability	559,544	212,266	(302,618)	469,192	-
Total OPEB liability	20,908	30,805	(3,190)	48,523	-
Compensated absences	41,887	17,018 *	-	58,905	41,887
Total business-type activities	$ 14,507,392	$ 452,359	$ (703,981)	$ 14,255,770	$ 643,717

*Presented net in accordance with GASB 101, *Compensated Absences*

For the governmental activities, the net pension liability and total OPEB liability are generally liquidated by the General Fund.

NOTE 7. LONG-TERM DEBT (CONTINUED)

GOVERNMENTAL ACTIVITIES	
Capital Improvement Revenue Bond - Series 2019	
Revenue bonds payable bearing interest at 3.25%, issued to finance improvements to the City Civic Center secured by all legally available non-ad valorem revenues. Principal payments are due annually on April 5 each year until the year 2049. A debt service fund (sinking fund) and a reserve fund equal to one annual installment of principal and interest are required by the bond ordinance.	$ 224,025
Note Payable	
Financed purchase payable bearing interest at 5.25%, issued to finance the acquisition of a new fire truck. Principal payments are due annually on May 24 each year until the year 2034.	358,876
Financed purchase payable bearing interest at 5.25%, issued to finance the acquisition of a bucket truck. Principal payments are due annually on July 2 each year until the year 2029.	95,581
Total governmental activities	$ 678,482
BUSINESS-TYPE ACTIVITIES	
Revenue Bonds	
Water and Sewer Revenue Bonds - Series 2013. 2.75% revenue bonds payable, issued to finance improvements to the water and sewer system; payment of principal, interest, and reserve account contributions are secured by the net revenues of the water and sewer system; bonds mature serially on September 1, each year until the year 2053.	$ 10,908,000
Water and Sewer Revenue Refunding Bonds - Series 2022. 2.25% revenue bonds payable, issued to refund Series 2002 and Series 2005 bonds previously issued to finance improvements to the water and sewer system; payment of principal, interest, and reserve account contributions are secured by the net revenues of the water and sewer system; bonds mature serially on September 1, each year until the year 2043.	2,502,000
Note Payable	
Note payable to the Florida Department of Environmental Protection - State Revolving Fund with the beginning of the repayment period to be first principal payment due on July 15, 2010. The note is payable in 40 semi-annual payments of $8,272 including interest at 2.71%. The final maturity date of the loan is July 15, 2030. Proceeds from the loan were used to construct improvements to the older water treatment plant.	76,880
Short Term Note Payable	
Note payable to the Florida Department of Environmental Protection - State Revolving Fund with payment due on September 15, 2026, six months following project completion. The note payable is $192,270 and a 2% loan service fee of $7,540 to be paid from the loan reserve account. Proceeds from the loan were used to construct a lead service water line.	192,270
Total business-type activities	$ 13,679,150

NOTE 7. LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all debt outstanding as of September 30, 2025 are outlined in the tables below:

GOVERNMENTAL ACTIVITIES

Fiscal Year	Principal	Interest	Total
2026	$ 60,501	$ 31,471	$ 91,972
2027	63,591	28,382	91,973
2028	66,791	25,181	91,972
2029	70,256	21,716	91,972
2030	46,693	18,120	64,813
2031-2035	219,757	53,083	272,840
2036-2040	46,329	21,606	67,935
2041-2045	54,365	13,570	67,935
2046-2050	50,199	4,144	54,343
	$ 678,482	$ 217,273	$ 895,755

BUSINESS-TYPE ACTIVITIES

Fiscal Year	Principal	Interest	Total
2026	$ 601,830	$ 358,250	$ 960,080
2027	419,957	347,646	767,603
2028	409,365	359,140	768,505
2029	420,784	347,311	768,095
2030	432,214	335,148	767,362
2031-2035	2,224,000	1,532,500	3,756,500
2036-2040	2,559,000	1,197,500	3,756,500
2041-2045	2,612,000	770,463	3,382,463
2046-2050	2,398,000	421,740	2,819,740
2051-2055	1,602,000	88,880	1,690,880
	$ 13,679,150	$ 5,758,578	$ 19,437,728

NOTE 8. PENSION PLANS

A – Cost Sharing Multiple Employer Defined Benefit Plans

The City participates in two defined benefit pension plans (Plans) that are administered by the State of Florida, Department of Management Services, Division of Retirement. The Plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the Plans. That report is available from the Florida Department of Management Services' website at www.dms.myflorida.com.

Membership in the Florida Retirement System is compulsory for all of the City's certified police officers hired after February 1, 2004. All certified police officers hired prior to February 1, 2004 were allowed to elect to participate in the Florida Retirement System or remain in the existing City pension plan.

The FRS has five classes of membership. The City's certified law enforcement officers belong to one of the five classes, the Special Risk Class.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retirees' Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

NOTE 8. PENSION PLANS (CONTINUED)

A – Cost Sharing Multiple Employer Defined Benefit Plans (Continued)

Benefits Provided

Benefits under FRS 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 eight 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 plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The employer's contribution rates for the period October 1, 2024 through June 30, 2025, and July 1, 2025 through September 30, 2025, were as follows: Regular Class 13.63% and 14.03%, Senior Management 34.52% and 33.24%, Special Risk Employee Class 32.79% and 35.19%, Elected Officials 58.68% and 54.57%, and DROP Participants 21.13% and 22.02%.

The City's contributions for the year ended September 30, 2025 were $178,387 to FRS and $39,556 to HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2025 the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2025, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2025. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 889,942	$ 539,855
Proportion at:		
Current measurement date	0.002867531%	0.004211880%
Prior measurement date	0.002875413%	0.003951646%
Pension expense (benefit)	$ 24,366	$ 7,351

NOTE 8. PENSION PLANS (CONTINUED)

A – Cost Sharing Multiple Employer Defined Benefit Plans (Continued)

Pension Liabilities and Pension Expense (Continued)

As of September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 95,055	$ -	$ 3,223	$ 856
Change of assumptions	103,345	-	4,778	130,577
Net difference between projected and actual earnings on Pension Plan investments	-	148,585	-	449
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	13,070	237,045	78,630	73,644
City Pension Plan contributions subsequent to the measurement date	47,148	-	10,312	-
Total	$ 258,618	$ 385,630	$ 96,943	$ 205,526

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2025. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	**FRS**	**HIS**
2026	$ (504,204)	$ (26,228)
2027	89,584	(31,402)
2028	134,065	(26,438)
2029	106,395	(21,187)
2030	-	(13,640)
Thereafter	-	-
	$ (174,160)	$ (118,895)

NOTE 8. PENSION PLANS (CONTINUED)

A – Cost Sharing Multiple Employer Defined Benefit Plans (Continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2025, was determined by an actuarial valuation dated July 1, 2025 using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	5.20%

Mortality assumptions for both plans were based on the PUB-2010 base tables, projected generationally with Scale MP-2021.

For both plans, the actuarial assumptions used in the valuation dated June 30, 2025 were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The following changes in key actuarial assumptions occurred in 2025:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.65% to 3.93%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
	100.0%			
Assumed Inflation - Mean			2.4%	1.5%

NOTE 8. PENSION PLANS (CONTINUED)

A – Cost Sharing Multiple Employer Defined Benefit Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability for FRS was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because HIS is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
City's proportionate share of the net pension liability	$ 1,746,497	$ 889,942	$ 171,818	$ 608,773	$ 539,855	$ 482,054

Pension Plan Fiduciary Net Position

Detailed information regarding the pension plans' fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan

At September 30, 2025, the City reported a payable in the amount of $0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2025.

B – Firefighters' Retirement Plan

During December 1995, the City passed a resolution to participate in the Florida Pension Municipal Trust Fund Defined Benefit Plan and Trust for all full-time and volunteer firefighters hired by the City on or after January 1, 1996. All firefighters shall become eligible to participate in the Plan immediately when hired. Social Security coverage is also provided to the firefighters.

NOTE 8. PENSION PLANS (CONTINUED)

B – Firefighters' Retirement Plan (Continued)

The following information about the Plan is provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Contributions from the Plan's members are recognized as revenue in the period in which the contributions are due. Contributions from the City, as calculated by the Plan's actuary, are recognized as revenue when due and when the City has made a formal commitment to provide contributions. Expenses are recognized in the accounting period incurred, if measurable. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Pension Plan Description

Name of the pension plan	Retirement Plan for the Firefighters of the City of LaBelle.
Legal plan administrator	Board of Trustees of the Retirement Plan for the Firefighters of the City of LaBelle.
Plan type	Single-employer defined benefit pension plan.
Number of covered individuals	93 (four retired employee or beneficiaries currently receiving benefits; 63 inactive employees entitled to but not yet receiving benefits; 26 active employees).
Contribution requirement	Employer contributions are actuarially determined; employees must contribute 1% of pensionable earnings; employee contribution requirement may be amended by City ordinance, but employer contributions requirement is subject to State minimums.
Pension plan reporting	The Plan issues a stand-alone financial report each year which contains information about the Plan's fiduciary net position. The Plan's fiduciary net position has been determined on the same basis used by the pension plan and is equal to the market value of assets calculated under the accrual basis of accounting. The report is available to the public at the Plan's administrative office: Retirement Department, Florida League of Cities, Inc., P.O. Box 1757, Tallahassee, FL 32302, (800)342-8112. The financial information is included as a Pension Trust Fund in the City's financial statements.

NOTE 8. PENSION PLANS (CONTINUED)

B – Firefighters' Retirement Plan (Continued)

Pension Plan Description (Continued)

Description of the Benefits Provided

Employees covered	Full-time and volunteer firefighters employed by the City of LaBelle.
Types of benefits offered	Retirement, disability, and pre-retirement death benefits.
Monthly accrued benefit	3.75% of average final compensation multiplied by credited service.
Early retirement adjustment	Early retirement pension is reduced by 3% for each year by which the early retirement precedes the normal retirement date.
Disability pension	Larger of monthly accrued benefit or 50% of average final compensation (for service-connected disabilities) Larger of monthly accrued benefit or 25% of average final compensation (for non-service-connected disabilities if the participant has earned at least 10 years of service) Disability benefits are offset as necessary to preclude the total of the disability benefit, worker's compensation, and other City-provided disability compensation from exceeding average monthly earnings.
Pre-retirement death benefit	Basic pension formula payable for 10 years at early or normal retirement age (payable to the beneficiary of a vested participant) return of accumulated employee contributions (payable to the beneficiary of a non-vested participant).
Normal retirement age	Age 55 with at least 10 years of service, or any age with at least 25 years of service.
Early retirement age	Age 50 with at least 10 years of service.
Vesting requirement	100% vesting after 10 years of service.
Form of payment	Actuarially increased single life annuity 10-year certain and life annuity Actuarially equivalent 50%, 66 2/3%, 75%, or 100% joint and contingent Annuity Any other actuarially equivalent form of payment approved by the Board of Trustees.
Average earnings	Average of the highest 5 years of compensation out of the last 10 years.
Cost-of-living adjustment	None provided.

NOTE 8. PENSION PLANS (CONTINUED)

B – Firefighters' Retirement Plan (Continued)

Pension Plan Description (Continued)

Description of the Benefits Provided (Continued)

DROP	A deferred retirement option plan (DROP) is available to those participants who have attained their normal retirement age and individuals may participate in the DROP for up to 60 months; DROP accounts are credited with interest at a flat rate of 6.50% per annum.
Legal authority	The Plan was established effective January 1, 1996, pursuant to City Ordinance and has been amended several times since that date.

Plan Contributions

Funding for the Plan consists of contributions from members, the State of Florida, and the City. Plan members are required to contribute 1% of their annual covered compensation. The City is required to contribute the remaining amount to fund the Plan based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by Plan members during the year. For the fiscal year ended September 30, 2025, the City's contribution rate averaged 124.53% of annual covered payroll. Plan provisions and contribution rates may be amended by the City Commission based upon the recommendations of the Board of Trustees, subject to minimum requirements of Florida Statutes.

The Florida Constitution requires local governments to make the actuarially determined contribution. The Florida Division of Retirement reviews and approves each local government's actuarial report prior to its being appropriated for use for funding purposes.

Pursuant to Chapters 175 and 185 of Florida Statutes, premium taxes on certain property and casualty insurance contracts written on City properties is collected by the State and is remitted to the Plan. This amount totaled $64,875 for the fiscal year ended September 30, 2025.

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 estimated to be (9.31%). The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the money-weighted rate of return calculation are determined on a monthly basis.

NOTE 8. PENSION PLANS (CONTINUED)

B – Firefighters' Retirement Plan (Continued)

Determination of the Long-Term Expected Rate of Return on Plan Assets

The long-term expected rates of return on classes of pension plan investments were developed by the investment consultant Asset Consulting Group (ACG) using Monte Carlo Simulations to analyze a range of possible outcomes and assist in making educated investment decisions. The output of the Monte Carlo Simulations is based on ACG's capital market assumptions that are derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions. The long-term expected rate of return was calculated by weighting the expected future real rates of return of each asset class by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension's target asset allocation as of September 30, 2025 are summarized in the following table:

Asset Class	Allocation Policy	Long-Term Expected Real Rate of Return
Core bonds	15%	1.60%
Core plus	15%	2.10%
U.S. large cap equity	25%	4.60%
U.S. small cap equity	14%	5.50%
Non U.S. equity	21%	6.70%
Core real estate	10%	5.00%
Total (weighted avg. rounded to 1/4%)	100%	4.38%

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and the City contributions will be made a rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 8. PENSION PLANS (CONTINUED)

B – Firefighters' Retirement Plan (Continued)

Net Pension Asset

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a-b)
Balances at September 30, 2024	$ 1,327,676	$ 2,886,758	$ (1,559,082)
Changes for the year:			
Service cost	221,660	-	221,660
Interest	102,812	-	102,812
Differences between expected and actual experience	(182,484)	-	(182,484)
Unexpected investment income	-	-	-
Assumption changes	52,624	-	52,624
Benefit payments and refunds	(32,025)	(32,025)	-
Contributions - employer and state	-	269,108	(269,108)
Contributions - participants	-	6,404	(6,404)
Net investment income	-	278,890	(278,890)
Other changes - change in excess state money	440,483	-	440,483
Administrative expenses	-	(24,133)	24,133
Net change	603,070	498,244	104,826
Balances at September 30, 2025	$ 1,930,746	$ 3,385,002	$ (1,454,256)

Total pension liability	$ 1,930,746
Plan fiduciary net position	(3,385,002)
City's net pension liability (asset)	$ (1,454,256)
Plan fiduciary net position as a percentage of total pension liability (asset)	175.32%

Sensitivity of the Net Position Asset to Changes in the Discount Rate

The following represents the net pension asset of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
City's Net Pension Liability (Asset)	$ (1,159,464)	$ (1,454,256)	$ (1,691,884)

NOTE 8. PENSION PLANS (CONTINUED)

B – Firefighters' Retirement Plan (Continued)

Sensitivity of the Net Position Asset to Changes in the Discount Rate (Continued)

At September 30, 2025, the City reported a net pension asset of $1,454,256 for the Firefighters' Retirement Plan. The asset was measured as of September 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2024. The City's net pension asset was based on a projection of the pension plan relative to the projected contributions during the fiscal year ended September 30, 2025.

For the fiscal year ended September 30, 2025, the City recognized pension expense of $515,051. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 101,958	$ 236,400
Change of assumptions	56,488	11,848
Net difference between projected and actual earnings on Plan investments	-	188,522
Total	$ 158,446	$ 436,770

The amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in the pension expense as follows:

Year ended September 30,	
2026	$ (15,769)
2027	(106,116)
2028	(96,493)
2029	(31,584)
2030	(15,189)
Thereafter	(13,173)
Total	$ (278,324)

NOTE 8. PENSION PLANS (CONTINUED)

B – Firefighters' Retirement Plan (Continued)

Sensitivity of the Net Position Asset to Changes in the Discount Rate (Continued)

Significant actuarial assumptions used in the October 1, 2024 valuation are as follows:

Inflation	None
Salary increases	4.00%
Discount rate	6.75%
Investment rate of return	6.75%
Actuarial valuation date	10/1/2024

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of October 1, 2024, and the current sharing pattern of costs between employer and employee.

Applicable totals for all of the City's defined benefit pension plans are reflected below:

	Pension Trust Fund	FRS Pension	HIS Pension	Total
City's net pension liability	$ -	$ 889,942	$ 539,855	$ 1,429,797
City's net pension asset	(1,454,256)	-	-	(1,454,256)
Deferred outflows of resources	158,446	258,618	96,943	514,007
Deferred inflows of resources	436,770	385,630	205,526	1,027,926
Pension expense	515,050	24,366	7,351	546,767

NOTE 9. DEFERRED COMPENSATION PLAN

Employees of the City may defer a portion of their compensation under the City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until the funds are distributed to them. The laws governing deferred compensation plans require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Because the assets held under these plans are not the City's property and are not subject to City Commission control, they have been excluded from these financial statements.

NOTE 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION

Plan Description

The City of LaBelle's Retiree Health Care Plan (the "Plan") is a single-employer benefit post-employment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet eligibility requirements under the applicable retirement plan to continue medical insurance coverage as a participant in the City's plan. For purposes of applying Paragraph 4 under GASB 75, the Plan does not meet the requirements for an OPEB plan administered through a trust. This conforms with the minimum requirement for governmental employers under Florida state law. The City's contributions to active employees is limited to a fixed dollar contribution as approved by the City Commission, and the City is not required to contribute any additional amounts to provide benefits. Funding is on a "pay as you go" basis. The Plan does not issue a publicly available financial report.

Benefits Provided

A retired employee and his or her spouse and eligible dependents are eligible to continue health insurance identical to active employees if they meet the eligibility for retirement under the applicable retirement plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents. Medicare is assumed to become primary upon attainment of age 65.

Employees Covered by Benefit Terms

At September 30, 2025, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Active participants	52
Retirees, beneficiaries, and disabled members	-
Covered spouses	-
Total	52

Total OPEB Liability of the City

The City's total OPEB liability was measured as of September 30, 2025, and was determined by an actuarial valuation as of September 30, 2025.

NOTE 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2025 using the following actuarial assumptions:

Inflation rate	2.50%
Discount rate	4.50%
Salary increase	2.50%
Initial trend rate	6.50%
Ultimate trend rate	4.00%
Years to ultimate	49

For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

Discount Rate

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.50%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Changes in the Total OPEB Liability of the City

The changes in the total OPEB liability of the City for the year ended September 30, 2025 were as follows:

	Total OPEB Liability
Balances at September 30, 2024	$ 56,526
Changes for the year:	
Service cost	2,476
Interest on the total OPEB liability	2,213
Expected and actual experience differences	14,701
Changes in assumptions and other inputs	70,940
Benefit payments	(9,114)
Net changes	81,216
Balances at September 30, 2025	$ 137,742

NOTE 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Changes in the Total OPEB Liability of the City (Continued)

Changes of assumptions reflect a change in the discount rate from 4.06% for the fiscal year ending September 30, 2024 to 4.50% for the fiscal year ending September 30, 2025. Also reflected as assumption changes are updated mortality rates, updated health care costs and premiums, and updated health care cost trend rates.

The required schedule of changes in the City's total OPEB liability and related ratios in the required supplementary information immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

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

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:

	1% Decrease 3.50%	Current Discount Rate 4.50%	1% Increase 5.50%
Total OPEB liability	$ 155,850	$ 137,742	$ 122,594

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

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 healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease 3.00% - 5.50%	Healthcare Cost Trend Rate 4.00% - 7.00%	1% Increase 5.00% - 7.50%
Total OPEB liability	$ 120,352	$ 137,742	$ 158,937

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2025, and the current sharing pattern of costs between employer and inactive employees.

NOTE 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

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

For the year ended September 30, 2025, the City recognized OPEB expense of $94,880. At September 30, 2025, the City reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

NOTE 11. COMMITMENTS AND CONTINGENCIES

Grants and Assistance

Activities of certain funds of the City are financed in whole or in part by various forms of grants and assistance, principally from Hendry County, the State of Florida, and the federal government. There can be no absolute assurance that such assistance will continue in the future at the present levels. Amounts received from grantor agencies are subject to audit or adjustment by grantor agencies. Also, any amounts disallowed could constitute liabilities of the applicable funds.

Litigation

The City, in accordance with the normal conduct of its affairs, is involved in various judgments, claims, and litigation. It is expected that the final settlement of these matters will not materially affect the financial statements of the City.

Interlocal Agreements

The City has entered into written agreements with Hendry County to provide fire protection and animal control services to the western part of Hendry County. The duration of the interlocal agreements is effectively continuous until terminated by either party. The City agrees to operate the fire and animal control departments and provide fire protection and animal control services in the area covered by the agreements. The City prepares annual joint budgets to be approved by the City and County. The joint budgets are submitted to the City and County before August 1. The interlocal agreement for the fire department was temporarily terminated during August 2006. On December 14, 2006, the City and County signed a new interlocal agreement for joint operation and funding of the fire department. Under the agreement, the County pays for its percentage of fire calls during the previous five-year period. The agreement includes allocating a percentage of expenditures based on the origin of fire calls. The County provided 67.95% of the jointly approved budget for the fire department for the fiscal year ended September 30, 2025. As in previous years, the County provided 50% of the animal control budget. The City provided the remaining funds for each department for the fiscal year ended September 30, 2025. The expenditures of the fire department and animal control department will be audited annually to determine the actual expenses during the immediate preceding fiscal year. If there is a deficit, each party will contribute proportionally to make up the deficit and if there is an overage, each party will receive a proportional refund. A schedule to determine compliance with the interlocal agreements is included in the supplemental schedules to the financial statements.

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of a public entity risk pool which is a cooperative group of governmental entities joining together to finance an exposure, liability, or risk. The pool provides coverage for property, liability, public officials' liability, workers' compensation, automobile physical damage, general liability, and automobile liability. The cost of the property and casualty insurance and workers' compensation is accounted for in the governmental activities and business-type activities of the City. There were no settled claims which exceeded insurance coverage during the past three fiscal years.

A loss fund is established to pay the self-insured retention amounts. Self-insured per occurrence limits are $100,000 for property and liability claims, $150,000 for workers' compensation, and $25,000 for crime related claims. Any claims in excess of these established limits are covered by aggregate excess or stop loss insurance. The City financial reporting entity is covered by Florida Statutes under the Doctrine of Sovereign Immunity, which effectively limits the liability of individual claims to $100,000/$200,000 for all claims relating to the same incident.

The City provides hospitalization and medical coverage through commercial insurance carriers.

Major uninsurable risks include damages to infrastructure assets and damages or governmental fines due to, pollution, or contamination of any kind. Since the amounts of loss cannot be reasonably estimated and the likelihood is undeterminable, no provision for such occurrences is included in these financial statements.

NOTE 13. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2025, the City paid Spratt & Associates, LLC a total of $50,000 for professional services rendered. This vendor is related to a Commissioner of the City. The City's policies require Commissioners to recuse themself from any matter involving a related party.

NOTE 14. SUBSEQUENT EVENT

The City has evaluated all subsequent events through March 2, 2026 the date the financial statements were available to be issued. The City is continuing to apply for, and receive, grants and state appropriations for capital improvements to the utility infrastructure.

REQUIRED SUPPLEMENTARY INFORMATION

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 4,404,200	$ 4,436,973	$ 4,436,973	$ -
Other taxes	19,800	88,571	88,571	-
Licenses and permits	678,400	706,165	706,165	-
Intergovernmental revenues	2,611,000	923,070	923,070	-
Charges for services	1,276,215	1,177,599	1,192,578	14,979
Fines and forfeitures	40,800	35,034	35,034	-
Investment earnings	52,800	269,325	269,315	(10)
Miscellaneous revenues	40,000	85,325	85,325	-
Total revenues	9,123,215	7,722,062	7,737,031	14,969
Expenditures				
Current				
General government	1,317,920	1,344,415	1,344,415	-
Public safety	3,915,218	2,604,545	2,635,494	(30,949)
Transportation	1,277,202	1,262,643	1,262,643	-
Economic environment	-	3,611	3,611	-
Culture and recreation	498,161	476,468	476,468	-
Human services	394,346	379,841	379,841	-
Debt service				
Principal retirement	60,500	51,226	51,226	-
Interest	13,600	13,587	13,587	-
Capital outlay	4,861,300	1,066,930	1,066,930	-
Total expenditures	12,338,247	7,203,266	7,234,215	(30,949)
Excess (deficiency) of revenues over (under) expenditures	(3,215,032)	518,796	502,816	(15,980)
Other financing sources				
Issuance of debt	-	95,581	95,581	-
Total other financing sources	-	95,581	95,581	-
Change in fund balance	(3,215,032)	614,377	598,397	(15,980)
Fund balance, beginning of year	6,768,354	6,768,354	6,768,354	-
Fund balance, end of year	$ 3,553,322	$ 7,382,731	$ 7,366,751	$ (15,980)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION PLAN

Reporting period ending Measurement date	9/30/2025 6/30/2025	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021
City's proportion of the FRS net pension liability	0.002867531%	0.2875413%	0.3271100%	0.0045417%	0.0043718%
City's proportionate share of the FRS net pension liability	$ 889,942	$ 1,112,345	$ 405,123	$ 1,689,868	$ 330,237
City's covered payroll	$ 1,882,274	$ 1,674,904	$ 1,541,314	$ 1,827,050	$ 1,498,168
City's proportionate share of the pension liability as a percentage of its covered payroll	47.28%	66.41%	26.28%	92.49%	22.04%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.38%	82.38%	82.89%	96.40%	78.85%

Reporting period ending Measurement date	9/30/2020 6/30/2020	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016
City's proportion of the FRS net pension liability	0.0043626%	0.0040202%	0.0038568%	0.0031426%	0.0030582%
City's proportionate share of the FRS net pension liability	$ 1,890,526	$ 1,384,184	$ 1,161,363	$ 929,552	$ 772,210
City's covered payroll	$ 1,554,226	$ 1,563,625	$ 1,483,044	$ 1,485,889	$ 1,444,732
City's proportionate share of the pension liability as a percentage of its covered payroll	121.64%	88.52%	78.31%	62.56%	53.45%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	78.85%	83.27%	84.25%	83.89%	84.88%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN

Reporting period ending	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Contractually required FRS contribution	$ 178,387	$ 159,603	$ 159,438	$ 162,508	$ 193,499
FRS contributions in relation to the contractually required FRS contribution	178,387	159,603	159,438	162,508	193,499
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,979,121	$ 1,683,910	$ 1,568,529	$ 1,429,999	$ 1,877,539
FRS contributions as a percentage of covered payroll	9.01%	9.48%	10.16%	11.36%	10.31%

Reporting period ending	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Contractually required FRS contribution	$ 221,618	$ 192,566	$ 178,536	$ 146,402	$ 136,886
FRS contributions in relation to the contractually required FRS contribution	221,618	192,566	178,536	146,402	136,886
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,554,226	$ 1,563,625	$ 1,483,044	$ 1,485,889	$ 1,444,732
FRS contributions as a percentage of covered payroll	14.26%	12.32%	12.04%	9.85%	9.47%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting period ending Measurement date	9/30/2025 6/30/2025	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021
City's proportion of the HIS net pension liability	0.004211877%	0.003951646%	0.003838788%	0.004945794%	0.004231866%
City's proportionate share of the HIS net pension liability	$ 539,855	$ 592,786	$ 524,692	$ 523,839	$ 519,102
City's covered payroll	$ 1,882,274	$ 1,674,904	$ 1,541,413	$ 1,827,050	$ 1,498,168
City's proportionate share of the pension liability as a percentage of its covered payroll	28.68%	35.39%	34.04%	28.67%	34.65%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.12%	4.12%	4.12%	4.81%	3.56%

Reporting period ending Measurement date	9/30/2020 6/30/2020	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016
City's proportion of the HIS net pension liability	0.004467684%	0.004584439%	0.004626800%	0.004607121%	0.004525607%
City's proportionate share of the HIS net pension liability	$ 545,497	$ 512,953	$ 489,706	$ 492,615	$ 527,441
City's covered payroll	$ 1,554,226	$ 1,563,625	$ 1,483,044	$ 1,485,889	$ 1,444,732
City's proportionate share of the pension liability as a percentage of its covered payroll	35.10%	32.81%	33.02%	33.15%	36.51%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting period ending	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Contractually required HIS contribution	$ 39,556	$ 33,636	$ 27,171	$ 23,498	$ 30,978
HIS contributions in relation to the contractually required HIS contribution	39,556	33,636	27,171	23,498	30,978
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,979,121	$ 1,683,910	$ 1,568,529	$ 1,429,999	$ 1,877,539
HIS contributions as a percentage of covered payroll	2.00%	2.00%	1.73%	1.64%	1.65%

Reporting period ending	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Contractually required HIS contribution	$ 25,800	$ 25,956	$ 24,619	$ 24,666	$ 23,982
HIS contributions in relation to the contractually required HIS contribution	25,800	25,956	24,619	24,666	23,982
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,554,226	$ 1,563,625	$ 1,483,044	$ 1,485,889	$ 1,444,732
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS – PENSION TRUST FUND

	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025
Total pension liability										
Service cost	$ 19,886	$ 40,365	$ 43,651	$ 43,651	$ 37,263	$ 40,700	$ 51,949	$ 51,949	$ 160,545	$ 221,660
Interest on total pension liability	26,429	30,766	48,972	57,432	62,931	63,384	61,806	56,028	80,726	102,812
Differences between expected and actual experience	-	168,999	28,397	-	(94,802)	(16,329)	-	-	105,399	(182,484)
Changes in assumptions	-	27,088	-	-	-	(19,343)	(2,383)	-	-	493,107
Benefit payments, including refunds of member contributions	-	-	(1,471)	(8,383)	(2,942)	(102,058)	(27,078)	(26,809)	(36,719)	(32,025)
Net change in total pension liability	46,315	267,218	119,549	92,700	2,450	(33,646)	84,294	81,168	309,951	603,070
Total pension liability - beginning	357,677	403,992	671,210	790,759	883,459	885,909	852,263	936,557	1,017,725	1,327,676
Total pension liability - ending (a)	$ 403,992	$ 671,210	$ 790,759	$ 883,459	$ 885,909	$ 852,263	$ 936,557	$ 1,017,725	$ 1,327,676	$ 1,930,746
Plan fiduciary net position										
Contributions - employer	$ 28,973	$ 34,725	$ 39,936	$ 42,586	$ 48,744	$ 55,673	$ 72,295	$ 120,910	$ 159,873	$ 583,818
Contributions - employee	1,527	1,940	2,428	1,599	1,586	1,928	2,342	4,979	4,946	6,404
Net investment income	99,392	181,230	117,008	93,683	122,400	684,866	(309,184)	173,528	154,026	116,658
Benefit payments, including refunds of employee contributions	-	-	(1,471)	(2,942)	(2,942)	(102,058)	(27,078)	(26,809)	(36,719)	(32,025)
Administrative expenses	(3,503)	(15,697)	(13,472)	(5,735)	(15,245)	(13,652)	(16,081)	(5,426)	(19,588)	(24,133)
Net change in plan fiduciary net position	126,389	202,198	144,429	129,191	154,543	626,757	(277,706)	267,182	262,538	650,722
Plan fiduciary net position - beginning	936,528	1,062,917	1,265,115	1,409,544	1,538,735	1,693,278	2,320,035	2,042,329	2,309,511	2,572,049
Plan fiduciary net position - ending (b)	$ 1,062,917	$ 1,265,115	$ 1,409,544	$ 1,538,735	$ 1,693,278	$ 2,320,035	$ 2,042,329	$ 2,309,511	$ 2,572,049	$ 3,222,771
City's net pension liability (asset) - ending (a) - (b)	$ (658,925)	$ (593,905)	$ (618,785)	$ (655,276)	$ (807,369)	$ (1,467,772)	$ (1,105,772)	$ (1,291,786)	$ (1,244,373)	$ (1,292,025)
Plan fiduciary net position as a percentage of the total pension liability	263.10%	188.48%	178.25%	174.17%	191.13%	272.22%	218.07%	226.93%	193.73%	166.92%
Covered payroll	$ 136,761	$ 151,296	$ 173,465	$ 173,465	$ 143,707	$ 162,173	$ 201,346	$ 201,346	$ 520,478	$ 468,817
City's net pension liability as a percentage of covered payroll	-481.81%	-392.55%	-356.72%	-377.76%	-561.82%	-905.07%	-549.19%	-641.58%	-239.08%	-275.59%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
PENSION TRUST FUND

	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025
Actuarially determined contribution	$ -	$ 43,659	$ 58,721	$ 38,682	$ 23,039	$ 23,868	$ 12,646	$ 26,900	$ 157,711	$ 154,023
Contributions in relation to the actuarially determined contribution	28,973	34,725	39,936	42,586	48,744	57,025	56,651	120,910	12,910	269,108
Contribution deficiency (excess)	$ (28,973)	$ 8,934	$ 18,785	$ (3,904)	$ (25,705)	$ (33,157)	$ (44,005)	$ (94,010)	$ 144,801	$ (115,085)
Covered payroll	$ 136,761	$ 136,761	$ 151,296	$ 173,465	$ 173,465	$ 143,707	$ 162,173	$ 201,346	$ 520,478	$ 468,817
Contributions as a percentage of covered payroll	21.19%	25.39%	26.40%	24.55%	28.10%	39.68%	34.93%	60.05%	2.48%	57.40%

Notes to the Schedule:

Valuation date: October 1, 2023

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

Discount rate: 6.75% per annum (2.62% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.

Salary increases: 4.0% per annum.

Cost-of-living increases: None assumed.

Mortality: For non-retired participants, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year (pre-retirement mortality); for non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018 .

Retirement: Retirement is assumed to occur at normal retirement age.

Other decrements: None assumed.

Non-investment expenses: Liabilities have been loaded by 16.50% to account for non-investment expenses.

Future contributions: Contributions from the employer and employees are assumed to be made as legally required.

Changes: No assumptions were changed since the prior measurement date.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION INVESTMENT RETURNS
PENSION TRUST FUND

	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025
Pension Trust Fund:										
Annual money-weighted rate of return, net of investment expenses	8.11%	13.38%	7.47%	5.45%	6.62%	19.74%	-13.24%	8.26%	19.73%	9.31%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement year ended September 30,	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	$ 2,476	$ 2,122	$ 3,696	$ 5,071	$ 7,115	$ 5,682	$ 10,337	$ 11,013
Interest on the total OPEB liability	2,213	2,645	3,208	2,029	2,981	4,246	9,985	8,973
Differences between expected and actual experience	14,701	-	2,831	-	(58,135)	-	(67,087)	-
Changes of assumptions	70,940	3,864	(13,980)	(16,498)	1,509	18,218	(58,746)	(15,831)
Benefit payments	(9,114)	(8,518)	(5,705)	(5,307)	(9,188)	(8,547)	(11,560)	(10,654)
Net change in total OPEB liability	81,216	113	(9,950)	(14,705)	(55,718)	19,599	(117,071)	(6,499)
Total OPEB liability - beginning	56,526	56,413	66,363	81,068	136,786	117,187	234,258	240,757
Total OPEB liability - ending	$ 137,742	$ 56,526	$ 56,413	$ 66,363	$ 81,068	$ 136,786	$ 117,187	$ 234,258
Covered-employee payroll	$ 2,576,301	$ 847,817	$ 827,139	$ 928,731	$ 906,079	$ 1,299,888	$ 1,268,184	$ 1,578,737
City's total OPEB liability as a percentage of covered-employee payroll	5.35%	6.67%	6.82%	7.15%	8.95%	10.52%	9.24%	14.84%

Notes to the Schedule:
The schedule will present 10 years of information once it is accumulated.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used each period:

Fiscal Year Ending September 30, 2025:	4.50%
Fiscal Year Ending September 30, 2024:	4.06%
Fiscal Year Ending September 30, 2023:	4.87%

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

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OTHER SUPPLEMENTARY INFORMATION

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SCHEDULE TO DETERMINE COMPLIANCE WITH INTERLOCAL FIRE PROTECTION AND ANIMAL CONTROL AGREEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2025

Departmental expenditures of revenues, expenditures, and changes in fund balances of governmental funds	Fire Protection	Animal Control
Expenditures - current	$ 1,833,579	$ 428,800
Expenditures - debt service (fire trucks)	51,226	-
Less: Operating grant revenue	(35,845)	-
Less: Loan proceeds for capital outlay	(296,669)	-
Expenditures net of supplemental funding	1,552,291	428,800
Budgeted expenditure approved by Hendry County	1,616,724	569,346
Amount over (under) budget	(64,433)	(140,546)
50% Credit from (to) Hendry County for budget shortfall (excess)	32,217	-
Total departmental expenditures	1,584,508	428,800
Hendry County's percentage of net department expenditures per agreement	55.40%	50.78%
Portion of fire department expenditures to be paid by Hendry County	877,817	217,745
Total previously received from Hendry County for services	893,961	336,160
Amount due from (to) Hendry County for the fiscal year ended September 30, 2024	$ (16,144)	$ (118,415)

COMBINING SCHEDULE OF REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES
UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Water System	Sewer System	Solid Waste	Totals
Operating revenues				
Charges for services	$ 3,716,885	$ 1,530,164	$ 1,136,967	$ 6,384,016
Total operating revenues	3,716,885	1,530,164	1,136,967	6,384,016
Operating expenses				
Treatment plants	2,046,683	-	-	2,046,683
Wastewater collection	-	1,326,456	-	1,326,456
Sanitation fees	-	-	1,091,317	1,091,317
Depreciation	750,700	600,257	-	1,350,957
Total operating expenses	2,797,383	1,926,713	1,091,317	5,815,413
Operating income (loss)	919,502	(396,549)	45,650	568,603
Nonoperating revenues (expenses)				
Investment earnings	13,009	-	-	13,009
Interest expense	(316,332)	(58,947)	-	(375,279)
Total nonoperating revenues (expenses)	(303,323)	(58,947)	-	(362,270)
(Loss) before capital contributions	616,179	(455,496)	45,650	206,333
Capital contributions	964,096	4,308,887	-	5,272,983
Change in net position	$ 1,580,275	$ 3,853,391	$ 45,650	$ 5,479,316

OTHER REPORTS

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MAULDIN & JENKINS
CPAs & ADVISORS

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

Honorable Mayor and Members of
the City Commission,
City of LaBelle, 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 LaBelle, Florida (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 2, 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free 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*.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 2, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

Honorable Mayor and Members of
the City Commission,
City of LaBelle, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program State Project

We have audited the City of LaBelle, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal program and state project for the year ended September 30, 2025. The City's major federal program and state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and state project 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance); and the audit requirements of Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards and Rules of the Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state financial assistance project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the 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 Uniform Guidance and 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 federal program or state financial assistance project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 2, 2026

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	AL/CSFA Number	Grant ID Number	Actual Expenditures
Federal Awards			
U.S. Department of Treasury			
Coronavirus State and Local Fiscal Recovery Funds	21.027		$ 858,457
Total Department of Treasury			858,457
U.S. Department of Environmental Protection			
Passed Through the Florida Department of Environmental Protection			
Drinking Water State Revolving Fund	66.468	DW26038	154,000
Drinking Water State Revolving Fund	66.468	DW26039	784,210
Drinking Water State Revolving Fund	66.468	LS260370	75,200
Total Florida Department of Financial Services			1,013,410
U.S. Department of Homeland Security			
Passed Through the State of Florida Division of Emergency Management			
Disaster Grants - Public Assistance	97.036		8,358
Total Florida Department of Financial Services			8,358
Total Expenditures of Federal Awards			$ 1,880,225
State Projects			
Florida Department of Environmental Protection			
Statewide Water Quality Restoration	37.039	LPA0313	$ 1,943,724
Statewide Water Quality Restoration	37.039	QG004	1,040,000
Statewide Water Quality Restoration	37.039	WG041	487,580
Statewide Water Quality Restoration	37.039	L0059	42,272
Total Florida Department of Environmental Protection			3,513,576
Florida Department of Financial Services			
Fire Hardening	43.009		296,669
Stormwater Master Plan	43.009	LPA0312	77,675
Total Florida Department of Financial Services			374,344
Total Expenditures of State Financial Assistance			$ 3,887,920

Notes to the Schedule

The above schedule is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related fund liability is incurred.

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* as well as Chapter 10.550, Rules of the Auditor General. As such, some amounts presented in this schedule may differ from amounts in, or used in the preparation of the basic financial statements.

The City did not pass any grant funds to subrecipients for the year ended September 30, 2025.

SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting: Material weaknesses identified?	____ yes	__X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes	__X__ none reported
Noncompliance material to financial statements noted?	____ yes	__X__ no

Federal Programs and State Projects

Internal control over major state financial assistance projects: Material weaknesses identified?	____ yes	__X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes	__X__ none reported
Type of auditor's report issued on compliance for major federal programs and state projects:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) and Chapter 10.550 Rules of the Auditor General?	____ yes	__X__ no

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program
66.468	Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B state programs:	$1,000,000	
Auditee qualified as low-risk auditee?	____ yes	__X__ no

Identification of major state project:

CSFA Number	Name of State Project
37.039	Drinking Water State Revolving Fund

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

SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

SECTION III
FEDERAL/STATE AWARD FINDINGS AND QUESTIONED COSTS

None noted.

City of Labelle, Florida

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

None noted.

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Management Letter

Honorable Mayor and Members of
the City Commission,
City of LaBelle, Florida

Report on the Financial Statements

We have audited the financial statements of the City of LaBelle, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 2, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Financial Assistance Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 2, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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 conditions(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 2, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Accountant's Report

Honorable Mayor and Members of
the City Commission,
City of LaBelle, Florida

We have examined the City of LaBelle, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

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

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 2, 2026

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