City of Gulfport
Florida

2025
Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2025

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Annual Comprehensive Financial Report
of the
City of Gulfport, Florida
for the
Fiscal Year Ended September 30, 2025

Karen Love, Mayor
Marlene Shaw, Vice Mayor
Jennifer Daunch, Council Member
Jennifer Webb Council Member
Nancy Earley, Council Member
(City Council as of transmittal date)

City Manager
James E. O'Reilly

City Clerk
Theresa Carrico

Finance Director
Chris Caddell

Prepared by: City of Gulfport Finance Department

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CITY OF GULFPORT, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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Year Ended September 30, 2025

COMPLIANCE SECTION (continued):

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Introductory Section

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CITY OF GULFPORT, FLORIDA

Gateway to the Gulf

KAREN LOVE, Mayor

JENNIFER DAUNCH, Councilmember, Ward 1
MARLENE SHAW, Councilmember, Ward 2

JENNIFER WEBB, Councilmember, Ward 3
NANCY EARLEY, Councilmember, Ward 4

May 28, 2026

Honorable Mayor, City Council Members and
Citizens of the City of Gulfport, Florida

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Gulfport, Florida (the "City") for the fiscal year ended September 30, 2025. In addition to meeting legal requirements of the City Charter, Florida Statutes and the Rules of the Auditor General of the State of Florida, the report continues to present the City's tradition of full financial disclosure. This report represents the City's financial position and operations to the citizens, City Council, management personnel of the City, rating agencies and other interested parties.

Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the City. All disclosures necessary to properly interpret the data presented, and to enable the reader to gain an understanding of the City's financial activities have been included.

To maintain a reasonable basis for making these representations, management maintains an internal control structure that provides reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's accounting policies. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires management's estimates and judgments. All internal control evaluations occur within this framework. The City's internal accounting controls are believed to adequately safeguard assets and provide reasonable assurance of properly recording financial transactions.

Pursuant to the City Charter, Florida Statutes, Chapters 11.45 and 218, and Chapter 10.550 of the Rules of the Auditor General of the State of Florida, an audit of the accounts and financial statements of the City of Gulfport have been completed by the City's independent certified public accountants, Forvis Mazars, whose opinion is included as the first component of the financial section of this report. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent audit concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended September 30, 2025 are fairly presented in conformity with accounting principles generally accepted in the United States.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Gulfport was incorporated in 1910. The name change to the City of Gulfport occurred in 1951 when the population of the Town exceeded 2,500. The City currently has a population of 11,939 and is approximately 2.8 square miles in area. The City is located in Pinellas County and is bordered on the north and east by the City of St. Petersburg. To the south is Boca Ciega Bay. The western side of the City is bordered by an area of unincorporated Pinellas County that is subsequently bordered by the City of South Pasadena.

The City is a full service city and provides traditional services, including police and fire protection as well as EMS; maintenance of parks, streets, and other infrastructure; water, sewer, stormwater, and sanitation services; a senior center as well as a recreation center; marina and cultural facility centers. The City also provides a transportation program for elderly and handicapped residents. The City purchases potable water from the City of St. Petersburg and contracts with them for wastewater treatment. Pinellas County provides solid waste disposal and the jail/court systems.

The annual budget serves as the foundation for the City's financial planning and control. Department directors are required to submit their budget requests to the City Manager, who then uses these requests as the starting point for developing the proposed annual budget. The City Manager is required by the City Charter to present the proposed budget to the City Council by July 15. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget by September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. The City Manager may transfer any unencumbered appropriation or portion thereof between classifications of expenditures within a department. The City Council may, by required legislation, make additional appropriations or transfer unencumbered appropriations from one department to another department or fund. Budget to actual comparisons are provided in the annual budget for each individual governmental and enterprise fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The primary challenges facing the city in this post pandemic period is the effect of inflation and a very tight job market for the on boarding of employees to continue to provide city services. The continued volatility of economic indicators creates an unpredictable horizon for the area's economy. Gulfport, like many other local governments, primarily relies on property and a limited array of permitted other taxes (sales, gasoline, utilities services, etc.) and fees (franchise, occupational licenses, etc.) to fund governmental activities. Based on previous conservative revenue estimates applied in FY 2025 the City saw a strong increase in revenues primarily derived from Property Taxes, as well as a modest increase in other Intergovermental Revenues.

Values in taxable assessed real estate continued the increasing trend. The previous peak of the market was in FY 2008 followed by the downturn and steady decline in subsequent years through FY 2013. The assessed value has now risen to over 1.7 billion in FY 2025. Ad valorem collections mirrored taxable values. The following table illustrates the history of taxable real estate values and ad valorem property tax revenues over the past fiscal years.

Fiscal Year	Taxable Assessed Value	Millage Rate	Ad Valorem Revenues
2008	$ 1,005,346,275	3.349	$ 3,256,529
2009	$ 890,284,920	3.474	$ 3,009,208
2010	$ 798,568,343	3.474	$ 2,699,875
2011	$ 718,451,015	3.474	$ 2,425,538
2012	$ 657,170,333	4.000	$ 2,567,103
2013	$ 655,254,633	4.039	$ 2,533,016
2014	$ 697,757,967	4.039	$ 2,558,772
2015	$ 747,993,645	4.039	$ 2,736,118
2016	$ 805,160,338	4.039	$ 2,921,083
2017	$ 866,601,094	4.039	$ 3,169,050
2018	$ 937,535,904	4.039	$ 3,394,919
2019	$ 1,022,089,529	4.039	$ 3,658,974
2020	$ 1,108,362,697	4.039	$ 3,989,665
2021	$ 1,192,693,980	4.039	$ 4,325,128
2022	$ 1,373,882,315	4.039	$ 4,649,890
2023	$ 1,569,711,858	4.026	$ 5,365,722
2024	$ 1,721,640,995	4.026	$ 6,111,014
2025	$ 1,785,593,731	4.026	$ 6,673,038

The economic base of the City is primarily residential with limited commercial areas accounting for approximately 7.5% of the City's assessed valuation. The City's housing stock is diverse with many older homes. Gulfport has limited potential for expansion, and redevelopment continues to be the most viable alternative for economic improvements.

Building permits are considered an economic indicator for the City and have risen dramatically over the last few years. FY25 permit activity was impacted as a result of the storm damage and recovery efforts throughout the year. The number of permits issued in 2025 was higher by 28% compared to the prior fiscal year.

Factors Affecting Financial Condition – *Continued*

The Gulfport Municipal Marina which is nestled in lower Pinellas County on Boca Ciega Bay Aquatic Preserve is an informative source for evaluating the economic condition. The Marina is located twenty (20) miles from Tampa International Airport and approximately ten (10) miles to St. Petersburg Clearwater International Airport. The Marina has become a major destination for cruisers passing through the West Coast of Florida. One of the reasons is that Pinellas County has thriving marine oriented businesses in which cruisers can stop for repairs or upgrade equipment before they leave the State or the Country. Pinellas marine businesses include factory mechanics, sail and rigging makers, haul out facilities, and nationally recognized marine retail stores. Marina revenue was severely impacted as a result of back-to-back hurricanes at the end of FY24 and the beginning of FY25. Operating revenues were down $1,775,126 as a result of the ship store being closed the majority of the fiscal year. Operating expense were also lower by $726,697. The store was open and operating and selling fuel and supplies by the end of the fiscal year.

Tourism plays a crucial role in the financial condition of the City, particularly when discussing sales tax. The Penny for Pinellas tax is a one percent sales tax paid by everyone who spends money in Pinellas County. It was first approved by voters in 1989 and went into effect in February 1990. The tax supports capital improvement projects in critical areas for the City. Without this revenue source the City would need to rely more heavily on other funding sources such as property taxes to fund necessary projects. This year the Penny generated revenue of $1,882,138 which was consistent with the prior year. The Penny was renewed by voters on November 7, 2017. This ten-year renewal will run from 2020 – 2030.

The City continues to adapt to changing economic times in our community, state and nation. While the economic climate remains volatile, the expectations for the traditional level of service continues to rise. It is paramount that the City continually address the sustained financial impact of providing such a high level of services moving forward.

Relevant financial policies

By policy, the City must maintain a minimum fund balance in the General Fund in an amount equal to sixteen (16) percent of the City's General Fund original budgeted expenditures for the respective fiscal year. The City has continuously exceeded the minimum Fund Balance to ensure financial stability and be prepared for natural disasters being located at the gateway to the Gulf of Mexico. For the FY 2025-year end, the fund balance was $6,009,034 while unassigned fund balance was $4,777,778. The available unassigned fund balance was sufficient to cover this minimum requirement for FY 2025.

Relevant financial policies – *Continued*

As in years past, in order to maintain the City's traditional high levels of service the usage of payment in lieu of taxes (PILOT) transfers from the City's Enterprise Funds to the General Fund have been made to assist in mitigating revenue shortfalls. For FY 2025, a total of $1,198,000 in PILOT transfers were approved in the budget and transferred from the Enterprise Funds.

The following chart illustrates the amount by fund of PILOT transfers to the General Fund over the past ten (10) fiscal years.

	Sanitation	Water & Sewer	Marina
FY16	219,719	60,000	98,170
FY17	-	60,000	275,000
FY18	-	-	300,000
FY19	108,000	-	494,000
FY20	121,888	378,856	99,976
FY21	244,342	433,705	535,037
FY22	-	459,611	241,312
FY23	-	455,351	428,682
FY24	153,714	493,472	331,556
FY25	203,000	593,000	402,000

Currently, some of the methods for accomplishing operating and capital improvement requirements are largely due to success in receiving intergovernmental grant funding. The City will continue to aggressively pursue available grant funding.

Long term financial planning efforts for the City will continue to involve discussion surrounding the City's ability to generate sufficient revenue sources to meet projected needs. Both taxes & fees can be reviewed annually along with service delivery models to determine the best approach to meeting the service needs of residents.

The abatement of groundwater infiltration in sewer lines throughout the City is a high priority currently and going forward. Significant resources have been applied for repair and replacement of water and sewer lines throughout the City's aging utility system. The City entered into an agreement with the Florida Department of Environmental Protection for a loan to fund planning and construction costs involved in major sewer system rehabilitation improvements. Further details involving the loan can be found within note 7 of the attached Annual Comprehensive Financial Report (ACFR).

The City participates in three single-employer defined benefit pension plans and accounts for net pension liability, deferred elements, and pension expense as required by Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. Further details involving the City's defined benefit pension plans can be found within note 8 of the attached Annual Comprehensive Financial Report (ACFR).

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gulfport, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2024. This was the forty second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to conform to Certificate of Achievements Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Administrative Services Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Gulfport's finances.

Respectfully submitted,

James E. O'Reilly
City Manager

Chris Caddell
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gulfport
Florida

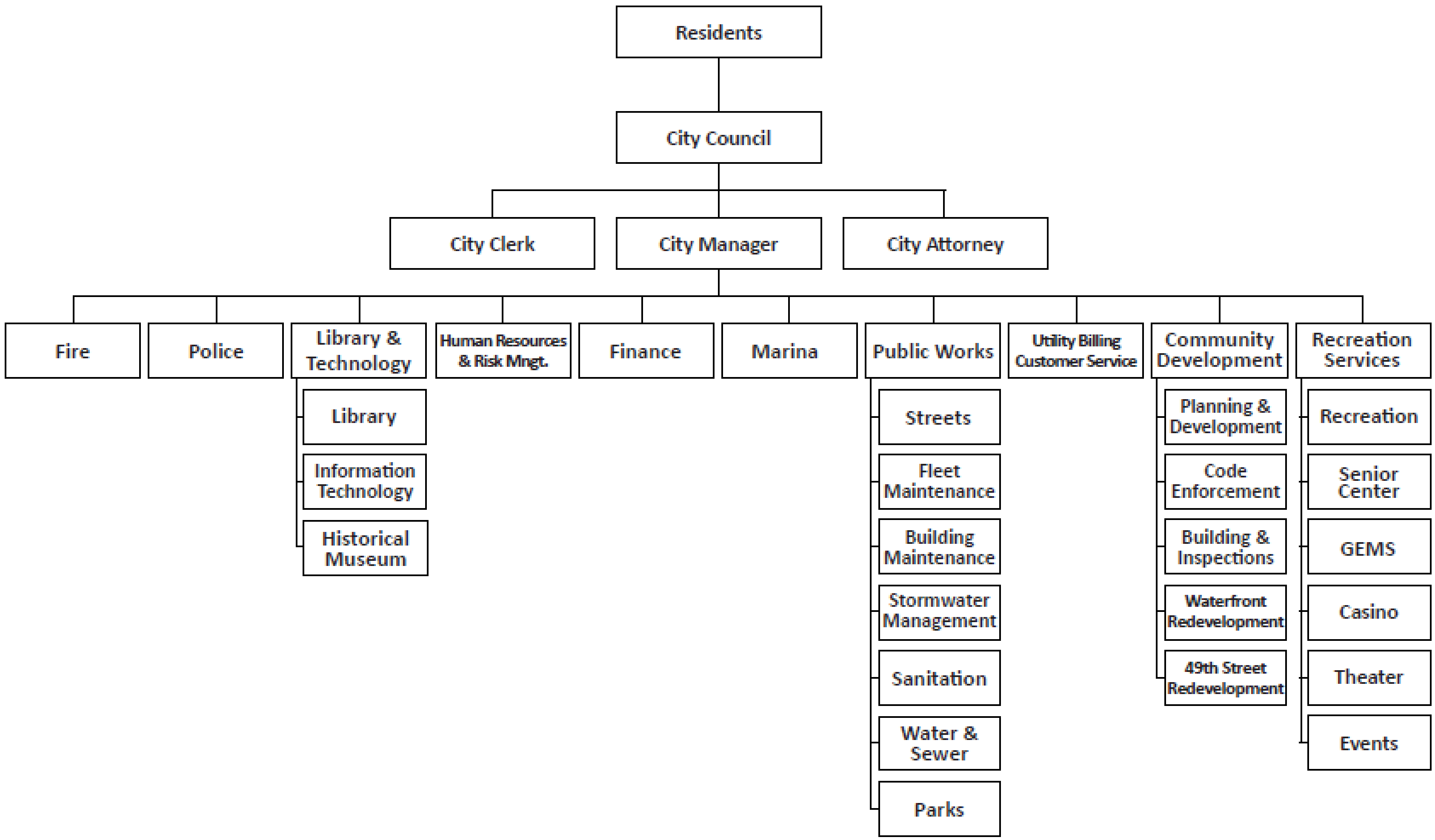
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

Fiscal Year 2025 - City of Gulfport Organizational Chart



Financial Section

This section contains the following subsections:

Report of Independent Certified Public Accountants

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

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Independent Auditor's Report

Honorable Mayor and City Council
City of Gulfport, Florida
Gulfport, 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 Gulfport, 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 conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in *Note 13* to the financial statements, in the fiscal year ended September 30, 2025, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 101, 'Compensated Absences'. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 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.

Forvis Mazars, LLP

Tampa, Florida
May 27, 2026

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CITY OF GULFPORT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Gulfport's (City) Annual Comprehensive Financial Report (ACFR) was prepared in accordance with generally accepted accounting principles (GAAP) applicable to government entities. This Management's Discussion and Analysis report (MD&A) is required supplementary information (RSI) in accordance with GAAP and presents an overview of financial information included in the ACFR. The City's discussion and analysis is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the subsequent year challenges), (d) identify any material deviations from the financial plan (the adopted budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter and the City's financial statements listed in the table of contents.

Financial Condition Overview

The following key financial metrics indicate that the City remains in sound financial condition:

- *Operating results* reflect the degree to which budgets met expectations. Both actual revenues and actual expenditures were within reasonable proximity of budgeted amounts for the fiscal year.

- *Liquidity* reflects the City's ability to pay current liabilities with current assets. The City maintained sufficiently prudent liquidity levels throughout the fiscal year and at year end.

- *Fund balance* reflects the provision of financial resources for future needs and contingencies. The City's unassigned fund balances provided reasonable and sufficient working capital for operations and security for contingencies throughout the fiscal year and at year end.

- *Debt levels and debt payments* reflect the impacts of the City's borrowing decisions. Throughout the fiscal year, the City continued to borrow against the zero interest agreement for construction costs involved in the major repair and replacement of water and sanitary sewer lines throughout the City's aging utility system.

Normal Impacts

There are nine basic (normal) impacts on revenues and expenses outlined below.

<u>Revenues</u>

Economic Condition – Which can reflect a declining, stable, or growing economic environment and has a substantial impact on property, sales, gas, and other tax revenue as well as public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/Decrease in Council Approved Rates – While statutes set certain tax rates, the City Council has significant authority to impose and periodically increase/decrease rates (sanitation, recycling, water, wastewater, stormwater, permitting, recreation user fees, marina slip rental, and facility rental fees, etc.).

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – Certain recurring revenues (state revenue sharing, block grants, etc.) may experience significant changes periodically, while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

Contribution from the Water and Sewer Fund – The City owns and operates the Water & Sewer utility system and provides administrative and support services for the utility. In return, the City receives payments from the utility. Therefore, the ongoing competitiveness and vitality of the utility is important to the City's well-being.

Market Impacts on Investment Income – Due to varying maturities on the City's investments and the varying nature of the market in general, City investment income may fluctuate from year to year.

Expenses

Introduction of New Programs – Within the functional expense categories (General Government, Public Safety, Public Works, Recreation, and Redevelopment, etc.), individual programs may be added or deleted to meet changing community needs.

Increase/Decrease in Authorized Personnel – Changes in service demand may cause the Council to increase/decrease authorized staffing. Historically, staffing costs (salary and related benefits) represent a significant portion of the City's total expenses.

Salary Increases (cost of living, merit and market adjustment) – The ability to attract and retain qualified personnel requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – The City is a major consumer of certain commodities such as chemicals and supplies, fuel, and parts. Inflation is above average; therefore, some functions may experience unusual commodity-specific increases (for example, fuel prices).

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of fiscal year 2025 by $29,866,698 (net position). Of this amount, $2,406,018 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- Fund balance of governmental funds decreased by $(3,318,676) from the prior year. The decrease was due to costs incurred as a result of storm damage sustained in September and October 2024 by consecutive Hurricane impacts.

- Net position of proprietary funds decreased by $(966,471) from the prior year (not inclusive of the restatement). The proprietary funds were also impacted by higher costs and lower revenues as a result of the above mentioned storms.

- Long-term liabilities increased by $313,107 from the prior year $648,981 for governmental activities offset by a decrease of $(335,874) for business-type. The majority of this increase was in the net pension liability.

The Financial Statements focus are on both the City as a whole (government-wide) and on the major individual and governmental funds as a whole. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the City's accountability.

Government-wide Financial Statements

The Government-wide Financial Statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add up to a total for the Primary Government. The focus of the Statement of Net Position is designed to be similar to bottom-line results for the City and its governmental and business-type activities. This statement combines and consolidates the government funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental, component units, and business-type), which are supported by charges for services, operating and capital grants, and by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of and/or subsidy to various governmental services and business-type activities.

The governmental activities reflect the City's basic services including general government, police, fire, protective inspections, public services, library, and recreation. Property taxes, utility service taxes, gas taxes and sales taxes, along with the City's utilities contribution, finance the majority of these services. The business-type activities reflect private sector-type operations (sanitation, water, and wastewater, recycling, stormwater, and the marina), where the fees for service typically cover all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of government financial statements will find the fund financial statement presentations more familiar with the focus now on major funds of the City. The governmental funds statements are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses, and/or budgeting compliance associated therewith.

The fund financial statements also allow the government to address its fiduciary funds by type (pension trust funds). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

While the business-type activities - enterprise funds statements, are essentially the same as the business-type activities column on the government-wide financial statement, the governmental funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources reflects interfund transfers and other financial sources as well as capital and debt service expenditures. The reconciliations eliminate these transactions and incorporate the capital asset and long-term obligations into the governmental activities column in the government-wide financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. For the current year, the City's assets and deferred outflows exceed liabilities and deferred inflows by $29,866,698 (net position).

A large portion of the City's net position (83.2%) reflects its investment in capital assets (e.g., land, land improvements, buildings, and equipment) net of any related debt. The City uses these capital assets to provide services to citizens and, consequently, these assets are not available for future spending.

A portion of the City's net position ($2,604,033) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($2,406,018) may be used to meet the government's ongoing obligations to citizens and creditors.

Deferred outflows and inflows of resources represent amounts that will increase or decrease net position in future periods as they are amortized.

The following table reflects the condensed Statement of Net Position for the current year as compared to the previous year.

STATEMENT OF NET POSITION
As of September 30

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 12,629,141	$ 13,449,426	$ 5,397,111	$ 6,523,864	$ 18,026,252	$ 19,973,290
Capital Assets (Net)	14,776,430	14,285,024	17,914,897	18,637,821	32,691,327	32,922,845
Total Assets	27,405,571	27,734,450	23,312,008	25,161,685	50,717,579	52,896,135
Deferred Outflows of Resources	1,725,603	1,019,310	417,659	332,505	2,143,262	1,351,815
Current and other liabilities	2,141,787	913,693	1,838,925	2,276,831	3,980,712	3,190,524
Long-term Liabilities	8,317,020	7,668,039	7,354,997	7,690,871	15,672,017	15,358,910
Total Liabilities	10,458,807	8,581,732	9,193,922	9,967,702	19,652,729	18,549,434
Deferred Inflows of Resources	2,744,844	2,204,476	596,570	573,430	3,341,414	2,777,906
Net Position:						
Net Investment in Capital Assets	13,660,932	14,176,489	11,195,715	11,027,155	24,856,647	25,203,644
Restricted	2,380,400	1,989,476	223,633	223,633	2,604,033	2,213,109
Unrestricted	(113,809)	1,801,587	2,519,827	3,702,270	2,406,018	5,503,857
Total Net Position	$ 15,927,523	$ 17,967,552	$ 13,939,175	$ 14,953,058	$ 29,866,698	$ 32,920,610

Total long-term liabilities increased by $313,107. Governmental activities reported a net increase of $648,981 while business-type activities reported a net decrease of $(335,874). The most notable differences are a net increase of $350,275 in the net pension liability within governmental activities due to differences between actual and expected experience, as well as changes in actuarial assumptions. The most notable component of the decrease in the business-type activities is a result of principal payments on the Florida Department of Environmental Protection State Revolving Loan discussed in further detail in the long-term debt discussion.

As of September 30, 2025, the City is able to report positive balances in total net position for the City as a whole. The same situation held true for the previous fiscal year.

The City's overall financial position has decreased from the prior year by $(3,053,912) in net position, which includes a restatement from implementation of a new accounting standard. Of this, a decrease of $(1,013,883) relates to the business-type activities and a decrease of $(2,040,029) relates to the governmental activities. The decrease in governmental activities net position is due primarily to increased expenses as a result of the storm damage in excess of revenues. Additionally liabilties were higher by $1,877,075, deferred inflows for pensions increased $540,368, offset by a decrease of $(706,293) in deferred outflows. Further details of these variances can be found in the *Current Year Impacts* and *Financial Analysis of the City's Funds.*

Changes in Net Position

The following schedule reflects the changes in net position for Governmental and Business-Type activities:

STATEMENT OF ACTIVITIES
For the Year Ended September 30

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program Revenues:						
Charges for Services	$ 5,258,849	$ 5,638,579	$ 14,028,964	$ 15,124,832	$ 19,287,813	$ 20,763,411
Operating Grants and Contributions	2,787,278	772,185	8,441	7,705	2,795,719	779,890
Capital Grants and Contributions	107,379	117,107	224,125	796,650	331,504	913,757
General Revenues:						
Property Taxes	6,673,038	6,444,576	-	-	6,673,038	6,444,576
Utility Taxes and Franchise	3,232,133	2,987,188	-	-	3,232,133	2,987,188
Sales, Use, and Other Taxes	3,573,861	3,544,555	-	-	3,573,861	3,544,555
Investment Income	439,253	507,375	78,122	89,074	517,375	596,449
Other	4,777,912	233,819	1,892,659	20,232	6,670,571	254,051
Total Revenues	26,849,703	20,245,384	16,232,311	16,038,493	43,082,014	36,283,877
EXPENSES						
General Government	2,858,347	2,465,819	-	-	2,858,347	2,465,819
Public Safety	9,295,457	9,132,218	-	-	9,295,457	9,132,218
Recreation	6,718,273	5,365,968	-	-	6,718,273	5,365,968
Community Development / Redevelopment	2,051,260	1,814,490	-	-	2,051,260	1,814,490
Public Works	8,127,063	3,092,905	-	-	8,127,063	3,092,905
Interest on Long Term Debt	2,715	3,302	-	-	2,715	3,302
Sanitation	-	-	3,127,185	2,983,751	3,127,185	2,983,751
Water and Sewer	-	-	10,940,569	9,692,467	10,940,569	9,692,467
Marina	-	-	2,680,292	3,563,091	2,680,292	3,563,091
Total Expenses	29,053,115	21,874,702	16,748,046	16,239,309	45,801,161	38,114,011
Excess (Deficiency) Before Transfers	(2,203,412)	(1,629,318)	(515,735)	(200,816)	(2,719,147)	(1,830,134)
Transfers	450,736	531,478	(450,736)	(531,478)	-	-
Change in Net Position	(1,752,676)	(1,097,840)	(966,471)	(732,294)	(2,719,147)	(1,830,134)
Net Position - Beginning, Original	17,967,552	19,065,392	14,953,058	15,685,352	32,920,610	34,750,744
Change in Accounting Principle	(287,353)	-	(47,412)	-	(334,765)	-
Net Position - Beginning, Restated	17,680,199	19,065,392	14,905,646	15,685,352	32,585,845	34,750,744
Net Position - Ending	$ 15,927,523	$ 17,967,552	$ 13,939,175	$ 14,953,058	$ 29,866,698	$ 32,920,610

Current Year Impacts

Governmental activities program revenues increased by $1,625,635 and general revenues increased by $4,978,684 for a total increase of $6,604,319 from the prior year.

Governmental activities program revenues benefited from higher grant revenues from FEMA for reimbursement of hurricane recovery costs and grant revenue from the Flroida Department of Transportation by $1,461,946 and $90,992 respectively. The increase in general revenues are due primarily to the receipt of insurance proceeds from hurricane storm damage in the amount of $4,608,585. Additional details can be found later in the discussion of the financial analysis of the individual governmental funds.

Business-type activities overall net position decreased by $(1,013,883). Revenues generated from charges for services were lower by $(1,095,868) than the previous fiscal year and expenses increased by $508,737.The negative impact on net position is due to hurricane storm impacts at the Marina and higher costs in the Water and Sewer Fund. Further details can be found later in the discussion of the financial analysis of the individual enterprise funds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of September 30, 2025, the governmental funds reported a combined fund balance of $8.9 million, a decrease of $(3,318,676) when compared to the previous year combined fund balance of $12.2 million.

The General Fund is the chief operating fund of the City and had a total fund balance of $6,009,034 at year end 2025. In accordance with GAAP, the City's fund balances are allocated as follows: non-spendable for prepaid items and inventories of $123,891, restricted for donor provisions $160,294, assigned for various purposes $947,071, and unassigned, available for unforeseen emergencies and is considered necessary for the City of $4,777,778.

The General Fund unassigned fund balance decreased by $(3,069,862) from $7,847,640 to $4,777,778. The decrease is due to expenditures for storm related recovery costs in excess of FEMA and insurance recoveries. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.13% of the total general fund expenditures, while total fund balance represents 21.54% of that same amount. The City's minimum fund balance policy is to maintain an unassigned General Fund balance equal to 16% of the City's General Fund original budgeted expenditures for the respective fiscal year.

The most notable increases to revenue in the General Fund include:

- An increase in ad valorem proceeds from the prior year of $837,370 based on an increase to the taxable value of real and personal property.
- An increase in FEMA proceeds from the prior year of $315,972 for reimbursement of storm related expenditures.

The General Fund also benefited from receipt of insurance proceeds of $4,608,585.

General Fund expenditures before transfers increased by $9,611,746 over the prior fiscal year. The majority of the increase was due to hurricane cleanup and recovery efforts totaling approximately $7.4 million.

Public Safety contributed to the overall increase by $1,741,046. $1.5 million was specifically related to the Fire Department for increased labor and benefits ($720,989) and new firetruck ($841,614). The balance of the increase ($202,571) was attributed to increased labor and benefit costs for Police.

The Capital Projects Fund is used to account for the proceeds and use of the local government infrastructure sales surtax of 1% or Penny for Pinellas for capital projects within the County. Taxable sales remained consistent with the prior year as the economy continued to recover from the hurricane damage in 2024, revenue from Penny for Pinellas was essentially flat, increasing by $31,208 from $1,850,930 in FY24 to $1,882,138 in FY25. The Capital Projects Fund finished the fiscal year with a net increase to fund balance of $362,605 as project costs were lower than anticipated tax proceeds due to timing of budgeted projects.

The City's enterprise funds include the City's Sanitation Fund, Water and Sewer Fund, and Marina Fund. Total net position for the enterprise funds decreased by $(1,013,883) from the prior year. Each of the Enterprise Funds are considered major funds and, therefore, are to be reviewed and analyzed as a separate and distinct business. Thus, the following commentary focuses on each fund.

The Sanitation Fund is used to account for the operations of the City's solid waste utility. The Sanitation Fund had a slight increase in net position of $2,907 that was comparative to the increase of $60,973 in FY24. Operating revenues were $133,485 greater than the prior year due to approved rate increases. Operating expenses of the Sanitation Fund were $144,458 higher than the prior year due to increased costs of employee benefits and salary increases.

The Marina Fund is used to account for the operations of the City's municipal marina. The Marina Fund had an increase in net position of $89,222 compared to the decrease of $(836,789) in the prior year. Operating revenues were $(1,775,126) less than the prior year due to impacts on operations from the hurricane damage sustained in September 2024 and October 2025. The Marina ship store and fuel sales were inoperable for a large part of the fiscal year resulting in lower fuel and supplies sales of ($1,651,767). Total operating expenses decreased by $(726,697) primarily as a result of the ship store being closed. The lower cost of inventory for resale was offset by repairs and maintenance from storm damage. Transfers to the General Fund for payments in lieu of taxes and overhead were slightly higher in FY25 by $(70,444).

The Water and Sewer Fund is used to account for the operations of the City's water, sewer and stormwater utility. The Water and Sewer Fund had a decrease in net position of $(1,058,600) for the year. Operating revenues were higher by $525,567 than the prior year due to approved rate increases. Operating expenses were higher by $1,433,832 compared to FY 24. The increase is due to higher costs and increased volume for wastewater contracted with the City of St. Petersburg contributing $1,091,174. The substantial increase in wastewater contract costs was due to two extreme weather events in FY25, Hurricane Milton in October 2024 and a 100-year rain event in August 2025 resulting in unprecedented volume of wastewater.

BUDGETARY HIGHLIGHTS – GENERAL FUND

Expenditures	Original Budget	Final Budget	Difference
General Government	$ 2,918,414	$ 2,936,968	$ 18,554
Public Safety	8,494,467	8,604,307	109,840
Recreation	5,173,036	7,540,252	2,367,216
Community Development / Redevelopment	1,764,088	1,916,775	152,687
Public Works	2,373,954	7,288,250	4,914,296
Debt Service	4,500	4,500	-
Transfers Out	-	300,000	300,000
	$ 20,728,459	$ 28,591,052	$ 7,862,593

The General Fund final budget in total increased by $7,862,593 from the original budget mainly as a result of unbudgeted storm related costs.

Expenditures	Actual	Final Budget	Difference
General Government	$ 2,669,466	$ 2,936,968	$ (267,502)
Public Safety	9,472,073	8,604,307	867,766
Recreation	6,407,389	7,540,252	(1,132,863)
Community Development / Redevelopment	1,638,814	1,916,775	(277,961)
Public Works	7,447,657	7,288,250	159,407
Debt Service	40,260	4,500	35,760
Transfers Out	300,000	300,000	-
	$ 27,975,659	$ 28,591,052	$ (615,393)

Actual fiscal year 2025 expenditures, including transfers out, for the General Fund were less than the final budgeted expenditures and transfers out by $665,154.The unspent budget dollars is the result of vacant positions due to hiring challenges in the competitive labor market as well as encumbrances that are included in the final budget but not yet spent.

CAPITAL ASSETS

As of September 30, 2025, the City had $32,691,327 invested in a variety of capital assets as compared to $32,922,845 as of September 30, 2024. This represents a net decrease of $(231,518) from the prior year. Governmental activities had increases in equipment and infrastructure and some notable projects included the following:

- E-ONE Typhoon Firetruck for the Fire Department
- Improvements at the Tonkin Park Playground, a new elevator at the Recreation Center and a transport vehicle for the Gulfport Extended Mobility Service (GEMS)

The business-type activities reported a transfer of $995,061 in completed infrastructure projects from construction in progress and had increases in equipment. Some of the significant projects that comprise this balance include:

- Priority 2 Sanitary Sewer system rehabilation project placed in service from CIP.
- New equipment at Sanitation - Rear-Load Sanitation Truck.

Depreciation decreased by $319,279 .

As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	$ 592,072	$ 592,072	$ 20,000	$ 20,000	$ 612,072	$ 612,072
Construction in Progress	371,285	401,676	138,606	914,148	509,891	1,315,824
Buildings	10,754,064	10,798,349	1,556,390	1,556,390	12,310,454	12,354,739
Infrastructure and Improvements	24,923,747	24,225,557	36,483,551	35,488,490	61,407,298	59,714,047
Right to Use Leases	18,091	18,091	-	-	18,091	18,091
Right to Use Subscription Software	138,425	138,425	-	-	138,425	138,425
Equipment	8,927,534	7,495,609	5,622,839	5,202,919	14,550,373	12,698,528
Software	300,904	445,145	53,378	69,953	354,282	515,098
	46,026,122	44,114,924	43,874,764	43,251,900	89,900,886	87,366,824
Less: Accumulated Depreciation	(31,249,692)	(29,829,900)	(25,959,867)	(24,614,079)	(57,209,559)	(54,443,979)
Capital Assets, net	$ 14,776,430	$ 14,285,024	$ 17,914,897	$ 18,637,821	$ 32,691,327	$ 32,922,845

Additional detailed information on the City's capital assets may be found in the notes to the financial statements, Note 5.

LONG TERM DEBT

The City entered into agreements with the Florida Department of Environmental Protection for loans for planning and construction costs involved in major sewer system rehabilitation improvements. Additionally, the City has leases for some equipment and a SBITA liability for multi-year software subscriptions.

As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
SBITA Payable	$ 54,013	$ 87,778	$ -	$ -	$ 54,013	$ 87,778
Leases Payable	4,767	8,547	-	-	4,767	8,547
Notes from Direct Borrowing	-	-	6,719,182	7,133,144	6,719,182	7,133,144
	$ 58,780	$ 96,325	$ 6,719,182	$ 7,133,144	$ 6,777,962	$ 7,229,469

Business-type activities had $6,719,182 in outstanding long-term debt which was the FDEP loan. referenced above. The loan balance was reduced by principal payments during the year. Governmental activities had $58,780 in outstanding leases and SBITA liability.

Additional detailed information on the City's long-term debt and other long-term liabilities may be found in Note 7 of the financial statements.

ECONOMIC FACTORS AND YEAR 2026 BUDGETS AND RATES

The City continued to experience positive growth in property values. As such, much of the budget development process is focused on beginning to address the continued ability of the City Council and staff to maintain the traditional high levels of personal services provided the residents of the City of Gulfport. It is paramount the City must continually address the sustained financial impact of providing such a high level of services as the City moves forward. Gulfport, like many other local governments, primarily relies on property taxes and a limited array of permitted other taxes (sales, gasoline, utilities services, etc.) and fees to fund governmental activities. The budget development process for FY 2026 was focused on the City's ability to fund present and future levels of General Fund operations and services.

Key Factors considered in preparing the City of Gulfport's budget for fiscal year 2026 included:

- The Ad Valorem millage (property tax) has been budgeted to remain at 4.0258 mils as a result of estimated increased property tax revenues as property values continue to rise.
- An increase in employee compensation is included in the budget with the application of 5.0% salary plan adjustment.
- An increase of 10% in applicable costs for renewal of the City's property, workers' compensation, general liability, automotive liability, and public official liability insurance policies.
- Employee health insurance costs increased 1.5% across all funds.
- Ongoing management and implementation of storm recovery and restoration projects.

Moreover, the balanced budget continues to provide the residents of the City of Gulfport the level of day to day services they have become accustomed to, both culturally and institutionally. The Fiscal Year 2026 budget attempts to continue to support traditional frontline services as they exist today.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have any questions about the report or need additional financial information, contact the City's Finance Director at City of Gulfport, 2401 53rd Street South, Gulfport, Florida 33707, by phone at
(727) 893-1014 or www.mygulfport.us.

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Basic Financial Statements

The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The government-wide financial statements present financial information about the reporting government, as a whole, except for its fiduciary activities. The fund financial statements present financial information about major funds individually and nonmajor funds in the aggregate. They also include financial information about the fiduciary funds. The notes to the financial statements present information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements.

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CITY OF GULFPORT, FLORIDA
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 7,294,693	$ 2,649,683	$ 9,944,376
Restricted Cash and Investments	2,367,400	852,649	3,220,049
Receivables (Net)	1,225,070	1,527,824	2,752,894
Due from Other Governments	1,389,975	266,769	1,656,744
Inventories	75,998	91,590	167,588
Prepaid Items	47,893	8,596	56,489
Leases Receivable	228,112	-	228,112
Capital Assets:			
Capital Assets Not Being Depreciated	963,357	158,606	1,121,963
Capital Assets Being Depreciated and Amortized (Net)	13,813,073	17,756,291	31,569,364
Total Capital Assets	14,776,430	17,914,897	32,691,327
Total Assets	27,405,571	23,312,008	50,717,579
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows for OPEB	156,949	33,527	190,476
Deferred Outflows for Pensions	1,568,654	384,132	1,952,786
Total Deferred Outflows of Resources	1,725,603	417,659	2,143,262
LIABILITIES			
Accounts Payable	1,831,330	952,210	2,783,540
Liabilities Payable from Restricted Assets	-	629,017	629,017
Accrued Liabilities	301,780	61,011	362,791
Due to Other Governments	877	196,687	197,564
Deposits	5,738	-	5,738
Unearned Revenue	2,062	-	2,062
Long-term Liabilities:			
Due within One Year	738,073	538,586	1,276,659
Due in More Than One Year	7,578,947	6,816,411	14,395,358
Total Liabilities	10,458,807	9,193,922	19,652,729
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows for Leases	228,112	-	228,112
Deferred Inflows for OPEB	185,411	41,966	227,377
Deferred Inflows for Pensions	2,331,321	554,604	2,885,925
Total Deferred Inflows of Resources	2,744,844	596,570	3,341,414
NET POSITION			
Net Investment in Capital Assets	13,660,932	11,195,715	24,856,647
Restricted:			
Capital Projects	2,133,582	-	2,133,582
Debt Service	-	223,633	223,633
Library Projects	45,832	-	45,832
Public Safety	3,950	-	3,950
Other Special Projects	197,036	-	197,036
Unrestricted (Deficit)	(113,809)	2,519,827	2,406,018
Total Net Position	$ 15,927,523	$ 13,939,175	$ 29,866,698

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

CITY OF GULFPORT, FLORIDA
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
Governmental Activities:				
General Government	$ 2,858,347	$ 2,428,129	$ 122,231	$ -
Public Safety	9,295,457	2,155,623	827,071	-
Recreation	6,718,273	281,449	366,551	95,594
Community Development Redevelopment	2,051,260	-	-	-
Public Works	8,127,063	393,648	1,471,425	11,785
Interest on Long-Term Debt	2,715	-	-	-
Total Governmental Activities	29,053,115	5,258,849	2,787,278	107,379
Business-type Activities:				
Sanitation	3,127,185	3,323,594	8,441	-
Water and Sewer	10,940,569	9,452,070	-	224,125
Marina	2,680,292	1,253,300	-	-
Total Business-type Activities	16,748,046	14,028,964	8,441	224,125
Total	$ 45,801,161	$ 19,287,813	$ 2,795,719	$ 331,504

General Revenues:
- Property Tax
- Sales Tax
- Infrastructure Surtax
- Public Service Tax
- Gas Tax
- State Revenue Sharing
- Other Taxes
- Franchise Fees
- Investment Income
- Miscellaneous
- Gain on Sale of Assets

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning
Change in Accounting Principle

Net Position - Beginning, as restated

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (307,987)	$ -	$ (307,987)
(6,312,763)	-	(6,312,763)
(5,974,679)	-	(5,974,679)
(2,051,260)	-	(2,051,260)
(6,250,205)	-	(6,250,205)
(2,715)	-	(2,715)
(20,899,609)	-	(20,899,609)
-	204,850	204,850
-	(1,264,374)	(1,264,374)
-	(1,426,992)	(1,426,992)
-	(2,486,516)	(2,486,516)
(20,899,609)	(2,486,516)	(23,386,125)
6,673,038	-	6,673,038
939,843	-	939,843
1,882,138	-	1,882,138
2,265,834	-	2,265,834
159,070	-	159,070
513,220	-	513,220
79,590	-	79,590
966,299	-	966,299
439,253	78,122	517,375
4,743,199	1,892,659	6,635,858
34,713	-	34,713
450,736	(450,736)	-
19,146,933	1,520,045	20,666,978
(1,752,676)	(966,471)	(2,719,147)
17,967,552	14,953,058	32,920,610
(287,353)	(47,412)	(334,765)
17,680,199	14,905,646	32,585,845
$ 15,927,523	$ 13,939,175	$ 29,866,698

CITY OF GULFPORT, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2025

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 6,881,512	$ 1,711,818	$ 1,068,763	$ 9,662,093
Accounts Receivable (Net)	1,040,340	183,640	1,090	1,225,070
Due from Other Governments	1,389,975	-	-	1,389,975
Prepaid Items	47,893	-	-	47,893
Inventories	75,998	-	-	75,998
Leases Receivable	228,112	-	-	228,112
Total Assets	$ 9,663,830	$ 1,895,458	$ 1,069,853	$ 12,629,141
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 1,735,794	$ 93,741	$ 1,795	$ 1,831,330
Accrued Liabilities	301,780	-	-	301,780
Due to Other Governments	877	-	-	877
Deposits Payable	5,738	-	-	5,738
Unearned Revenue	2,062	-	-	2,062
Total Liabilities	2,046,251	93,741	1,795	2,141,787
Deferred Inflows of Resources:				
Deferred Inflows - Unavailable Revenues	1,380,433	-	-	1,380,433
Deferred Inflows - Leases	228,112	-	-	228,112
Total Deferred Inflows of Resources	1,608,545	-	-	1,608,545
Fund Balances:				
Nonspendable Inventories and Prepaids	123,891	-	-	123,891
Restricted for Law Enforcement	-	-	3,950	3,950
Restricted for Capital Purchases	-	1,801,717	-	1,801,717
Restricted for Waterfront Redevelopment	-	-	331,865	331,865
Restricted for Donor Provisions	160,294	-	36,742	197,036
Restricted for Library	-	-	45,832	45,832
Assigned for Capital Purchases	554,861	-	-	554,861
Assigned for Subsequent Year's Budget	281,387	-	-	281,387
Assigned for 49th Street Redevelopment	-	-	11,739	11,739
Assigned for Other Public Works Improvements	110,823	-	-	110,823
Assigned for Other Waterfront Redevelopment	-	-	637,930	637,930
Unassigned	4,777,778	-	-	4,777,778
Total Fund Balances	6,009,034	1,801,717	1,068,058	8,878,809
Total Liabilities, Deferred Inflows and Fund Balances	$ 9,663,830	$ 1,895,458	$ 1,069,853	$ 12,629,141

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

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

Total fund balances of governmental funds		$ 8,878,809
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $46,026,122, and the accumulated depreciation and amortization is $31,249,692.		14,776,430
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Long-term liabilities at year-end consist of:		
Leases Payable	(4,767)	
SBITAs Payable	(54,013)	
Total OPEB Liability	(780,374)	
Net pension liability	(5,790,960)	
Compensated absences	(1,686,906)	
		(8,317,020)
Deferred inflows of resources from federal and state grants recognized as revenue of the current period.		1,380,433
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in governmental funds.		
Deferred outflows of resources for OPEB	156,949	
Deferred outflows of resources for pensions	1,568,654	
Deferred inflows of resources for OPEB	(185,411)	
Deferred inflows of resources for pensions	(2,331,321)	(791,129)
Total net position of governmental activities		$ 15,927,523

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

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

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 10,117,850	$ 1,882,138	$ -	$ 11,999,988
Permits and Fees	809,924	11,785	-	821,709
Intergovernmental Revenues	3,784,456	53,371	-	3,837,827
Charges for Services	3,234,429	-	-	3,234,429
Fines and Forfeitures	43,533	-	-	43,533
Investment Income	439,253	-	-	439,253
Miscellaneous Revenues	386,614	-	97,332	483,946
Total Revenues	18,816,059	1,947,294	97,332	20,860,685
EXPENDITURES				
Current:				
General Government	2,672,098	-	-	2,672,098
Public Safety	9,472,073	-	-	9,472,073
Recreation	6,551,883	48,044	61,115	6,661,042
Community Development/ Redevelopment	1,638,814	-	144,370	1,783,184
Public Works	7,520,644	-	-	7,520,644
Capital Outlay	-	1,089,381	-	1,089,381
Debt Service:				
Principal	37,545	-	-	37,545
Interest	2,715	-	-	2,715
Total Expenditures	27,895,772	1,137,425	205,485	29,238,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,079,713)	809,869	(108,153)	(8,377,997)
OTHER FINANCING SOURCES AND (USES)				
Insurance Recoveries	4,608,585	-	-	4,608,585
Transfers In	1,198,000	-	-	1,198,000
Transfers (Out)	(300,000)	(447,264)	-	(747,264)
Total Other Financing Sources and (Uses)	5,506,585	(447,264)	-	5,059,321
Net Change in Fund Balances	(3,573,128)	362,605	(108,153)	(3,318,676)
Fund Balances - Beginning	9,582,162	1,439,112	1,176,211	12,197,485
Fund Balances - Ending	$ 6,009,034	$ 1,801,717	$ 1,068,058	$ 8,878,809

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

CITY OF GULFPORT, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (3,318,676)
Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated and amortized over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which the cost of capital purchases ($2,472,225) exceeds depreciation and amortization ($1,952,070).		520,155
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:		
Principal repayments:		
SBITAs payable	$ 33,765	
Leases payable	3,780	37,545
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows:		
Compensated absences		(159,255)
Under the modified accrual basis of accounting, some revenues are recognized when both the measurable and available criteria have been met. Some revenues earned in the current year were not recognized since availability criteria was not met. Under full accrual accounting, all revenues would be recognized.		1,380,433
In the statement of activities, only the loss on the sale of capital assets is reported. The change in net position differs by the cost of capital assets disposed.		(28,749)
Governmental funds report City pension contributions and OPEB benefit payments as expenditures. In the statement of activities, the cost of pension and OPEB benefits earned net of contributions and OPEB benefit payments is reported as expense.		
Difference between OPEB benefit payments and net OPEB expense		(29,272)
Difference between pension contributions and net pension expense		(154,857)
Change in net position of governmental activities		$ (1,752,676)

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025

	Business-type Activities - Enterprise Funds			
	Sanitation	**Water and Sewer**	**Marina**	**Total**
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 53,146	$ 1,791,093	$ 805,444	$ 2,649,683
Restricted Assets:				
Cash Held for Customer Deposits	-	549,369	79,647	629,016
Cash Held for Debt Service	-	223,633	-	223,633
Accounts Receivable (Net)	396,580	1,104,663	26,581	1,527,824
Due from Other Governments	-	266,769	-	266,769
Inventories	-	48,497	43,093	91,590
Prepaid Items	-	7,596	1,000	8,596
Total Current Assets	449,726	3,991,620	955,765	5,397,111
Noncurrent Assets:				
Capital Assets:				
Land	-	-	20,000	20,000
Buildings	230,746	411,965	913,679	1,556,390
Infrastructure and Improvements	297,195	31,053,626	5,132,730	36,483,551
Equipment and Machinery	3,506,667	1,385,763	730,409	5,622,839
Software	17,104	36,274	-	53,378
Construction in Progress	-	50,006	88,600	138,606
Less: Accumulated Depreciation and Amortization	(3,215,504)	(17,226,878)	(5,517,485)	(25,959,867)
Total Capital Assets (Net)	836,208	15,710,756	1,367,933	17,914,897
Total Noncurrent Assets	836,208	15,710,756	1,367,933	17,914,897
Total Assets	1,285,934	19,702,376	2,323,698	23,312,008
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows for OPEB	15,777	13,662	4,088	33,527
Deferred Outflows for Pensions	224,718	114,977	44,437	384,132
Total Deferred Outflows of Resources	240,495	128,639	48,525	417,659

Continued

CITY OF GULFPORT, FLORIDA
STATEMENT OF NET POSITION - Continued
PROPRIETARY FUNDS
September 30, 2025

	Business-type Activities - Enterprise Funds			
	Sanitation	**Water and Sewer**	**Marina**	**Total**
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 80,501	$ 654,313	$ 217,396	$ 952,210
Accrued Liabilities	36,222	15,921	8,868	61,011
Due to Other Governments	-	190,085	6,602	196,687
Liabilities Payable from Restricted Assets - Deposits	-	549,369	79,648	629,017
Revolving Loan Payable	-	415,934	-	415,934
Compensated Absences Payable	39,962	62,847	19,843	122,652
Total Current Liabilities	156,685	1,888,469	332,357	2,377,511
Noncurrent Liabilities:				
Net Pension Liability	94,502	57,059	61,852	213,413
Other Postemployment Benefits	81,879	56,640	22,749	161,268
Revolving Loan Payable	-	6,303,248	-	6,303,248
Compensated Absences Payable	33,087	77,493	27,902	138,482
Total Noncurrent Liabilities	209,468	6,494,440	112,503	6,816,411
Total Liabilities	366,153	8,382,909	444,860	9,193,922
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows for OPEB	17,532	18,045	6,389	41,966
Deferred Inflows for Pensions	219,966	261,428	73,210	554,604
Total Deferred Inflows of Resources	237,498	279,473	79,599	596,570
NET POSITION				
Net Investment in Capital Assets	836,208	8,991,574	1,367,933	11,195,715
Restricted for Debt Service	-	223,633	-	223,633
Unrestricted	86,570	1,953,426	479,831	2,519,827
Total Net Position	$ 922,778	$ 11,168,633	$ 1,847,764	$ 13,939,175

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

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

	Business-type Activities - Enterprise Funds			
	Sanitation	**Water and Sewer**	**Marina**	**Total**
OPERATING REVENUES:				
Charges for Services	$ 3,323,594	$ 9,452,070	$ 1,253,300	$ 14,028,964
Miscellaneous Revenues	-	-	26	26
Total Operating Revenues	3,323,594	9,452,070	1,253,326	14,028,990
OPERATING EXPENSES:				
Personal Services	1,216,525	1,314,817	495,798	3,027,140
Contracted Services	695,499	6,313,056	200,094	7,208,649
Supplies and Materials	192,060	210,871	912,225	1,315,156
Repairs and Maintenance	335,405	244,558	66,090	646,053
Administrative Overhead	488,809	1,413,906	495,000	2,397,715
Other Services and Charges	61,945	278,351	315,508	655,804
Depreciation and Amortization	136,942	1,130,486	195,577	1,463,005
Total Operating Expenses	3,127,185	10,906,045	2,680,292	16,713,522
Operating Income (Loss)	196,409	(1,453,975)	(1,426,966)	(2,684,532)
NONOPERATING REVENUES (EXPENSES):				
Operating Grants	8,441	-	-	8,441
Insurance Recoveries	-	-	1,892,633	1,892,633
Investment Income	1,057	51,510	25,555	78,122
Interest Expense	-	(34,524)	-	(34,524)
Total Nonoperating Revenues (Expenses)	9,498	16,986	1,918,188	1,944,672
Income (Loss) Before Contributions and Transfers	205,907	(1,436,989)	491,222	(739,860)
Capital Contributions	-	224,125	-	224,125
Transfers In	-	747,264	-	747,264
Transfers (Out)	(203,000)	(593,000)	(402,000)	(1,198,000)
Change in Net Position	2,907	(1,058,600)	89,222	(966,471)
Total Net Position - Beginning	934,322	12,252,515	1,766,221	14,953,058
Change in Accounting Principle	(14,451)	(25,282)	(7,679)	(47,412)
Net Position - Beginning, as restated	919,871	12,227,233	1,758,542	14,905,646
Total Net Position - Ending	$ 922,778	$ 11,168,633	$ 1,847,764	$ 13,939,175

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended September 30, 2025

	Business-type Activities - Enterprise Funds			
	Sanitation	**Water and Sewer**	**Marina**	**Total**
Cash Flows from Operating Activities				
Receipts from Customers and Users	$ 3,314,740	$ 10,128,187	$ 1,225,282	$ 14,668,209
Payments to Suppliers	(1,769,585)	(9,059,312)	(1,910,381)	(12,739,278)
Payments to Employees	(1,218,403)	(1,336,020)	(502,704)	(3,057,127)
Net Cash and Cash Equivalent Provided (Used) by Operating Activities	326,752	(267,145)	(1,187,803)	(1,128,196)
Cash Flows from Noncapital Financing Activities				
Operating Grants	16,146	-	-	16,146
Transfers (to) Other Funds	(203,000)	(593,000)	(402,000)	(1,198,000)
Transfers from Other Funds	-	747,264	-	747,264
Net Cash and Cash Equivalent Provided (Used) in Noncapital Financing Activities	(186,854)	154,264	(402,000)	(434,590)
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	(345,330)	(287,787)	(106,964)	(740,081)
Impact Fees Received	-	8,398	-	8,398
Capital Grants Received	-	215,727	-	215,727
Proceeds from Insurance Recoveries	-	-	1,892,633	1,892,633
Principal Payments	-	(413,962)	-	(413,962)
Interest Payments	-	(34,524)	-	(34,524)
Net Cash and Cash Equivalent Provided (Used) in Capital and Related Financing Activities	(345,330)	(512,148)	1,785,669	928,191
Cash Flows from Investing Activities				
Income Received from Investments	1,057	51,510	25,555	78,122
Net Cash and Cash Equivalent Provided in Investing Activities	1,057	51,510	25,555	78,122
Net Increase (Decrease) in Cash and Cash Equivalents	(204,375)	(573,519)	221,421	(556,473)
Cash and Cash Equivalents at Beginning of Year	257,521	3,137,614	663,670	4,058,805
Cash and Cash Equivalents at End of Year	$ 53,146	$ 2,564,095	$ 885,091	$ 3,502,332

Reconciliation of Cash and Cash Equivalents to Balance Sheet:

Total Unrestricted Cash and Cash Equivalents	$ 53,146	$ 1,791,093	$ 805,444	$ 2,649,683
Total Restricted Cash and Cash Equivalents	-	773,002	79,647	852,649
Cash and Cash Equivalents at End of Year	$ 53,146	$ 2,564,095	$ 885,091	$ 3,502,332

Continued

CITY OF GULFPORT, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For The Year Ended September 30, 2025

	Business-type Activities - Enterprise Funds			
	Sanitation	**Water and Sewer**	**Marina**	**Total**
Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents Provided (Used) by Operating Activities				
Operating Income (Loss)	$ 196,409	$ (1,453,975)	$ (1,426,966)	$ (2,684,532)
Depreciation and Amortization	136,942	1,130,486	195,577	1,463,005
Change in Assets, Deferred Outflows, Liabilities and Deferred Inflows:				
Deferred Outflows for OPEB	1,750	2,095	700	4,545
Deferred Outflows for Pensions	(34,202)	(43,627)	(11,870)	(89,699)
Deferred Inflows for Pensions	2,536	3,234	880	6,650
Deferred Inflows for OPEB	6,349	7,603	2,538	16,490
Total OPEB Liability	(5,466)	(6,546)	(2,185)	(14,197)
Net Pension Asset/Liability	18,901	24,109	6,559	49,569
(Increase) Decrease in Accounts Receivable	(8,854)	28,093	(9,242)	9,997
(Increase) Decrease in Due from Other Governments	-	600,220	-	600,220
(Increase) Decrease in Prepaids	-	(5)	-	(5)
(Increase) Decrease in Inventories	-	(4,544)	(43,093)	(47,637)
Increase (Decrease) in Accounts Payable	4,133	(517,688)	124,612	(388,943)
Increase (Decrease) in Due to Other Governments	-	(76,333)	(2,983)	(79,316)
Increase (Decrease) in Accrued Liabilities	705	1,090	(444)	1,351
Increase (Decrease) in Compensated Absences	7,549	(9,161)	(3,084)	(4,696)
Increase (Decrease) in Customer Deposits	-	47,804	(18,802)	29,002
Total Adjustments	130,343	1,186,830	239,163	1,556,336
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	$ 326,752	$ (267,145)	$ (1,187,803)	$ (1,128,196)

There were no noncash transactions.

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2025

ASSETS	
Cash and Cash Equivalents:	
Short Term Investments	$ 556,753
Total Cash and Cash Equivalents	556,753
Receivables:	
City Contributions in Transit	437,845
Additional City Contribution	82,472
Investment Income	35,727
Due from Government	48,946
Total Receivables	604,990
Investments, at Fair Value:	
U.S. Government Obligations	976,972
Asset-Backed Securities	1,923,985
Corporate Bonds	2,035,961
Mutual Funds:	
Equity	29,931,406
Real Estate	2,189,399
Fixed Income	11,787,312
Total Investments	48,845,035
Total Assets	50,006,778
LIABILITIES	
Prepaid City Contribution	44,403
Accounts Payable	13,520
Total Liabilities	57,923
Net Position Restricted for Pension Benefits	$ 49,948,855

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

CITY OF GULFPORT, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For the Year Ended September 30, 2025

ADDITIONS		
Contributions:		
City	$	1,721,156
Member		495,810
State		363,221
Total Contributions		2,580,187
Investment Income (Loss):		
Net Increase in Fair Value of Investments		1,986,275
Interest and Dividends		2,500,094
Less: Investment Expense (1)		(115,473)
Net Investment Income (Loss)		4,370,896
Total Additions		6,951,083
DEDUCTIONS		
Distributions to Members:		
Benefit Payments		1,938,158
Lump Sum PLOP Distributions		170,114
Refunds of Member Contributions		22,696
Total Distributions		2,130,968
Administrative Expense		195,260
Total Deductions		2,326,228
Change in Net Position		4,624,855
Net Position Restricted for Pension Benefits		
Beginning of Year		45,324,000
End of Year	$	49,948,855

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees
The notes to the financial statements are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Gulfport, Florida (the “City”), have been prepared in conformity with generally accepted accounting principles (“GAAP”), as applied to governmental units, which were promulgated by the Governmental Accounting Standards Board (“GASB”). A summary of the City’s significant accounting policies applied in the preparation of these financial statements follows.

A. REPORTING ENTITY

The City of Gulfport is a political subdivision of the state of Florida. The City was originally incorporated as the Town of Gulfport on October 12, 1910. This act was amended by Chapter 27580, No. 1101, Laws of Florida, Regular Session 1951, and approved by the Governor and filed with the Secretary of State, which changed the name to the City of Gulfport. The City provides a wide range of services that include police and fire protection, recreation and senior services, mini-bus service, public works services, central garage, and general administration. The City also operates several enterprise activities, including: sanitation, water and sewer, and a marina.

The City is a municipal corporation governed by an elected mayor and four-member council. As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable or entities that would be misleading to exclude. Blended component units, although legally separate entities are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Fiduciary component units include the City’s pension trust funds.

Blended Component Units

The City has included the Gulfport Community Redevelopment Agency (“CRA”) in these financial statements. The City Council (the "Council") is the governing body of this agency, which was approved by the Board of County Commissioners of Pinellas County under Chapter 163, Florida Statutes, to act as the redevelopment agency for the Gulfport Community Redevelopment Districts. The City approves the budget, provides funding, and performs all accounting functions for the CRA, and the CRA's services are provided exclusively to the City. There are two separate redevelopment districts in the City, which are referred to as the “Waterfront” and “49th Street” CRAs. The operations of these two CRAs are reported as special revenue funds. The stand-alone audited financial report for the City’s Waterfront CRA can be obtained from the City’s Finance Department. Fiscal year 2024 was the final year of the Waterfront CRAs funding and it will be closed out pursuant to Chapter 163, Florida Statutes.

Fiduciary Component Units

The City has included the General Employees’ Pension Plan, Firefighters’ Pension Plan, and Police Officers’ Pension Plan as fiduciary component units of the City because the City is legally obligated to contribute to the plans. They are included in the financial statements as pension trust funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

B. BASIC FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide statements (statement of net position and statement of activities) are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables, deferred outflows of resources, long-term liabilities, and deferred inflows of resources. The City's fiduciary funds are not included in the government-wide statements since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the City.

The government-wide statement of activities reports the gross and net cost for the various functional categories (general government, public safety, recreation, community development and redevelopment, and public works) of the City that are otherwise supported by general government revenues (property, sales and use tax, and certain intergovernmental revenues, etc.). For the most part, the effect of interfund activity has been removed from this statement. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses are those costs that are allocated to functions and activities in accordance with the City's indirect cost allocation plan. The "Expenses" column includes both direct and indirect expenses. Program revenues are defined as charges for services, and operating and capital grants and contributions that specifically relate to a specific program function. Charges for services include revenue arising from charges to customers or applicants who purchase, use or directly benefit from the goods, services, or privileges provided. Operating and capital grants and contributions consist of revenues received from governments, organizations, or individuals that are specifically attributable to an activity program for either operating expenses or capital expenses associated with the specific program.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. All non-major funds are summarized into a single column. The City has reported the General Fund and Capital Projects Fund as major funds. In addition, all three of the City's enterprise funds are major funds. The City has reported the 49^{th} Street Redevelopment District, Law Enforcement Trust, Library Fund, Waterfront Redevelopment District, and Capital Project Senior Center Fund as non-major funds.

C. MEASUREMENT FOCUS AND BASIS OF PRESENTATION

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. The minimum number of funds is maintained consistent with legal and managerial requirements. A fund is a separate accounting entity with a self-balancing set of accounts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

C. MEASUREMENT FOCUS AND BASIS OF PRESENTATION *(Continued)*

Funds are classified into three fund types: governmental, proprietary, and fiduciary. Each fund type is described below:

1. **Governmental Funds:**

   The focus of governmental fund measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources), rather than upon net income. The following is a description of the governmental funds that the City has presented:

   a) **General Fund** - This fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

   b) **Special Revenue Funds** - These funds are used to account for and report the proceeds of specific revenue sources (other than debt service or major capital projects) that are legally restricted or committed to expenditures for specified purposes. The City has four special revenue funds consisting of the Waterfront and 49th Street Redevelopment Districts discussed previously, the Library Fund to account for donations for the library, and the Law Enforcement Trust to account for forfeiture proceeds restricted in use by Florida Statutes.

   c) **Capital Projects Funds** – These funds are used to account for financial resources restricted, committed, or assigned to expenditure for the acquisition or construction of major governmental capital projects in the Capital Projects Fund, and capital outlays for the Capital Project Senior Center Fund.

2. **Proprietary Funds:**

   These funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

   Enterprise funds – These funds are used to account for those operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose. The Sanitation Fund is used to account for refuse collection activities, the Water and Sewer Fund to account for water and wastewater sales and services, and the Marina Fund to account for operations of the City's marina.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

C. MEASUREMENT FOCUS AND BASIS OF PRESENTATION *(Continued)*

2. Proprietary Funds: ***(Continued)***

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in conjunction with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of personnel, contractual services, supplies, maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

3. Fiduciary Funds:

Fiduciary funds account for assets held by the City in a trustee capacity. Trust funds account for assets held by the government under the terms of a formal trust agreement.

Pension Trust Funds - These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The pension trust funds account for the assets of the City's public safety employees' pension plans and the general employees' pension plan.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

All proprietary funds and pension trust funds are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

1. Modified Accrual:

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Those revenues susceptible to accrual are utility and franchise taxes, intergovernmental revenues and grants, state revenue sharing, and interest on pooled investments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING *(Continued)*

2. Accrual:

All proprietary and fiduciary funds are accounted for using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS, AND FUND EQUITY

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are carried at a mixture of fair value measurement and amortized cost because certain investments meet GASB Statement No. 31, as amended by GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*, which establishes criteria for external investment pools to qualify for making the election to measure all of their investments at amortized cost for financial reporting purposes. The City's investments in the Florida PRIME and Florida Surplus Asset Fund Trust (SAFE) are similar to money market funds in which units are owned in the fund rather than the underlying investments, and they are reported at amortized cost.

There are no limitations or restrictions on withdrawals from the Florida PRIME and SAFE. In the occurrence of an event that has a material impact on the liquidity or operations of the PRIME, the fund's executive director may limit contributions to or withdrawals from the PRIME for a period of 48 hours. For investments in SAFE, the fund's manager may suspend redemptions for up to five business days. The Office of the Auditor General of the State of Florida performs the operational audit of the activities and investments of the Florida PRIME. All other investments are carried at fair value.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Receivables and Payables ***(Continued)***

All accounts receivable is shown net of an allowance for uncollectible. The City maintains an allowance for estimated losses through ongoing estimates relating to the collectability of the accounts receivable.

Due to the nature of code enforcement violations brought before the special magistrate, the primary purpose of the fines assessed are to promote the abatement of the nuisance. The overarching goal of the City in regards to these types of issues is to gain compliance and abatement. Based on the history and understanding of these fines, the City believes the probability of collection is highly uncertain and would be offset with an allowance for uncollectible for the entire balance. The records and Magistrate's final orders are maintained by the City Clerk.

Property taxes, which were levied during fiscal year 2025 and are uncollected as of September 30, 2025, are immaterial and, therefore, not recorded as a receivable.

Inventories

Inventories are valued at cost using the first-in first-out ("FIFO") method and consist of expendable items held for consumption or resale. The cost of these items is recorded as expenditure or expense at the time the inventory item is consumed or sold.

Prepaid Expenditures/Expenses

Payments made to vendors for services that will benefit periods beyond September 30, 2025, are recorded as prepaid items. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, software, and infrastructure assets (i.e., roads, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial individual cost of more than $5,000 and an estimated useful life beyond one year. For lease right-to-use intangible assets, the City capitalizes when the asset value is $10,000 or greater. These assets are recorded at historical cost or estimated historical cost, if purchased, and acquisition value, if contributed or donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred and are not capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Capital Assets (*Continued*)

Depreciation and amortization on all capital assets is provided on a straight-line basis over the following estimated useful lives: buildings 20-50 years; improvements other than buildings, including infrastructure assets, 3-70 years; software 5 years; equipment 3-20 years; and right to use leases and SBITAs over the life of the contract.

Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation of employment. The liability for compensated absences includes salary-related benefits where applicable. The portion of the liability expected to be liquidated within the next year has been classified as a current liability. Amounts not expected to be liquidated within the next year are reported as a component of long-term liabilities. Both the current and long-term portion of compensated absences are accrued and reported in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations, retirements or terminations.

Leases and Subscription Based Information Technology Arrangements (SBITAs)

The City enters into many noncancelable leases for the right to use land, equipment and facilities throughout its operations. When the City is the lessee, the contracts result in recognition of a right-to-use intangible asset that is offset by a corresponding lease liability. When the City is the lessor, the contracts result in recognition of a lease receivable offset by a corresponding deferred inflow of resources. Lease intangible assets are reported with capital assets and lease liabilities are reported with long term liabilities on the government-wide and proprietary fund financial statements.

At the commencement of a lease when the City is the lessee, the City initially measures the lease liability at the present value of total payments over the lease term. The lease asset is measured as the value of the lease liability, adjusted for any prepayments, plus certain initial direct costs. At commencement of a lease when the City is the lessor, the City measures the lease receivable at the present value of expected rental receipts over the lease term. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for prepayments received prior to the lease commencement.

Estimates and judgments are sometimes made when determining the discount rate and overall term of the leases. The City monitors its leases for significant changes in circumstances that warrant a remeasurement of the lease liability and associated intangible asset, and/or lease receivable and associated deferred inflow of resources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Leases and SBITAs (*Continued*)

The City often enters into noncancelable SBITAs for the right to use subscription software throughout its operations. These contracts result in recognition of a right-to-use intangible asset that is offset by a corresponding SBITA liability. SBITA intangible assets are reported with capital assets and SBITA liabilities are reported with long term liabilities on the government-wide and proprietary fund financial statements.

At the commencement of a SBITA, the City initially measures the SBITA liability at the present value of total payments over the subscription term. The SBITA asset is measured as the value of the SBITA liability, adjusted for any prepayments, plus certain initial implementation costs. Estimates and judgments are sometimes made when determining terms of the SBITAs. The City monitors its SBITAs for significant changes in circumstances that warrant a remeasurement.

Net Pension Liability (Asset)

In the government-wide and proprietary statements, net pension liability or (asset) represents the present value of projected benefit payments to be provided through the single employer defined benefit pension plans to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension plans, pension expense, information about the fiduciary net position, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension investments are reported at fair value. The City allocated its net pension liability (asset), deferred outflows for pensions, deferred inflows for pensions, and pension expense to funds and functions/activities based on their respective contributions made to the pension plans during the measurement year.

Total Other Postemployment Benefits (OPEB) Liability

The total OPEB liability of the City of Gulfport Retiree Benefits Plan (the OPEB Plan) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. The plan is not administered through a trust.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Deferred Outflows of Resources / Deferred Inflows of Resources

The City reports deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expenditure or expense) until that applicable time. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that applicable time.

The City reports two items that qualify as deferred outflows of resources on its government-wide and proprietary statements of net position, deferred outflows for OPEB and pensions. The deferred outflows for OPEB and pensions are aggregates of items related to OPEB and pensions as calculated in accordance with GASB Statements No. 68 *Accounting and Financial Reporting for Pensions* and No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The deferred outflows for OPEB and pensions will be recognized as OPEB or pension expense, or as reductions of the total OPEB liability or net pension liability in future reporting years.

The City reports three items that qualify as deferred inflows of resources on its government-wide and proprietary statements of net position, deferred inflows for leases, OPEB and pensions. The deferred inflows for OPEB and pensions are aggregates of items related to OPEB and pensions as calculated under the same principles as deferred outflows for OPEB and pensions. Both will be recognized as reductions to OPEB and pension expenses in future reporting years. The deferred inflows for leases offset the lease receivable and will result in inflows of rental and interest income in future periods.

The City sometimes reports deferred inflows of resources on applicable governmental fund statements that represent revenues which are measurable but not available in accordance with the modified accrual basis of accounting. These deferred inflows will be recognized as revenue in the fiscal year they are earned and become available. The majority of these deferred inflows of resources represent intergovernmental receipts and reimbursements. The City also reports deferred inflows for leases that will be recognized in a systematic manner over the course of the lease.

Net Position

The government-wide and business-type activities financial statements utilize a net position presentation. Net position is presented in three components - net investment in capital assets, restricted, and unrestricted.

- **Net Investment in Capital Assets** - This component of net position consists of capital assets, net of accumulated depreciation and capital related debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Net Position *(Continued)*

- **Restricted**- This component consists of net position that has constraints placed either externally by third parties (grantors and contributors) or by law, through constitutional provisions of enabling legislation. The City would typically use restricted net position first, as appropriated opportunities arise, but reserves the right to selectively defer the use of these funds. A portion of the net position of the Water and Sewer Fund is restricted for improvement of the City's sewer system, through the use of sewer impact fees when unspent.
- **Unrestricted** - This component consists of net position that does not meet the definition of "net investment in capital assets" and "restricted." Allocations or earmarks of net position made by the City's management are included in this component because these types of constraints are internal and management can remove or modify them.

Fund Balance

In accordance with GAAP, the City classified governmental fund balances as follows:

- **Nonspendable Fund Balance** - Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the City's highest level of decision-making authority, which is an ordinance. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of action. The Council can establish, modify or rescind a fund balance commitment through the formal approval of an ordinance.
- **Assigned Fund Balance** - Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Council or (b) a body or official to which the Council has delegated the authority to assign amounts to be used for specific purposes. The City Manager has the official authority to assign fund balance in accordance with the City's Fund Balance Policy. Additionally, this category is used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Fund Balance (*Continued*)

- **Unassigned Fund Balance** - Unassigned fund balance is the residual classification for the General Fund and also includes deficit fund balances of other governmental funds.

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

Minimum Fund Balance Policy

It is the goal of the City to achieve and maintain an unassigned General Fund balance equal to 16% of the City's General Fund original budgeted expenditures for the respective fiscal year. These funds can only be used for an emergency as authorized in section 310 and 311 of the City Charter. If during any year, money is appropriated out of the unassigned fund and is spent in an amount that results in the unassigned funds being depleted below the required sixteen (16) percent budget minimum, then the Council shall in subsequent years add to the unassigned funds the lesser of a total of two hundred fifty thousand dollars ($250,000) per year or whatever amount is necessary to achieve unassigned funds that are sixteen (16) percent of the respective fiscal year. These additions shall continue until funds in the unassigned fund have been increased to equal at least sixteen (16) percent of the City's General Fund original budgeted expenditures for the respective fiscal year.

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

a) Prior to July 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures/expenses and the means of financing them.

b) Two public hearings are conducted to obtain taxpayer comments on the proposed budget.

c) Prior to October 1, the budget is legally enacted through passage of an ordinance for the General, Waterfront Redevelopment District, Capital Projects Fund, Sanitation, Water and Sewer, and Marina Funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. ASSETS, LIABILITIES, DEFERRED ELEMENTS AND FUND EQUITY *(Continued)*

Budgets and Budgetary Accounting ***(Continued)***

d) The City Manager may authorize budget adjustments if the total appropriations of the fund are not changed.

e) The City Manager is authorized to transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within any department in the general fund and within any other fund. At the request of the City Manager, the Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department to another or from one fund to another.

f) Budgets for enterprise funds are adopted using a financial flow basis and, as a result, are not consistent with GAAP in that depreciation is excluded and capital outlay cost is included. Formal budgetary integration is employed as a management control device during the year for the General, certain Special Revenue, major Capital Projects Fund and Enterprise Funds. Budgets for the governmental funds are adopted using a basis consistent with GAAP.

g) Lapse of Appropriations – All appropriations shall lapse at the end of the budget year to the extent that they shall not have been expended or lawfully encumbered. Amounts that are legally encumbered but not expended shall be carried forward and incorporated in the following year’s budget.

F. ENCUMBRANCES

Encumbrances represent contractual commitments in the form of purchase orders and contracts relating to governmental funds. Such encumbrances are not recorded as expenditures, but rather within restricted, committed or assigned fund balance depending on the method of approval of the contract or purchase order. Unencumbered appropriations lapse at year-end. The annual appropriations ordinance provides that outstanding encumbrances are to become supplemental appropriations in the respective departmental accounts in the ensuing fiscal year, unless cancelled.

G. PROPERTY TAXES

The assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the Pinellas County Property Appraiser and Pinellas County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten mills. The millage rate in effect for the fiscal year ended September 30, 2025 was 4.026 mills.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

G. PROPERTY TAXES *(Continued)*

The tax levy of the City is established by the Council prior to October 1 of each year, and the Pinellas County Property Appraiser incorporates the millage into the total tax levy, which includes the municipalities, independent districts, county, and the school board tax requirements.

All property is reassessed according to its fair value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the roll meets all of the appropriate requirements of State Statutes.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they were assessed, and at such time a lien on the property is recorded. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. The City does not accrue its portion of the county-held certificates due to the immateriality of the amount.

H. INTERFUND TRANSACTIONS

Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market value or near market value, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related costs 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 presentation. Amounts reported in the funds as receivables from or payable to fiduciary funds are included in the statement of net position as receivables from and payables to external parties.

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS

The City utilizes a consolidated cash pool to account for cash and investments of all City funds. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield, which are inherent to a larger investment pool. The account balances of each fund are reported as cash and cash equivalents and investments.

Cash and Pooled Cash

The City has one cash pool that maintains the deposits of all the governmental and enterprise funds of the City. Formal accounting records detail the individual equities of the participating funds. The cash pool utilizes a single checking account for all City receipts and disbursements.

Deposits

At September 30, 2025, the bank balance of the City's cash deposit accounts was $2,342,959 and the carrying amount of the demand deposits and cash on hand was $2,396,623. The cash deposits are held by a bank that qualifies as a public depository under the Florida Security and Public Deposits Act, as required by Chapter 280, Florida Statutes, and are considered fully insured.

Investments

Florida Statutes (218.415) authorize municipalities to invest excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the U.S. Government, U.S. Government Instrumentalities, State of Florida Local Government Surplus Funds Trust Fund, and mutual funds investing in U.S. Government securities.

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS *(Continued)*

Investments *(Continued)*

The City adopted its own investment policy that also authorizes the City to invest in the following: a) Florida Municipal Investment Trust Funds; b) SEC registered money market funds with the highest credit rating from a nationally recognized rating agency; c) obligations of government-sponsored corporations (instrumentalities - which are usually "AAA" rated but have no explicit government guarantee), which are eligible as collateral for advances to member banks, as determined by the Board of Governors of the Federal Reserve; d) collateralized mortgage obligations ("CMO's") with very accurately defined maturities issued by Federal Agencies and instrumentalities and limited to VATM/accretion directed CMO's or planned amortization class CMO's or sequential bonds CMO's; e) bankers' acceptance guaranteed by banking institutions with a bank rating of "AA" on its long-term debt; f) prime commercial paper having received an "A1/P1" or higher rating by a nationally recognized rating agency; g) non-negotiable certificates of deposit and bank investment contracts ("BIC"), which can be insured, collateralized at the Federal Reserve or qualify as state-qualified public deposits, as defined by Florida Statutes; h) taxable or tax-exempt government bonds, notes or other obligations of state or local governments, including municipal corporations and special districts, of investment-grade quality; i) repurchase agreements with a "primary securities dealer" or with the City's primary state certified public depository that are collateralized pursuant to State law and pursuant to a Master Repurchase Agreement entered into with the selling institution; j) auction rate securities (Dutch Auctions) rated "AA" or "AAA" with 28-35 day resets rated by a nationally-recognized rating agency; and k) corporate debt of corporations whose long-term debt is rated at least "AA-" or equivalent by a nationally recognized rating agency.

The City's investment policy states that, to the extent possible, investment maturities and liquidity shall be matched to anticipated cash flow requirements. Unless an investment is matched to a specific cash flow, such as a reserve requirement or other longer-term investment horizon, investments shall not have a maturity date of more than five (5) years from the date of purchase.

The City categorizes the fair value measurement of its investments based on the hierarchy established by GASB Statement No. 72 *Fair Value Measurement and Application*. The hierarchy has three levels based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. GASB 72 allows for the use of quoted prices provided by third parties. The City uses quoted prices provided by its third-party custodians for its pension trust funds.

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS *(Continued)*

Investments *(Continued)*

The City's investments reported at amortized cost as of September 30, 2025, are as follows:

	Fair Value	Weighted Average Maturity	Credit Rating
Florida Surplus Asset Fund Trust (SAFE)	$ 8,684,870	39 days (1)	S&P AAAm
Florida PRIME	2,082,932	47 days (1)	S&P AAAm
Total Investments	$ 10,767,802		

The FL SAFE and Florida PRIME are reported as cash equivalents in the financial statements.

Interest Rate Risk- In compliance with the City's investment policy, as of September 30, 2025, the City minimized the interest rate risk related to the decline in fair value of securities due to rising interest rates, by limiting the effective duration of security types not to exceed five (5) years, with the exception of securities related to a specific cash flow, such as a reserve fund and investing operating funds in primarily shorter term securities or similar government investment pools so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity.

Credit Risk - In compliance with the City's Investment Policy, as of September 30, 2025, the City minimized credit risk losses due to default of a security issuer or backer by limiting investments to the safest types of securities, U.S. Government Agency securities and government investment pools, and by pre-qualifying the financial institutions with which the City does business. Mortgage-backed U.S. Government Agencies securities are collateralized mortgage obligations restricted to those backed by GMNA, FHLMC, or FNMA and must pass the FIEC high-risk security test. Additional information on pension investments can be found in Note 8.

General Employees' Pension Fund

Cash and Cash Equivalents

Salem Trust Company periodically holds uninvested cash in its capacity as custodian of the General Employees' Pension Fund (the "Pension Fund"). These funds exist temporarily as cash in the process of collection from the sale of securities. Money market funds with original maturities of three months or less, totaling $146,787, are reported as cash equivalents and valued at amortized cost.

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS *(Continued)*

General Employees' Pension Fund *(Continued)*

The Board of Trustees of the Pension Fund are authorized to invest and reinvest in such securities or property, real or personal, as shall be approved by the Board of Trustees, including, but not limited to, stocks, common or preferred, bonds, so long as such stocks or bonds retain one of the three highest quality ratings on a major recognized rating service, and other evidence of indebtedness or ownership, including shares or units of common trust funds approved as investments for pension and profit-sharing plans.

The Pension Fund held the following investments with fair value measurements as of September 30, 2025:

	Fair Value	Weighted Average Maturity	Credit Rating
Equity Mutual Funds	$ 13,510,225	n/a	n/a
Real Estate MF	749,387	n/a	n/a
Fixed Income Mutual Funds	8,918,679	see below	A
Total Investments	$ 23,178,291		

Fixed income mutual funds with Dodge and Cox Income Fund have weighted average maturity of 8.97 years, and with PIMCO Diversified have weighted average maturity of 8.49 years with an average credit rating of A.

	Fair Value Measurements Using		
	Quoted Priced in Active Markets Level 1	Significant Observable Input Level 2	Significant Unobservable Level 3
Equity Mutual Funds	$ 13,510,225	$ -	$ -
Real Estate MF	-	-	749,387
Fixed Income Mutual Funds	8,918,679	-	-
Total Investments	$ 22,428,904	$ -	$ 749,387

Real estate investments in Level 3 are valued using discounted cash flows techniques.

Credit Risk- The Pension Fund minimizes credit risk by investing in mutual funds.

Interest Rate Risk- Through its investment policies, the Pension Fund manages its exposure to fair value losses arising from increasing interest rates by investing in short-term money market-type funds that can be liquidated immediately.

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS *(Continued)*

Police Pension Fund

Cash and Cash Equivalents

Salem Trust Company periodically holds uninvested cash in its capacity as custodian of the Police Pension Fund (the "Police Pension"). These funds exist temporarily as cash in the process of collection from the sale of securities. Money market funds with original maturities of three months or less, totaling $330,561, are reported as cash equivalents and valued at amortized cost.

Investments

The Board of Trustees of the Police Pension are authorized to invest in annuity and life insurance contracts with life insurance companies; time, savings, and money market accounts of an institution insured by the Federal Deposit Insurance Corporation; obligations of the U.S. Government or an agency or instrumentality of the U.S. Government, including mortgage-related securities; domestic and international equity securities, such that not more than 5% of the Police Pension's assets shall be invested in the common stock of any one issuing company, no more than 10% of the Police Pension's assets shall be invested in foreign securities, and no more than 60% of the aggregate investments shall be invested in common stock or convertible securities.

The Police Pension held the following investments with fair value measurements as of September 30, 2025:

	Fair Value	Weighted Average Maturity	Credit Rating
US Government Obligations	$ 976,972	10.84 Years	Aa1 / AA+
Asset-backed Securities	1,923,985	8.71 Years	Aa1 / AA+
Corporate Bonds	2,035,961	6.27 Years	A3 / A-
Equity Mutual Funds	10,551,715	n/a	n/a
Real Estate MF	993,147	n/a	n/a
Total Investments	$ 16,481,780		

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS *(Continued)*

Police Pension Fund *(Continued)*

	Fair Value Measurements Using		
	Quoted Priced in Active Markets Level 1	Significant Observable Input Level 2	Significant Unobservable Level 3
US Government Obligations	$ 237,472	$ 739,500	$ -
Asset-backed Securities	-	1,923,985	-
Corporate Bonds	-	2,035,961	-
Equity Mutual Funds	10,551,715	-	-
Real Estate MF	-	-	993,147
Total Investments	$ 10,789,187	$ 4,699,446	$ 993,147

Debt securities in Level 2 are valued using a matrix pricing technique. Real estate investments in Level 3 are valued using discounted cash flows techniques.

Credit Risk - To mitigate credit risk, the Police Pension's investment policy limits the minimum credit quality rating of investments, as rated by nationally recognized statistical rating organizations (NRSROs).

Interest Rate Risk - Through its investment policies, the Police Pension manages its exposure to fair value losses arising from increasing interest rates by investing in bond mutual funds and short-term money market-type funds that can be liquidated immediately.

Firefighters' Pension Fund

Cash and Cash Equivalents

Salem Trust periodically holds uninvested cash in its capacity as custodian of the Firefighters' Pension Fund (the "Firefighters' Pension"). These funds exist temporarily as cash in the process of collection from the sale of securities. Money market funds with original maturities of three months or less, totaling $79,405, are reported as cash equivalents and valued at amortized cost.

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS *(Continued)*

Firefighters' Pension Fund *(Continued)*

Investments

The Board of Trustees of the Firefighters' Pension are authorized to invest in annuity and life insurance contracts with life insurance companies; time, savings, and money market accounts of an institution insured by the Federal Deposit Insurance Corporation; obligations of the U.S. Government or an agency or instrumentality of the U.S. Government, including mortgage-related securities; domestic and international equity securities, such that not more than 5% of the Firefighters' Pension's assets shall be invested in the common stock of anyone issuing company, no more than 10% of the Firefighters' Pension's assets shall be invested in foreign securities, and no more than 65% of the aggregate investments shall be invested in common stock or convertible securities.

The Firefighters' Pension held the following investments with fair value measurements as of September 30, 2025:

	Fair Value	Weighted Average Maturity	Credit Rating
Real Estate MF	$ 446,865	n/a	n/a
Equity Mutual Funds	5,869,466	n/a	n/a
Fixed Income Mutual Funds	2,868,633	see below	A
Total Investments	$ 9,184,964		

	Fair Value Measurements Using		
	Quoted Priced in Active Markets Level 1	Significant Observable Input Level 2	Significant Unobservable Level 3
Real Estate MF	$ -	$ -	$ 446,865
Equity Mutual Funds	5,869,466	-	-
Fixed Income Mutual Funds	2,868,633	-	-
Total Investments	$ 8,738,099	$ -	$ 446,865

Real estate investments in Level 3 are valued using discounted cash flows techniques.

Fixed income mutual funds with Dodge and Cox Income Fund have weighted average maturity 8.97 years, and with PIMCO Diversified have weighted average maturity of 8.49 years with an average credit rating of A.

NOTE 2 - CASH, POOLED CASH, AND INVESTMENTS *(Continued)*

Firefighters' Pension Fund *(Continued)*

Investments *(Continued)*

Credit Risk - To mitigate credit risk, the Firefighters' Pension's investment policy limits the minimum credit quality rating of investments, as rated by nationally recognized statistical rating organizations (NRSROs).

Interest Rate Risk - Through its investment policies, the Firefighters' Pension manages its exposure to fair value losses arising from increasing interest rates by investing in mutual bond funds and short-term money market-type funds that can be liquidated immediately.

NOTE 3 - RECEIVABLES

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

	General Fund	Capital Projects Fund	Sanitation Fund	Water and Sewer Fund	Marina Fund	Non-major Governmental Fund	Total
Accounts Receivable:							
Billed	$ 970,246	$ 183,640	$ 198,719	$ 587,220	$ 61,831	$ 1,090	$ 2,002,746
Unbilled	29,352	-	222,441	677,498		-	929,291
Payroll Advance	2,883	-	-	380	325	-	3,588
Code Enforcement Liens	78,952	-	-	-	-	-	78,952
Total Receivables	1,081,433	183,640	421,160	1,265,098	62,156	1,090	3,014,577
Allowance for Uncollectibles	(41,094)	-	(24,581)	(160,436)	(35,573)	-	(261,684)
Net Total Receivables	$ 1,040,339	$ 183,640	$ 396,579	$ 1,104,662	$ 26,583	$ 1,090	$ 2,752,893

Lease Receivables and Revenue

The City is the lessor in contracts with Verizon Wireless for the right to use land for a cell tower, and Boca Ciega Yacht Club and Gulfport Yacht Club for rights to use facility space. The terms include fixed annual payments through November 2028 with interest rates ranging from 1.2%-1.4%. The City has $228,112 in outstanding lease receivable at September 30, 2025. During the fiscal year, the City recognized $110,136 in lease revenue and $4,404 in lease interest revenue.

NOTE 4 - INTERFUND TRANSFERS

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

Fund	Transfers In	Transfers Out
General	$ 1,198,000	$ 300,000
Capital Projects	-	447,264
Sanitation	-	203,000
Water and Sewer	747,264	593,000
Marina	-	402,000
Total	$ 1,945,264	$ 1,945,264

The transfers into the General Fund were made by Sanitation, Water & Sewer and the Marina and represent payments in lieu of taxes (PILOT). The Capital Project Fund transferred funds to Water & Sewer to support repayment on the State Revolving Loan.

NOTE 5 - CAPITAL ASSETS

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

Governmental Activities:	Beginning Balance 10/1/2024	Additions	Deletions	Transfers	Ending Balance 9/30/2025
Non-depreciated Assets:					
Land	$ 592,072	$ -	$ -	$ -	$ 592,072
Construction in Progress	401,676	170,182	-	(200,573)	371,285
Depreciated and Amortized Assets:					
Buildings	10,798,349	-	(44,285)	-	10,754,064
Infrastructure and Improvements	24,225,557	656,860	(159,243)	200,573	24,923,747
Right-to-Use Lease Equipment	18,091	-	-	-	18,091
Right-to-Use Software Subscriptions	138,425	-	-	-	138,425
Equipment	7,495,609	1,645,183	(213,258)	-	8,927,534
Software	445,145	-	(144,241)	-	300,904
Total Capital Assets at Historical Cost	44,114,924	2,472,225	(561,027)	-	46,026,122
Less Accumulated Depreciation and Amortization for:					
Buildings	6,829,160	192,292	(28,289)	-	6,993,163
Infrastructure and Improvements	16,682,939	1,085,523	(159,076)	-	17,609,386
Right-to-Use Lease Equipment	10,855	3,618	-	-	14,473
Right-to-Use Software Subscriptions	31,535	36,405	-	-	67,940
Equipment	5,834,976	631,294	(200,692)	-	6,265,578
Software	440,435	2,938	(144,221)	-	299,152
Total Accumulated Depreciation and Amortization	29,829,900	1,952,070	(532,278)	-	31,249,692
Governmental Activities Capital Assets, Net	$ 14,285,024	$ 520,155	$ (28,749)	$ -	$ 14,776,430

NOTE 5 - CAPITAL ASSETS *(Continued)*

Business-Type Activities:	Beginning Balance 10/1/2024	Additions	Deletions	Transfers	Ending Balance 9/30/2025
Non-depreciated Assets:					
Land	$ 20,000	$ -	$ -	$ -	$ 20,000
Construction in Progress	914,148	219,519	-	(995,061)	138,606
Depreciated and Amortized Assets:					
Buildings	1,556,390	-	-	-	1,556,390
Infrastructure and Improvements	35,488,490	-	-	995,061	36,483,551
Equipment	5,202,919	520,562	(100,642)	-	5,622,839
Software	69,953	-	(16,575)	-	53,378
Total at Historical Cost	43,251,900	740,081	(117,217)	-	43,874,764
Less Accumulated Depreciation and Amortization for:					
Buildings	994,645	49,107	-	-	1,043,752
Infrastructure and Improvements	19,567,018	1,105,753	-	-	20,672,771
Equipment	3,982,463	308,145	(100,642)	-	4,189,966
Software	69,953	-	(16,575)	-	53,378
Total Accumulated Depreciation and Amortization	24,614,079	1,463,005	(117,217)	-	25,959,867
Business-Type Activities Capital Assets, Net	$ 18,637,821	$ (722,924)	$ -	$ -	$ 17,914,897

Depreciation and amortization were charged to governmental activities, as follows:

General Government	$ 124,720
Public Safety	338,615
Leisure Services	495,615
Community Development/ Redevelopment	368,439
Public Works	624,681
	$ 1,952,070

Depreciation and amortization were charged to business-type activities: $136,942 to sanitation, $1,130,486 to water and sewer, and $195,577 to marina operations.

NOTE 6 - RISK MANAGEMENT

The City is subject to losses in the normal course of operations resulting from general liability, property and casualty; workers' compensation; employee health and accident; environmental, and antitrust matters. The City has purchased commercial insurance to protect against employee health losses. The City participates in the Public Risk Management of Florida for purposes of protecting against workers' compensation losses; real and personal property losses; automobile damage; and general liability, including malpractice, and errors and omissions. The City does not self-insure against any risks. To the extent that the City has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter.

There has been no significant reduction in insurance coverage from the prior year. In addition, there have been no settlements which exceeded the City's insurance coverage for each of the past three fiscal years. The Public Risk Management of Florida is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool requires additional funding to satisfy all claims. The City has not been assessed any additional insurance premiums during the last three years, nor is the City aware of any contingent assessments.

NOTE 7 - LONG TERM LIABILITIES

The City's long-term liabilities consist of lease liability, notes from direct borrowing, accrued compensated absences, other postemployment benefits liability, and net pension liability. The change in long term liabilities is as follows:

	Balance 10/1/2024 *	Additions	Deletions	Balance 9/30/2025	Due in One Year
Governmental Activities:					
Compensated Absences	$ 1,527,651	$ 159,255	$ -	$ 1,686,906	$ 671,333
SBITA Liability	87,778	-	(33,765)	54,013	36,125
Lease Liability	8,547	-	(3,780)	4,767	4,767
Net Pension Liability	5,490,254	2,111,502	(1,810,796)	5,790,960	-
Total OPEB Liability	841,162	-	(60,788)	780,374	25,848
	$ 7,955,392	$ 2,270,757	$ (1,909,129)	$ 8,317,020	$ 738,073
Business-Type Activities:					
Compensated Absences	$ 265,830	$ -	$ (4,696)	$ 261,134	$ 122,652
Notes from Direct Borrowing	7,133,144	-	(413,962)	6,719,182	415,934
Net Pension Liability	163,844	49,569	-	213,413	-
Total OPEB Liability	175,465	-	(14,197)	161,268	-
	$ 7,738,283	$ 49,569	$ (432,855)	$ 7,354,997	$ 538,586

* Beginning balances have been restated due to the effects of implementing GASB Statement No. 101, *Compensated Absences*.

Governmental activities total OPEB liability and net pension liability will be liquidated in future periods primarily by the General Fund. Compensated absences activity for the year is reported net.

NOTE 7 - LONG TERM LIABILITIES (*Continued*)

Notes from Direct Borrowing - State Revolving Loan

The City has entered into four agreements with the Florida Department of Environmental Protection (FDEP); The Sanitary Sewer Evaluation Study (SSES); the SSES Phase I Construction; and the Lift Station 2 Force Main Extension and Lift Station Improvement agreement. The agreements are funded through the Clean Water State Revolving Fund (SRF) Loan Program protected under the Federal Clean Water Act. The original principal amount of the loans are as follows:

- SSES Phase I Planning, $1,665,977; interest rate of 2.12%
- SSES Phase II Planning, $599,162; interest rate of 1.05%
- SSES Phase I Construction, $2,997,327; interest rate of 0.05%
- Lift Station 2 Force Main Extension and Lift Station Improvement, $3,041,695, interest rate of 0.00%

SSES Phase I Planning and SSES Phase II Planning began repayment in FY20, SSES Phase I Construction began repayment in FY21, the Lift Station 2 Force Main Extension and Lift Station Improvement began repayment in FY23.

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the loan. The loan is payable solely from water and sewer customer net revenues and is payable through 2042. Rate coverage for the loan requires that the pledged revenues equal or exceed 1.15 times the sum of the semiannual loan payments due in the fiscal year. The pledged revenues were $39,070 less than the required coverage in fiscal year 2025 due to unforeseen costs resulting from the hurricanes in the beginning of the fiscal year. These costs should not be repeated and the future debt service will be paid on time. The total principal and interest paid for the current year were $447,265. Total pledged revenues of $9,503,580 less operating expenses of $9,775,559 amount to net pledged revenue deficit of $271,979. The total principal and interest to be paid on the loan is $6,960,235.

Future debt service payments on the SRF Loan are as follows:

FY Ending	Principal	Interest
2026	$ 415,934	$ 31,332
2027	417,944	29,321
2028	419,992	27,272
2029	422,079	25,185
2030	424,206	23,058
2031-2035	2,154,385	81,937
2036-2040	2,076,823	22,948
2041-2043	387,819	-
	$ 6,719,182	$ 241,053

NOTE 7 - LONG TERM LIABILITIES (*Continued*)

Notes from Direct Borrowing - State Revolving Loan (continued)

Under all four agreements with the State Revolving Fund, upon occurrence of an event of default, the FDEP may provide notice to the Florida Auditor General and Chief Financial Officer regarding delinquency of debt service payments, and intercept delinquent amounts from unobligated revenue or tax-sharing funds due to the City. The FDEP may impose a penalty of 18% annually on the amount due. Additionally, the FDEP may accelerate the repayment schedule or increase the financing rate up to 1.667 times the current rate.

Lease Liability

The City is the lessee of a Pitney Bowes Sendpro-P postage machine. The fixed quarterly payments are $1,103 through September 2026 at an interest rate of 2.2%. The City's lease liability at September 30, 2025 is $4,767. The final debt service payment at September 30 is as follows.

FY Ending	Principal	Interest
2026	$ 4,767	$ 249

SBITA Liability

The City is the user of Andrews timekeeping and Granicus data subscription software. The fixed annual payments are $18,300 through July 2027 at an interest rate of 2.74% for Andrews and annual payments from $16,400 to $18,776 through October 2025 at an interest rate of 3.63% for Granicus. The City's SBITA liability at September 30, 2025 is $54,013. Future debt service payments at September 30 are as follows.

FY Ending	Principal	Interest
2026	$ 36,125	$ 951
2027	17,888	412
	$ 54,013	$ 1,363

NOTE 8 - PENSION PLANS

Pension Plan Financial Statements

CITY OF GULFPORT, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2025

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total
ASSETS				
Cash and Cash Equivalents:				
Short Term Investments	$ 146,787	$ 330,561	$ 79,405	$ 556,753
Total Cash and Cash Equivalents	146,787	330,561	79,405	556,753
Receivables:				
City Contributions in Transit	197,492	134,696	105,657	437,845
Additional City Contribution	6,036	8,894	67,542	82,472
Investment Income	-	35,727	-	35,727
Due From Government	-	4,035	44,911	48,946
Total Receivable	203,528	183,352	218,110	604,990
Investments, at Fair Value:				
U.S. Government Obligations	-	976,972	-	976,972
Asset-backed Securities	-	1,923,985	-	1,923,985
Stocks	-	-	-	-
Corporate Bonds	-	2,035,961	-	2,035,961
Mutual Funds:				
Equity	13,510,225	10,551,715	5,869,466	29,931,406
Real Estate	749,387	993,147	446,865	2,189,399
Fixed Income	8,918,679	-	2,868,633	11,787,312
Total Investments	23,178,291	16,481,780	9,184,964	48,845,035
Total Assets	23,528,606	16,995,693	9,482,479	50,006,778
LIABILITIES				
Accounts Payable	8,049	45,191	4,683	57,923
Total Liabilities	8,049	45,191	4,683	57,923
Net Position Restricted for Pension Benefits	$ 23,520,557	$ 16,950,502	$ 9,477,796	$ 49,948,855

NOTE 8 - PENSION PLANS (*Continued*)

Pension Plan Financial Statements (*Continued*)

CITY OF GULFPORT, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For the Year Ended September 30, 2025

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total
ADDITIONS				
Contributions				
City	$ 768,140	$ 482,423	$ 470,593	$ 1,721,156
Member	162,029	235,135	98,646	495,810
State	-	164,890	198,331	363,221
Total Contributions	930,169	882,448	767,570	2,580,187
Investment Income (Loss)				
Net Increase (Decrease) in Fair Value of Investments	546,287	1,033,616	406,372	1,986,275
Interest & Dividends	1,403,657	630,384	466,053	2,500,094
Less: Investment Expense [1]	(37,528)	(48,460)	(29,485)	(115,473)
Net Investment Income (Loss)	1,912,416	1,615,540	842,940	4,370,896
Total Additions	2,842,585	2,497,988	1,610,510	6,951,083
DEDUCTIONS				
Distributions to Members:				
Benefit Payments	1,070,836	652,996	214,326	1,938,158
Lump Sum Distributions	23,103	147,011	-	170,114
Refunds of Member Contributions	7,251	15,445	-	22,696
Total Distributions	1,101,190	815,452	214,326	2,130,968
Administrative Expense	84,385	54,150	56,725	195,260
Total Deductions	1,185,575	869,602	271,051	2,326,228
Change in Net Position	1,657,010	1,628,386	1,339,459	4,624,855
Net Position - Beginning of Year	21,863,547	15,322,116	8,138,337	45,324,000
Net Position - End of Year	$ 23,520,557	$ 16,950,502	$ 9,477,796	$ 49,948,855

[1] Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTE 8 - PENSION PLANS (*Continued*)

Summary of Significant Accounting Policies

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

Method Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Plan Description

Plan Administration. The City contributes to three single-employer defined benefit pension plans covering all full-time City employees, which are maintained as Pension Trust Funds and reported as fiduciary funds of the City. The Council has the authority to establish and amend plan benefits. The pension plans do not issue stand-alone financial reports; however, more information on each individual plan can be found in this section. The pension plans are administered by an independent Board of Trustees and accounted for as separate funds. The accounting information with respect to these funds has been provided to the City by the insurance company and the banks, which maintain custody over their assets.

General Employees' Pension Plan (GEPP) covers all permanent, full-time City employees, except those employees covered by the Police or Fire Pension Plans, the City Manager, the Department Directors, and the City Clerk. The plan is administered by a Board of Trustees comprised of four members of the plan, two Council appointees, and the administrative services director.

Police Officers' Pension Plan (PPP) covers all non-civilian police department employees. The plan is administered by a Board of Trustees comprised of two Council appointees, two members of the department elected by membership, and the fifth member elected by the other four and appointed by Council.

Firefighters' Pension Plan (FPP) covers all firefighters. The plan is administered by a Board of Trustees comprised of two Council appointees, two members of the department elected by membership, and the fifth member elected by the other four and appointed by Council.

NOTE 8 - PENSION PLANS (*Continued*)

Plan Description (*Continued*)

Plan Membership as of October 1, 2024

	GEPP	PPP	FPP
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	86	24	24
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	119	17	9
Active Plan Members	97	29	19
	302	70	52

Benefits Provided

General Employees' Pension Plan (GEPP):

The GEPP provides retirement, termination and death benefits.

Normal Retirement:

Date: The attainment of age 62 with 5 years of Credited Service.

Benefit: 2.3% of Average Compensation times Credited Service.

Early Retirement:

Date: Attainment of age 55 with 5 years of Credited Service.

Benefit: Accrued Benefit on Early Retirement Date, actuarially reduced for each year that Early Retirement precedes Normal Retirement.

Termination of Employment:

Vesting Schedule:	Years of Service	Vested %
	Less than 5	0%
	5 or more	100%

Benefit: Vested Accrued benefit payable at 62 (unreduced) or Early Retirement Date (reduced).

Pre-Retirement Death Benefit:

Eligibility: 5 Years of Credited Service.

Benefit: Accrued benefit payable for 10 years beginning at the member's otherwise Early Retirement Date (reduced) or Normal Retirement Date (unreduced).

DROP Balance:

The balance of the GEPP DROP is $69,792.

NOTE 8 - PENSION PLANS (*Continued*)

Plan Description (*Continued*)

Benefits Provided (Continued)

Firefighters' Pension Plan (FPP):

The FPP provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: Earlier of: 1) Age 55 and completion of 10 years of Credited Service
2) Age 52 and the completion of 25 years of Credited Service or
3) the completion of 30 years of Credited Service, regardless of age.

Benefit: 3.37% of Average Final Compensation Times Years of Credited Service.

Early Retirement:

Eligibility: Age 50 and the completion of 10 years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year

Vesting:

Schedule: 100% after 10 years of Credited Service.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability:

Eligibility: Service Incurred: Covered from Date of Employment.
Non-Service Incurred: 10 years of Credited Service.

Benefit Service Incurred: Greater of: $250 per month, accrued benefit, or 50% of average final compensation.

Benefit Non-service Incurred: Accrued Benefit.

Pre-Retirement Death Benefits:

Prior to vesting: Refund of Accumulated Member Contributions

Vested: Accrued Benefit payable for 10 years at the otherwise Early (reduced) or Normal Retirement Date.

Post Retirement Death Benefits:

Benefits payable to beneficiary in accordance with option selected at retirement.

Cost-Of-Living Adjustments:

Members who retire or terminate employment after April 21, 2009 receive 2.0% increases each year from Age 55 to Age 65.

Annual Supplemental Payment:

Each March 1, each current retiree receives a benefit increase in the amount of 3.0% of the State contribution received in the prior year, subject to a maximum increase for all retirees equal to 10.0% of the State contribution.

Chapter 175 Share Accounts:

Chapter 2015-39 allows City to use 90% of the State monies to offset funding requirements or reduce the Unfunded Actuarial Accrued Liability (UAAL), and 10% of State monies are allocated to current retirees.

NOTE 8 - PENSION PLANS (*Continued*)

Plan Description (*Continued*)

Benefits Provided (Continued)

Police Officers' Pension Plan (PPP):

The PPP provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of: 1) Age 55 and 10 years of Credited Service, or
2) 25 years of Credited Service.

Benefit: 3.0% of Average Final Compensation Times Credited Service.

Early Retirement:

Eligibility: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year for each year that Early Retirement precedes Normal Retirement.

Vesting:

Schedule: 100% after 10 years of Credited Service.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date (unreduced) or Early Retirement Date (reduced).

Disability:

Eligibility: Service Incurred: Covered from Date of Employment. Non-Service Incurred: 10 years of Credited Service.

Benefit: Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).

Pre-Retirement Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested: Refund of accumulated contributions without interest.

Chapter 185 Share Accounts:

Chapter 2015-39 allows City to use 90% of the State monies to offset funding requirements or reduce the Unfunded Actuarial Accrued Liability (UAAL), and 10% of State monies are allocated to current retirees.

DROP Balance:

The balance of the PPP DROP is $92,712.

Contributions. Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes. The Council has the authority to establish and amend contribution amounts. The City contributed $768,140 to the GEPP, $647,313 to the PPP, and $649,091 to the FPP, including state contributions for the PPP and FPP.

NOTE 8 - PENSION PLANS (*Continued*)

For the year ended September 30, 2025 the active member contribution rate and the City's contribution rate was as follows:

	GEPP	PPP	FPP
Active member contribution rate	2.70%	8.50%	5.00%
City's contribution rate	5.70%	10.70%	11.80%

Investments

Investment Policy. The following was the Board's adopted asset allocation policy as of September 30, 2025:

	Target Allocation		
	GEPP	PPP	FPP
Domestic Equity	40%	45%	45%
International Equity	10%	15%	15%
Domestic Fixed Income	30%	30%	25%
Global Fixed Income	5%	--	5%
Global Tactical Asset Allocation	5%	--	--
Real Estate	5%	10%	10%
REITS	5%	--	--
	100%	100%	100%

Concentrations. The Plans did not hold investments in any one organization that represent 5 percent or more of the Plan's fiduciary net positions.

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 8.84% for GEPP, 10.63% for PPP, and 10.31% for FPP.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability and Actuarial Assumptions

The City's aggregate net pension liability is $6,004,373. The components of the City's net pension liability of the Plans as of September 30, 2025 were as follows:

	GEPP	PPP	FPP
Total Pension Liability	$ 24,139,931	$ 20,438,923	$ 11,374,374
Plan Fiduciary Net Position	23,520,557	16,950,502	9,477,796
City's Net Pension Liability	$ 619,374	$ 3,488,421	$ 1,896,578
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.43%	82.93%	83.33%

NOTE 8 - PENSION PLANS (*Continued*)

Net Pension Liability and Actuarial Assumptions (*Continued*)

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

	GEPP	PPP	FPP
Inflation	2.50%	2.50%	2.50%
Salary Increases	Service based	Service based	Service based
Discount Rate	6.80%	7.15%	7.10%
Investment Rate of Return	6.80%	7.15%	7.10%

Mortality rates were factored using the following:

GEPP – Healthy Active Lives PubG.H-2010 for Employees: Males – set back one year; Females – no adjustment. Healthy Retiree Lives PubG.H-2010 for Healthy Retirees: Males – set back one year; Females – no adjustment. Beneficiary Lives PubG.H-2010 for Healthy Retirees: Males – set back one year; Females – no adjustment. Disabled Lives PubG.H-2010 for Disabled Retirees: Males and Females – set forward four years. All rates are projected generationally with mortality improvement scale MP-2021. The significant assumptions were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2024 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

PPP - Healthy Active Lives PubS-2010 for Employees: Males – set forward one year; Females - no adjustment. Healthy Retiree Lives PubS-2010 for Healthy Retirees: Males – set forward one year; Females – no adjustment. Beneficiary Lives PubG.H-2010 for Healthy Retirees: Males – set back one year; Females – no adjustment. Disabled Lives PubG.H-2010 for Disabled Retirees: Males - no adjustment; Females - set forward one year. All rates are projected generationally with mortality improvement scale MP-2021. The significant assumptions were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2024 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

NOTE 8 - PENSION PLANS (*Continued*)

Net Pension Liability and Actuarial Assumptions (*Continued*)

FPP - Healthy Active Lives PubS-2010 for Employees: Males – set forward one year; Females – no adjustment. Healthy Retiree Lives PubS-2010 for Healthy Retirees: Males – set forward one year; Females - no adjustment. Beneficiary Lives PubG.H-2010 for Healthy Retirees: Males – set back one year; Females – no adjustment. Disabled Lives PubG.H-2010 for Disabled Retirees: Males - no adjustment; Females - set forward one year. All rates are projected generationally with mortality improvement scale MP-2021. The significant assumptions were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2024 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Long Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

	Long Term Expected Real Rate of Return		
	GEPP	PPP	FPP
Domestic Equity	7.5%	7.5%	7.5%
International Equity	8.5%	8.5%	8.5%
Domestic Fixed Income	2.5%	2.5%	2.5%
Global Fixed Income	3.5%	--	3.5%
Global Tactical Asset Allocation	3.5%	--	--
Real Estate	4.5%	4.5%	4.5%
REITS	2.5%	--	--

NOTE 8 - PENSION PLANS (*Continued*)

Net Pension Liability (Asset) and Actuarial Assumptions (*Continued*)

Discount Rate Sensitivity Analysis

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following tables present the sensitivity of the net pension liability (asset) to changes in the discount rate.

	GEPP		
	1% Decrease 5.80%	Discount Rate 6.80%	1% Increase 7.80%
Net Pension Liability	$ 3,528,065	$ 619,374	$ (1,807,347)

	PPP		
	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability	$ 6,057,111	$ 3,488,421	$ 1,363,141

	FPP		
	1% Decrease 6.10%	Discount Rate 7.10%	1% Increase 8.10%
Net Pension Liability	$ 3,453,230	$ 1,896,578	$ 579,648

NOTE 8 - PENSION PLANS (*Continued*)

Net Pension Liability (Asset), Deferred Outflows/Deferred Inflows of Resources, and Pension Expense for the City's Defined Benefit Plans

The following table presents the change in net pension liability (asset) of the City's Plans as of the measurement date of September 30, 2025.

`	GEPP	PPP	FPP	Total
Total Pension Liability				
Service Cost	$ 520,714	$ 411,247	$ 263,755	$ 1,195,716
Interest	1,517,343	1,336,209	717,542	3,571,094
Change in Excess State Monies	-	-	19,833	19,833
Share Plan Allocation	-	-	-	-
Change in Benefit Terms	-	-	-	-
Difference Between Actual and Expected Experience	601,163	358,430	308,816	1,268,409
Change of Assumptions	258,160	463,772	329,114	1,051,046
Benefit Payments	(1,101,190)	(815,452)	(214,326)	(2,130,968)
Net Change in Total Pension Liability	1,796,190	1,754,206	1,424,734	4,975,130
Total Pension Liability - Beginning	22,343,741	18,684,717	9,949,640	50,978,098
Total Pension Liability - Ending (a)	$ 24,139,931	$ 20,438,923	$ 11,374,374	$ 55,953,228
Plan Fiduciary Net Position				
Contributions - Employer	$ 768,140	$ 482,423	$ 470,593	$ 1,721,156
Contributions - State	-	164,890	198,331	363,221
Contributions - Member	162,029	235,135	98,646	495,810
Contributions - Buyback	-	-	-	-
Net Investment Income	1,912,416	1,615,540	842,940	4,370,896
Benefit Payments, including Refunds of Contributions	(1,101,190)	(815,452)	(214,326)	(2,130,968)
Administrative Expense	(84,385)	(54,150)	(56,725)	(195,260)
Net Change in Plan Fiduciary Net Position	1,657,010	1,628,386	1,339,459	4,624,855
Plan Fiduciary Net Position - Beginning	21,863,547	15,322,116	8,138,337	45,324,000
Plan Fiduciary Net Position - Ending (b)	$ 23,520,557	$ 16,950,502	$ 9,477,796	$ 49,948,855
Net Pension Liability (a) - (b)	$ 619,374	$ 3,488,421	$ 1,896,578	$ 6,004,373

NOTE 8 - PENSION PLANS (*Continued*)

For the year ended September 30, 2025, the City recognized pension expense of $2,205,754, ($983,086 related to the PPP, $548,529 related to the FPP and $674,139 related to the GEPP).

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

	GEPP	
	Deferred Outflows	(Deferred Inflows)
Difference between expected and actual experience	$ 569,785	$ -
Difference for change in assumptions	172,106	-
Net difference between projected and actual earnings on plan investments	-	(1,478,684)
	PPP	
	Deferred Outflows	(Deferred Inflows)
Difference between expected and actual experience	407,923	-
Difference for change in assumptions	309,182	-
Net difference between projected and actual earnings on plan investments	-	(903,827)
	FPP	
	Deferred Outflows	(Deferred Inflows)
Difference between expected and actual experience	274,380	-
Difference for change in assumptions	219,410	-
Net difference between projected and actual earnings on plan investments	-	(503,414)
Total All Plans	$ 1,952,786	$ (2,885,925)

NOTE 8 - PENSION PLANS (*Continued*)

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

Year Ending September 30	GEPP	PPP	FPP	Net Amount
2026	$ 562,615	$ 633,524	$ 362,834	$ 1,558,973
2027	(557,434)	(245,130)	(77,308)	(879,872)
2028	(655,095)	(471,206)	(245,652)	(1,371,953)
2029	(86,879)	(103,910)	(49,498)	(240,287)
	$ (736,793)	$ (186,722)	$ (9,624)	$ (933,139)

Payable to the Pension Plans

On September 30, 2025, the City reported a payable of $64,171 for the outstanding amount of contributions to the fire pension plan.

NOTE 9 - DEFINED CONTRIBUTION PLAN

The City contributes to the 401(a) Money Purchase Defined Contribution Plan (DC Plan) for participating eligible employees which include the City Manager, Department Directors, Fire Chief, Police Chief, and City Clerk hired after October 1, 1999. The DC Plan is administered by Mission Square Retirement. Benefit terms, including contribution requirements, for the DC Plan are established and may be amended by the Council. For each participating employee in the DC Plan, the City must contribute 12% of annual compensation, and 20% for the City Manager. The DC Plan does not require contributions from members. For the year ended September 30, 2025, the City recognized pension expense of $57,868. Employer contributions and earnings on those contributions are immediately 100% vested; therefore, there are no forfeitures.

NOTE 10 – OTHER POST RETIREMENT PLANS

The City offers its employees two deferred compensation plans created in accordance with Section 457, Internal Revenue Code. The plans, which are available to all City employees through Mission Square Retirement and Nationwide Retirement Plans, permit the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

NOTE 10 – OTHER POST RETIREMENT PLANS (*Continued*)

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the participating employees. It is the opinion of the government's legal counsel that the government has no liability for losses under the plans, but does have the duty of due care that would be required of any ordinary prudent investor.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description, Benefit Terms and Contribution Requirements

The Other Postemployment Benefit Plan ("OPEB Plan") is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees generally have higher costs, it means that the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees. This is known as the "implicit rate subsidy".

Retirees and their dependents are permitted to remain covered under the City's respective medical and insurance plans as long as they pay a full premium applicable to coverage elected. This conforms to the minimum required of Florida governmental employers per Ch. 112.08, F.S. Benefits that exceed this minimum are established and may be amended through action of the Council. The OPEB Plan does not issue a stand-alone report.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (*Continued*)

OPEB Plan participants must reimburse the City for the City's average blended cost. Contributions requirements of the City are established and may be amended through action of the Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Retirees and Beneficiaries Currently Receiving Benefits	3
Active Employees	140
	143

Total OPEB Liability and Changes in Total OPEB Liability

The measurement date for the City's total OPEB liability was September 30, 2025. The measurement period for OPEB cost was October 1, 2024 to September 30, 2025. The components of the City's net OPEB liability are as follows:

Total OPEB Liability	$	941,642
OPEB Plan Fiduciary Net Position		-
City's Net OPEB Liability	$	941,642
OPEB Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		0.0%

The components of the changes in the total OPEB liability are as follows:

Total OPEB Liability		Fiscal Year 2025
Service Cost	$	39,961
Interest		40,256
Difference between Expected and Actual Experience		(129,354)
Benefit Payments		(25,848)
Net Change in Total OPEB Liability		(74,985)
Total OPEB Liability, Beginning		1,016,627
Total OPEB Liability, Ending	$	941,642

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (*Continued*)

Actuarial Assumptions and OPEB Liability Sensitivity to Healthcare Trend Rate

The total OPEB liability reported at September 30, 2025 was based on an actuarial valuation dated October 1, 2024 rolled forward to September 30, 2025, using the following actuarial assumptions:

Inflation	3.0% per annum
Discount Rate	4.90%
Salary Increases	2.5% per annum
Mortality Rates	RP-2014 mortality table with MP-2019 projection
Healthcare Trend Rate	Trend starting at 5.1% with .1% decrease per year to final rate of 3.9%

Sensitivity of OPEB liability to healthcare cost trend rate

The following table 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% lower or 1% higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
	2.9 - 4.1%	3.9 - 5.1%	4.9 - 6.1%
Total OPEB Liability	$ 950,807	$ 941,642	$ 1,258,962

Discount Rate and OPEB Liability Sensitivity to Discount Rate

The discount rate used to measure the total OPEB liability reported as of September 30, 2025 was 4.90%. Because the City's OPEB costs are essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total OPEB liability for the OPEB Plan. The S&P Municipal Bond 20-Year High-Grade Rate Index was used for this purpose.

Sensitivity of OPEB liability to discount rate

The following table 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% lower or 1% higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	3.90%	4.90%	5.90%
Total OPEB Liability	$ 1,241,995	$ 941,642	$ 964,472

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (*Continued*)

OPEB Expense, 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 $61,958. At September 30, 2025, the City had deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 188,033	$ 227,377
Change of Assumptions and Other Inputs	2,443	-
	$ 190,476	$ 227,377

Deferred inflows of resources and deferred outflows of resources shown above will be recognized in OPEB expense in the following years.

Fiscal Year Ending	Net Outflows
2026	$ (18,259)
2027	(18,259)
2028	(18,259)
2029	(18,259)
2030	119
Thereafter	36,016
	$ (36,901)

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Contractual Services

The City has a Water Purchase and Sewer Treatment Agreement with the City of St. Petersburg to acquire water and have its sewage treated at prevailing wholesale rates. During the current year, the City paid the City of St. Petersburg $6,125,277 for these services.

Litigation

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

NOTE 12 - COMMITMENTS AND CONTINGENCIES (*Continued*)

Encumbrances

At September 30, 2025, the City has outstanding encumbrances in several funds reported within appropriate fund as follows:

		Amount	Classification
Major Funds:			
General Fund	$	665,684	Assigned fund balance
Capital Projects Fund		118,254	Restricted fund balance
Water and Sewer		156,517	Unrestricted net position
Marina		120,723	Unrestricted net position
Nonmajor Funds:			
Senior Center Fund		36,742	Restricted fund balance
Waterfront Redevelopment District		12,424	Restricted fund balance
	$	1,110,344	

Outstanding Commitments

At September 30, 2025, the City has significant architectural and engineering commitments totaling $1,276,556 for the senior center improvement project.

Grants

The City receives financial assistance from federal, state, and local agencies in the form of operating and capital grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Disallowed claims, if any, resulting from such audits, may become liabilities of the City. However, in the opinion of management, disallowed claims, if any, will not have a material effect on the City's financial statements.

In September and October 2024, Hurricanes Helene and Milton made landfall in the State of Florida and parts of the City experienced heavy wind, rain and flooding damage. The City is currently working with the Federal Emergency Management Agency (FEMA) and Florida Department of Emergency Management (FDEM) on reimbursements for hurricane preparedness and recovery efforts which may take several years to complete. The total cumulative cost of these efforts and reimbursement is still being compiled.

NOTE 13 - RESTATEMENT OF NET POSITION

Restatement

The City's fiscal year 2025 financial statements include a restatement due to the effect of implementing GASB Statement No. 101, *Compensated Absences*. This implementation resulted in an increase in the City's compensated absences liability and offsetting reduction in net position. The effect of these changes is provided in the table below.

	Governmental Activities	Sanitation	Water and Sewer	Marina	Business-Type Activities
Beginning Net Position, Originally Reported	$ 17,967,552	$ 934,322	$ 12,252,515	$ 1,766,221	$ 14,953,058
Restatement from GASB 101	(287,353)	(14,451)	(25,282)	(7,679)	(47,412)
Beginning Net Position, as Restated	$ 17,680,199	$ 919,871	$ 12,227,233	$ 1,758,542	$ 14,905,646
Compensated Absences Liability	$ 287,353	$ 14,451	$ 25,282	$ 7,679	$ 47,412

NOTE 14 – SUBSEQUENT EVENT

In February 2026, the City entered into a funding agreement with the Florida Department of Emergency Management through the Federal Emergency Management Agency (FEMA) Community Disaster Loan (CDL) Program. The FEMA CDL Program provides operational funding to help local governments that have incurred a significant loss in revenue due to a major disaster, that has or will adversely affect their ability to provide essential municipal services. The City's CDL loan maximum is $5,000,000 and can be used as needed through fiscal year 2028. The initial term of the loan repayment is five years and can be extended to ten years, with an interest rate determined by the Secretary of the Treasury when the promissory note is executed by FEMA.

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Required Supplementary Information

This financial statement section provides the following schedules:

Budgetary comparison schedule for *Major Fund*

- General Fund

Schedules for Employee Retirement Plans

- Schedules of Net Pension Liability and Related Ratios
  - Municipal Police Officers' Trust Fund
  - Firefighters' Retirement Pension Fund
  - General Employees' Pension Plan
- Schedules of Contributions
  - Municipal Police Officers' Trust Fund
  - Firefighters' Retirement Pension Fund
  - General Employees' Pension Plan
- Schedule of Investment Returns

Schedules for Employee Other Postemployment Benefits Plan

- Schedule of Changes in the City’s Total OPEB Liability and Related Ratios

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CITY OF GULFPORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Over (Under)
REVENUES				
Taxes	$ 10,359,985	$ 10,359,985	$ 10,117,850	$ (242,135)
Permits and Fees	959,750	959,750	809,924	(149,826)
Intergovernmental Revenues	3,275,757	4,098,247	3,784,456	(313,791)
Charges for Services	3,652,039	3,232,810	3,234,429	1,619
Fines and Forfeitures	64,075	64,075	43,533	(20,542)
Investment Income	380,121	380,121	439,253	59,132
Miscellaneous Revenues	437,153	279,441	386,614	107,173
Total Revenues	19,128,880	19,374,429	18,816,059	(558,370)
EXPENDITURES				
General Government				
Legislative	517,006	517,006	477,667	39,339
Legal	129,000	129,000	164,653	(35,653)
Executive	805,455	805,455	577,140	228,315
Financial	730,548	730,548	715,458	15,090
Human Resources	322,894	322,894	276,748	46,146
Information Technology	425,893	444,447	460,432	(15,985)
Total	2,930,796	2,949,350	2,672,098	277,252
Public Safety				
Fire	3,173,387	3,203,743	4,279,770	(1,076,027)
Police	5,321,080	5,400,564	5,192,303	208,261
Total	8,494,467	8,604,307	9,472,073	(867,766)
Recreation				
Library	1,050,397	1,050,397	943,297	107,100
Historical Museum	241,607	242,388	207,066	35,322
Office of Director	118,753	118,753	101,279	17,474
Elderly Mobility Service	211,414	452,550	340,672	111,878
Recreation Center	985,038	1,367,855	1,080,397	287,458
Casino	570,571	1,230,224	955,864	274,360
Theater	315,484	315,484	218,772	96,712
Parks	1,256,299	2,321,947	2,247,118	74,829
Senior Center	579,957	618,746	457,418	161,328
Total	5,329,520	7,718,344	6,551,883	1,166,461
Community Development				
Planning & Development	508,816	508,816	355,900	152,916
Building Inspections	1,255,272	1,407,959	1,282,914	125,045
Total	1,764,088	1,916,775	1,638,814	277,961

Continued

CITY OF GULFPORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE - Continued
GENERAL FUND
For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Over (Under)
EXPENDITURES (Continued)				
Public Works				
Building Maintenance	$ 312,940	$ 492,808	$ 499,847	$ (7,039)
Central Garage	1,043,178	909,350	797,444	111,906
Office of Director	221,966	221,966	220,000	1,966
Streets	875,270	5,743,526	5,757,027	(13,501)
Other Public Works	-	-	246,326	(246,326)
Total	2,453,354	7,367,650	7,520,644	(152,994)
Debt Service				
Principal	3,000	3,000	37,545	(34,545)
Interest	1,500	1,500	2,715	(1,215)
Total	4,500	4,500	40,260	(35,760)
Total Expenditures	20,976,725	28,560,926	27,895,772	665,154
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,847,845)	(9,186,497)	(9,079,713)	106,784
OTHER FINANCING SOURCES AND (USES)				
Insurance Recoveries	17,805	4,566,203	4,608,585	42,382
Transfers In	1,198,000	1,198,000	1,198,000	-
Transfers (Out)	-	(300,000)	(300,000)	-
Total Other Financing Sources and (Uses)	1,215,805	5,464,203	5,506,585	42,382
Net Change in Fund Balances	(632,040)	(3,722,294)	(3,573,128)	149,166
Fund Balance - Beginning	632,040	3,722,294	9,582,162	5,859,868
Fund Balance - Ending	$ -	$ -	$ 6,009,034	$ 6,009,034

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CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total Pension Liability					
Service Cost	$ 411,247	$ 359,703	$ 285,625	$ 414,657	$ 388,613
Interest	1,336,209	1,214,947	1,071,035	1,022,510	965,942
Share Plan Allocation	-	-	26,224	12,947	8,915
Changes of Benefit Terms	-	302,599	689,423	-	-
Differences Between Expected and Actual Experience	358,430	506,907	476,365	54,274	55,814
Changes of Assumptions	463,772	-	-	(98,958)	585,420
Contributions - Buy Back	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(815,452)	(664,005)	(555,984)	(639,477)	(578,786)
Net Change in Total Pension Liability	1,754,206	1,720,151	1,992,688	765,953	1,425,918
Total Pension Liability - Beginning	18,684,717	16,964,566	14,971,878	14,205,925	12,780,007
Total Pension Liability - Ending (a)	$ 20,438,923	$ 18,684,717	$ 16,964,566	$ 14,971,878	$ 14,205,925
Plan Fiduciary Net Position					
Contributions - Employer	$ 482,423	$ 421,505	$ 308,609	$ 257,384	$ 276,260
Contributions - State	164,890	151,185	136,733	110,180	102,117
Contributions - Employee	235,135	218,710	198,399	192,989	182,450
Contributions - Buy Back					
Net Investment Income	1,615,540	2,734,148	1,058,684	(2,543,590)	2,237,195
Benefit Payments, Including Refunds of Employee Contributions	(815,452)	(664,005)	(555,984)	(639,477)	(578,786)
Administrative Expense	(54,150)	(61,036)	(63,289)	(64,303)	(59,835)
Net Change in Plan Fiduciary Net Position	1,628,386	2,800,507	1,083,152	(2,686,817)	2,159,401
Plan Fiduciary Net Position - Beginning	15,322,116	12,521,609	11,438,457	14,125,274	11,965,873
Plan Fiduciary Net Position - Ending (b)	$ 16,950,502	$ 15,322,116	$ 12,521,609	$ 11,438,457	$ 14,125,274
Net Pension Liability - Ending (a) - (b)	$ 3,488,421	$ 3,362,601	$ 4,442,957	$ 3,533,421	$ 80,651
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.63%	82.00%	73.81%	76.40%	99.43%
Covered payroll	2,766,295	2,579,685	2,479,986	2,412,361	2,280,629
Net Pension Liability as a Percentage of Covered payroll	126.10%	130.35%	179.15%	146.47%	3.54%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total Pension Liability					
Service Cost	$ 391,676	$ 389,379	$ 351,591	$ 413,848	$ 362,330
Interest	954,620	931,787	849,234	807,364	729,221
Change in Excess State Money	8,862	-	-	-	(2,819)
Share Plan Allocation	-	10,804	8,757	4,450	5,930
Changes of Benefit Terms		129,476	-	-	-
Differences Between Expected and	(361,584)				
Actual Experience	(279,845)	(435,954)	280,707	123,717	46,622
Changes of Assumptions	-	-	-	132,292	322,474
Benefit Payments, Including Refunds					
of Employee Contributions	(540,625)	(647,121)	(498,444)	(529,340)	(490,278)
Net Change in Total Pension Liability	173,104	378,371	991,845	952,331	973,480
Total Pension Liability - Beginning	12,606,903	12,228,532	11,220,747	10,268,416	9,294,936
Total Pension Liability - Ending (a)	$ 12,780,007	$ 12,606,903	$ 12,212,592	$ 11,220,747	$ 10,268,416
Plan Fiduciary Net Position					
Contributions - Employer	$ 299,758	345,305	286,047	225,173	208,907
Contributions - State	102,009	105,893	101,801	93,186	93,326
Contributions - Employee	178,594	177,043	172,314	165,215	157,729
Net Investment Income		427,723	753,861	950,148	603,881
Benefit Payments, Including Refunds	1,024,708				
of Employee Contributions		(647,121)	(498,444)	(529,340)	(490,278)
Administrative Expense	(540,625)	(43,366)	(51,060)	(62,929)	(37,730)
Other	(43,030)				
Net Change in Plan Fiduciary Net Position	1,021,414	365,477	764,519	841,453	535,835
Plan Fiduciary Net Position - Beginning	10,944,459	10,578,982	9,798,523	8,957,070	8,421,235
Plan Fiduciary Net Position - Ending (b)	$ 11,965,873	$ 10,944,459	$ 10,563,042	$ 9,798,523	$ 8,957,070
Net Pension Liability - Ending (a) - (b)	$ 814,134	$ 1,662,444	$ 1,649,550	$ 1,422,224	$ 1,311,346
Plan Fiduciary Net Position as a Percentage					
of the Total Pension Liability	93.63%	86.81%	86.51%	87.33%	87.23%
Covered payroll	2,232,422	2,213,041	2,153,923	2,065,190	1,971,612
Net Pension Liability as a Percentage					
of Covered payroll	36.47%	75.12%	76.58%	68.87%	66.51%

NOTES TO SCHEDULE:

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

Changes of Benefit Terms:

For measurement date 09/30/2025, there were no benefit changes since the prior year.

Changes in Assumptions:

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

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

PRIOR YEAR NOTES TO SCHEDULE:

Changes of Benefit Terms:

For measurement date 09/30/2024, the valuation reflects the following benefit changes:
1. Ordinance No. 2024-04 was adopted on May 21, 2024 and provided that effective October 1, 2023, the monthly benefit being received by all retirees, joint pensioners or beneficiaries who were receiving a benefit on October 1, 2022 shall be increased by six percent (6.0%). This was a one-time increase in benefits.

For measurement date 09/30/2023, the valuation reflects the following benefit changes:
1. Increase the member contribution rate by 0.5% to 8.5%.
2. Remove the age 52 requirement in order to retire with 25 years of credited service.
3. Increase the benefit accrual rate from 2.88% to 3.0%. Members who retired between January 4, 2011 and September 30, 2023 will receive the 2.88% benefit accrual rate and will not be subject to change.
4. All future State Contributions will be utilized by the City to reduce the City's funding obligation to the plan (beginning with fiscal 2024)

For measurement date 09/30/2022, the Board approved the following assumption changes based on the April 15, 2022 actuarial experience study:
1. Salary Increases – Moved to a service-based table from a flat 5.5% per year.
2. Withdrawal Rates – Updated to a service-based table from an age-based table.

For measurement date 09/30/2019, Ordinance No. 2019-06 provided for an ad hoc cost-of-living adjustment (one-time increase) as of October 1, 2018 equal to 3.0% of the current benefit. This adjustment shall apply to all members that were receiving benefits on October 1, 2017, including Retirees and Beneficiaries.

PRIOR YEAR NOTES TO SCHEDULE (continued):

Changes in Benefit Terms (continued):

For the year ending 09/30/2015 the benefit accrual rate has been increased from 2.87% to 2.88% for each year of Credited Service.

Changes in Assumptions:

For measurement date 09/30/2021, the investment rate of return was lowered from 7.50% to 7.15% per year, net of investment related expenses.

- For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date 09/30/2017, amounts reported as changes of assumptions resulted from the following changes:

- The actuarial cost method was updated from The Frozen Entry Age method to The Entry Age Normal method.
- The investment rate of return assumption was decreased from 7.75% to 7.50%. Based on an experience study completed in June of 2017, the following assumptions were changed:
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were updated to incorporate the mortality change by the Florida Retirement System actuary effective with the July 1, 2016 FRS valuation.
- The assumption that Members eligible for Normal Retirement on the valuation date would continue to work one more year was eliminated.
- The salary increase assumption was decreased from 6.0% to 5.5%.
- The rates of withdrawal were increased by 50% at each age from the prior assumption.

Additionally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For the year ending 09/30/2016, as a result of Chapter 2015-157, Florida Statutes, the assumed rate of mortality was changed to the assumption used by the Florida Retirement System.

CITY OF GULFPORT, FLORIDA

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FIREFIGHTERS' RETIREMENT PENSION FUND

Last 10 Fiscal Years

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total Pension Liability					
Service Cost	$ 263,755	$ 279,211	$ 237,563	$ 264,286	$ 245,210
Interest	717,542	650,449	594,796	547,333	473,233
Change in Excess State Money	19,833	18,280	17,530	11,479	10,796
Share Plan Allocation	-	-	35,845	8,614	12,865
Changes of Benefit Terms	-	32,196	281,461	259,497	544,901
Differences Between Expected and Actual Experience	308,816	205,506	(162,707)	3,881	120,611
Changes of Assumptions	329,114	-	-	269,907	175,586
Benefit Payments, Including Refunds of Employee Contributions	(214,326)	(236,100)	(288,483)	(131,247)	(122,642)
Net Change in Total Pension Liability	$ 1,424,734	$ 949,542	$ 716,005	$ 1,233,750	$ 1,460,560
Total Pension Liability - Beginning	9,949,640	9,000,098	8,284,093	7,050,343	5,589,783
Total Pension Liability - Ending (a)	$ 11,374,374	$ 9,949,640	$ 9,000,098	$ 8,284,093	$ 7,050,343
Plan Fiduciary Net Position					
Contributions - Employer	470,593	307,344	259,439	221,305	132,717
Contributions - State	198,331	182,804	175,303	114,790	107,963
Contributions - Employee	98,646	77,103	71,685	70,536	63,829
Net Investment Income	842,940	1,446,192	627,255	(1,355,661)	1,043,412
Benefit Payments, Including Refunds of Employee Contributions	(214,326)	(236,100)	(288,483)	(131,247)	(122,642)
Administrative Expense	(56,725)	(57,360)	(65,496)	(54,921)	(35,194)
Net Change in Plan Fiduciary Net Position	1,339,459	1,719,983	779,703	(1,135,198)	1,190,085
Plan Fiduciary Net Position - Beginning	8,138,337	6,418,354	5,638,651	6,773,849	5,583,764
Plan Fiduciary Net Position - Ending (b)	$ 9,477,796	$ 8,138,337	$ 6,418,354	$ 5,638,651	$ 6,773,849
Net Pension Liability - Ending (a) - (b)	$ 1,896,578	$ 1,811,303	$ 2,581,744	$ 2,645,442	$ 276,494
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.33%	81.80%	71.31%	68.07%	96.08%
Covered payroll	$ 1,972,921	$ 1,542,053	$ 1,433,708	$ 1,410,724	$ 1,276,582
Net Pension Liability as a Percentage of Covered payroll	96.13%	117.46%	180.07%	187.52%	21.66%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total Pension Liability					
Service Cost	$ 153,866	$ 140,184	$ 149,429	$ 152,339	$ 161,384
Interest	398,726	363,586	364,329	359,763	339,327
Change in Excess State Money	8,800	8,074	8,474	8,268	9,292
Share Plan Allocation	9,869	3,656	8,882	14,290	-
Changes of Benefit Terms	164,956	(83,212)	37,711	(180,957)	(41,492)
Differences Between Expected and Actual Experience	(10,260)	(106,460)	(173,374)	(460,613)	(12,721)
Changes of Assumptions	(81,804)	-	-	66,326	75,795
Benefit Payments, Including Refunds of Employee Contributions	(119,932)	(119,171)	(117,392)	(117,165)	(122,139)
Net Change in Total Pension Liability	$ 524,221	$ 206,657	$ 278,059	$ (157,749)	$ 409,446
Total Pension Liability - Beginning	5,065,562	4,858,905	4,580,846	4,738,595	4,329,149
Total Pension Liability - Ending (a)	$ 5,589,783	$ 5,065,562	$ 4,858,905	$ 4,580,846	$ 4,738,595
Plan Fiduciary Net Position					
Contributions - Employer	122,823	114,388	92,253	153,107	148,544
Contributions - State	87,999	80,741	84,737	82,682	92,921
Contributions - Employee	59,306	47,025	44,590	46,373	47,185
Net Investment Income	506,717	195,599	294,169	454,330	241,498
Benefit Payments, Including Refunds of Employee Contributions	(119,932)	(119,171)	(117,392)	(117,165)	(122,139)
Administrative Expense	(40,830)	(42,016)	(40,958)	(43,038)	(29,214)
Net Change in Plan Fiduciary Net Position	616,083	276,566	357,399	576,289	378,795
Plan Fiduciary Net Position - Beginning	4,967,681	4,691,115	4,333,716	3,757,427	3,378,632
Plan Fiduciary Net Position - Ending (b)	$ 5,583,764	$ 4,967,681	$ 4,691,115	$ 4,333,716	$ 3,757,427
Net Pension Liability - Ending (a) - (b)	$ 6,019	$ 97,881	$ 167,790	$ 247,130	$ 981,168
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.89%	98.07%	96.55%	94.61%	79.29%
Covered payroll	$ 1,186,130	$ 940,505	$ 891,807	$ 927,464	$ 943,708
Net Pension Liability as a Percentage of Covered payroll	0.51%	10.41%	18.81%	26.65%	103.97%

NOTES TO SCHEDULE:

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

Changes of Benefit Terms:

For measurement date 09/30/2025, there were no benefit changes since the prior year.

Changes in Assumptions:

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

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

PRIOR YEAR NOTES TO SCHEDULE:

Changes of Benefit Terms:

For measurement date 09/30/2024, the valuation reflects the following benefit changes:

- Effective retroactively to October 1, 2023, the monthly benefit being received by all retirees and their joint pensioners or beneficiaries who were receiving a benefit on October 1, 2022, and who are not eligible for the automatic increase, is increased by a flat three percent (3.0%).

For measurement date 09/30/2023, the valuation reflects the following benefit changes:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.32% to 3.37% of Average Final Compensation per year of Credited Service. Please note that this rate will no longer fluctuate with changes in State Monies.
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 1.72% per year to 2.00%. Please note that this rate will no longer fluctuate with changes in State Monies.
3. Supersede the “default” calculation under Chapter 2015-39, Laws of Florida, and allow the City to use 90% of all State Monies received each year to offset funding requirements or reduce the Unfunded Actuarial Accrued Liability (UAAL). 10% of State Monies each year are allocated to current retirees. For the purpose of this Impact Statement, it is assumed that the City will use the 90% of State Monies to offset their annual funding requirement and not to pay down the UAAL.

For measurement date 09/30/2022, the following benefit changes have been reflected:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.25% to 3.32% of Average Final Compensation per year of Credited Service.
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 1.38% per year to 1.72%.

PRIOR YEAR NOTES TO SCHEDULE (continued):

Changes of Benefit Terms (continued):

Additionally, Ordinance No. 2022-09 was adopted on November 1, 2022 to provide the following changes:

1. Amend the definition of Salary to add necessary language to clarify the determination period for maximum annual compensation for members who leave the service of the City with less than 12 months of service completed during a fiscal year.
2. Amend the Finance and Fund Management terms to broaden the permissible investment restrictions.
3. Amend the pre-retirement death benefit to provide the minimum 10-year benefit required by Florida Statutes.

For measurement date 09/30/2021, the following benefit changes have been reflected:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.07% to 3.25% of Average Final Compensation per year of Credited Service.
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 0.38% per year to 1.38%.

For measurement date 09/30/2020, the following benefit changes have been reflected:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.00% to 3.07% of Average Final Compensation per year of Credited Service, and
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 0.02% per year to 0.38%.

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.181, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Additionally, the following benefit changes have been reflected, as documented in the Actuarial Impact Statement dated December 23, 2019:

1. Decrease the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.04% to 3.00% of Average Final Compensation per year of Credited Service, and
2. Decrease the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 0.22% per year to 0.02%.

PRIOR YEAR NOTES TO SCHEDULE (continued):

Changes of Benefit Terms (continued):

For measurement date 09/30/2018, the following benefit changes have been reflected, as documented in our Actuarial Impact Statement dated January 10, 2019:

1. Increase the benefit accrual rate for all service for Members who terminate employment on or after April 21, 2009 from 3.02% to 3.04% of Average Final Compensation for year of Credited Service, and
2. Increase the automatic increases each year from age 55 through age 65 for all future (on or after April 21, 2009) retirees of any type and their beneficiaries from 0.12% per year to 0.22%.

For measurement date 09/30/2017, amounts that were reported as benefit changes resulted from Ordinance 2009-04, that was adopted April 21, 2009 provided that if 90% of the State Monies received in any calendar year fell below $108,435, then on the immediately following January 1st the benefit accrual rate and COLA rate would be reduced proportionally. In application of that ordinance, the benefit accrual rate decreased from 3.12% to 3.02% of Average Final Compensation for each year of Credited Service. Also, the automatic increases from age 55 through 65 for all future retirees of any type and their beneficiaries have decreased from 0.63% to 0.12%.

For measurement date 09/30/2016 the benefit accrual rate has been decreased from 3.14% to 3.12% of Average Final Compensation for each year of Credited Service. The COLA rate has been decreased from 0.76% to 0.63%.

For measurement date 09/30/2015 the benefit accrual rate has been decreased from 3.16% to

3.14% of Average Final Compensation for each year of Credited Service. The COLA rate has been decreased from 0.84% to 0.76%.

For the year ending 09/30/2014 the benefit accrual rate has been increased from 3.14% to 3.16% of Average Final Compensation for each year of Credited Service. The COLA rate has been increased from 0.76% to 0.84%.

Changes in Assumptions:

For measurement date 09/30/2022, the Board approved the following assumption changes based on the April 15, 2022 actuarial experience study:

1. Investment Return – Reduced from 7.30% to 7.10% per year, net of investment related expenses.
2. Salary Increases – Amended to be 7.0% in the first year of employment and 4.25% in each additional year of employment.

For measurement date 09/30/2021, the investment rate of return was lowered from 7.5% to 7.3% per year, net of investment related expenses.

PRIOR YEAR NOTES TO SCHEDULE (continued):

Changes in Assumptions (continued):

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from an experience study dated July 20, 2017, the following assumptions and methods were changed:

- The actuarial cost method was updated from The Frozen Entry Age method to The Entry Age Normal method.
- The investment rate of return assumption was decreased from 7.75% to 7.50%.
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were updated to incorporate the mortality change by the Florida Retirement System actuary effective with the July 1, 2016 FRS valuation.
- The assumption that Members eligible for Normal Retirement on the valuation date would continue to work one more year was eliminated.
- The salary increase assumption was changed from a flat 5.5% to a service-based table.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Florida Statutes, the assumed rate of mortality was changed from the RP-2000 Combined Healthy Table to the assumption used by the Florida Retirement System. For measurement date 09/30/2014 the investment rate of return has been lowered from 8.00% to 7.75% per year, net of investment related expenses.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total Pension Liability					
Service Cost	$ 520,714	$ 436,788	$ 354,150	$ 338,985	$ 302,347
Interest	1,517,343	1,420,860	1,245,991	1,199,052	1,144,487
Changes of benefit terms	-	-	1,371,475	237,022	-
Differences Between Expected and Actual Experience	601,163	507,028	456,062	39,783	91,833
Changes of Assumptions	258,160	-	-	521,579	445,144
Benefit Payments, Including Refunds of Employee Contributions	(1,101,190)	(958,284)	(919,146)	(921,826)	(906,534)
Net Change in Total Pension Liability	1,796,190	1,406,392	2,508,532	1,414,595	1,077,277
Total Pension Liability - Beginning	22,343,741	20,937,349	18,428,817	1,854,194	776,917
Total Pension Liability - Ending (a)	$ 24,139,931	$ 22,343,741	$ 20,937,349	$ 3,268,789	$ 1,854,194
Plan Fiduciary Net Position					
Contributions - Employer	768,140	570,733	270,486	232,772	209,393
Contributions - Employee	162,029	145,376	128,124	120,862	106,672
Net Investment Income	1,912,416	4,062,625	2,057,284	(3,332,047)	3,855,559
Benefit Payments, Including Refunds of Employee Contributions	(1,101,190)	(958,284)	(919,146)	(921,826)	(906,534)
Administrative Expense	(84,385)	(83,343)	(87,788)	(74,330)	(56,215)
Net Change in Plan Fiduciary Net Position	1,657,010	3,737,107	1,448,960	(3,974,569)	3,208,875
Plan Fiduciary Net Position - Beginning	21,863,547	18,126,440	16,677,480	20,652,049	17,443,174
Plan Fiduciary Net Position - Ending (b)	$ 23,520,557	$ 21,863,547	$ 18,126,440	$ 16,677,480	$ 20,652,049
Net Pension Liability (Asset) - Ending (a) - (b)	$ 619,374	$ 480,194	$ 2,810,909	$ (13,408,691)	$ (18,797,855)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	97.43%	97.85%	86.57%	90.50%	121.38%
Covered payroll	$ 6,001,091	$ 5,384,281	$ 4,745,361	$ 4,476,379	$ 3,950,807
Net Pension Liability (Asset) as a Percentage of Covered payroll	10.32%	8.92%	59.23%	39.12%	-92.08%

CITY OF GULFPORT, FLORIDA

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - Continued

GENERAL EMPLOYEES' PENSION PLAN

Last 10 Fiscal Years

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total Pension Liability					
Service Cost	$ 283,925	$ 271,856	$ 233,428	$ 226,567	$ 216,372
Interest	1,117,006	1,089,995	1,040,024	1,005,364	963,742
Changes of benefit terms	-	-	-	181,204	-
Differences Between Expected and Actual Experience	81,772	(186,030)	147,269	(61,382)	5,622
Changes of Assumptions	(250,952)	-	-	-	(149,200)
Contributions - Buy Back		-	-	37,041	-
Benefit Payments, Including Refunds of Employee Contributions	(835,728)	(794,927)	(744,843)	(727,935)	(579,725)
Net Change in Total Pension Liability	396,023	380,894	675,878	660,859	456,811
Total Pension Liability - Beginning	380,894	-	14,484,150	13,823,291	13,366,480
Total Pension Liability - Ending (a)	$ 776,917	$ 380,894	$ 15,160,028	$ 14,484,150	$ 13,823,291
Plan Fiduciary Net Position					
Contributions - Employer	197,990	184,593	164,641	154,351	245,147
Contributions - Employee	99,048	92,296	89,157	81,514	76,080
Contributions - Buy Back	-	-	-	37,041	-
Net Investment Income	1,234,357	619,714	1,330,123	1,909,526	1,322,566
Benefit Payments, Including Refunds of Employee Contributions	(835,728)	(794,927)	(744,843)	(727,935)	(579,725)
Administrative Expense	(54,033)	(61,631)	(56,105)	(56,001)	(61,138)
Net Change in Plan Fiduciary Net Position	641,634	40,045	782,973	1,398,496	1,002,930
Plan Fiduciary Net Position - Beginning	16,801,540	16,761,495	15,978,522	14,580,026	13,577,096
Plan Fiduciary Net Position - Ending (b)	$ 17,443,174	$ 16,801,540	$ 16,761,495	$ 15,978,522	$ 14,580,026
Net Pension Liability (Asset) - Ending (a) - (b)	(16,666,257)	(16,420,646)	(1,601,467)	(1,494,372)	(756,735)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	109.45%	108.11%	110.56%	110.32%	105.47%
Covered payroll	$ 3,668,429	$ 3,418,372	$ 3,302,099	$ 3,019,032	$ 2,837,465
Net Pension Liability (Asset) as a Percentage of Covered payroll	-41.06%	-36.88%	-48.50%	-49.50%	-26.67%

NOTES TO SCHEDULE:

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

Changes of Benefit Terms:

For the measurement date 09/30/2025, there were no benefit changes.

Changes in Assumptions

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

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

PRIOR YEAR NOTES TO SCHEDULE:

Changes of Benefit Terms:

For the measurement date 09/30/2024, there were no benefit changes since the prior year.

For measurement date 09/30/2023, the valuation reflects the following benefit changes:
1. Ordinance No. 2023-14 was adopted and effective on October 17, 2023. This ordinance increased the benefit accrual rate from 2.0% to 2.3% for all years of credited service.

For measurement date 09/30/2022, amounts reported as changes of benefit terms resulted from Ordinance No. 2022-02 and provided for the following benefit change:
Effective retroactively to October 1, 2021, the monthly benefit being received by all Retirees, joint pensioners or beneficiaries (including terminated vested persons) who were receiving a benefit on October 1, 2020 shall be increased by three percent (3%). This is a one-time increase in these benefits

For measurement date 09/30/2017, amounts reported as changes of benefit terms resulted from Ordinance No. 2017-14. This provided for an Ad Hoc cost-of-living adjustment (one-time increase) as of October 1, 2017 equal to 3.0% of the current benefit. This adjustment shall apply to all members that were receiving benefits on October 1, 2016, including Retirees and Beneficiaries.

PRIOR YEAR NOTES TO SCHEDULE (continued):

Changes in Assumptions:

For measurement date 09/30/2022, based on the results of the April 15, 2022 Actuarial Experience Study, the following assumption changes are incorporated:

1. Investment Return – Reduced from 7.00% to 6.80% per year, net of investment related expenses.
2. Early Retirement Rates – Increased from 0.0% to 5.0% per year.
3. Normal Retirement Rates – Amended for ages 63 – 69.
4. Withdrawal Rates – Reduced for those with 1 year of Credited Service.

For measurement date 09/30/2021, the investment rate of return was lowered from 7.25% to 7.00% per year, net of investment related expenses.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics. Additionally, the inflation rate assumption was lowered from 3.0% to 2.5%.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Florida Statutes, the assumed rate of mortality was changed to the assumption used by the Florida Retirement System.

For measurement date 09/30/2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.50% to 7.25% and reducing the salary increase assumptions.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
MUNICIPAL POLICE OFFICERS' TRUST FUND
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
9/30/2025	$ 647,313	$ 647,313	$ -	$ 2,766,295	23.40%
9/30/2024	572,690	572,690	-	2,579,685	22.20%
9/30/2023	419,118	419,118	-	2,479,986	16.90%
9/30/2022	354,617	354,617	-	2,412,361	14.70%
9/30/2021	369,462	369,462	-	2,280,629	16.20%
9/30/2020	392,906	392,906	-	2,232,422	17.60%
9/30/2019	440,395	440,395	-	2,213,041	19.90%
9/30/2018	379,090	379,090	-	2,153,923	17.60%
9/30/2017	313,909	313,909	-	2,065,190	15.20%
9/30/2016	297,713	297,713	-	1,971,612	15.10%

NOTES TO SCHEDULE:

Valuation Date: 10/1/2023 (AIS 4/8/2024)

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

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES:

Mortality Rate:

Healthy Active Lives:
Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 for Employees, set forward one year.

Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

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

Disabled Lives:
80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (continued):

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Interest Rate: 7.15% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases: 15% < 1 year, 10% at 1 year, 4.25% > 2 years. This assumption was changed as a result of our Apirl 2022 experience study. Projected salary at retirement is increased 20% to account for non-regular compensation.

Payroll Growth: .95% (prior year 1.63%) for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses: $63,796 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Retirement Age: Earlier of 1.) Age 55 and 10 years of service or 2.) 25 years of service, regardless of age (previously age 52 and 25 years of service). This assumption was supported in the April 15, 2022 Actuarial Experience Study.

Early Retirement: Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption was supported in the April 15, 2022 Actuarial Experience Study.

Termination Rates:

Years of Service	Withdrawal Rate
< 1 Year	20.0%
1 Year	15.0%
2-9 Years	10.0%
10-19 Years	5.0%
20+ Years	0.0%

The current assumptions resulted from an Actuarial Experience Study dated April 15, 2022.

Disability Rates: It is assumed that 75% of disablements are service related. This assumption was supported in the April 15, 2022 Actuarial Experience Study.

Funding Method: Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum contribution:
Interest - half year, based on current 7.15% assumption.
Salary - None.

Amortization Method: New UAAL amortization bases are amortized over 20 years.

The amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4.

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (continued):

Actuarial Asset Method:	All assets are valued at fair value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five-year period.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Detemined Contribution	Contributions in relation to the Actuarially Detemined Contributions*	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
9/30/2025	$ 649,091	$ 649,091	$ -	$ 1,972,921	32.90%
9/30/2024	471,868	471,868	-	1,542,053	30.60%
9/30/2023	381,367	381,367	-	1,433,708	26.60%
9/30/2022	316,002	316,002	-	1,410,724	22.40%
9/30/2021	217,019	217,019	-	1,276,582	17.00%
9/30/2020	192,153	192,153	-	1,186,130	16.20%
9/30/2019	183,399	183,399	-	940,505	19.50%
9/30/2018	159,634	159,634	-	891,807	17.90%
9/30/2017	217,027	213,231	3,796	927,464	22.99%
9/30/2016	228,377	232,173	(3,796)	943,708	24.60%

NOTES TO SCHEDULE:

*Firefighters' Plan provision allocates 10% of State Contributions to current retirees with the remaining 90% available to offset the City's funding requirement.

The following assumptions were used to determine the Actuarially Determined Contribution for the fiscal year ended September 30, 2025:

Valuation Date: 10/01/2023 (AIS 4/11/2024)

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES:

Mortality:

Healthy Active Lives:
Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

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

Disabled Lives:
80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.
All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements. The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Interest Rate: 7.1% (prior year 7.1%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class. This assumption was covered and changed in our April 15, 2022 Actuarial Experience Study.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' RETIREMENT PENSION FUND
Last 10 Fiscal Years

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (continued):

Salary Increases:

Assumed Individual Increases		
Service	Current Rate	Prior Rate
0	7.00%	7.00%
1-4	4.25%	4.25%

This assumption was covered in our April 15, 2022 Actuarial Experience Study.

Payroll Growth: 3.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses: $60,209 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method: New UAAL amortization bases are amortized over 20 Years.

Retirement Age: The earlier of attainment of age 55 with 10 years of credited service, or age 52 with 25 years of credited service, or the completion of 30 years of credited service, regardless of age. This assumption was covered in our April 15, 2022 Actuarial Experience Study. We feel this assumption is reasonable based upon the plan provisions but do not have sufficient data to develop retirement rates.

Early Retirement: Commencing with attainment of Early Retirement Status (age 50 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption was covered in our April 15, 2022 Actuarial Experience Study. We feel this assumption is reasonable based upon the plan provisions but do not have sufficient data to develop retirement rates.

Termination Rates: See sample rates below. This assumption was covered in our April 15, 2022 Actuarial Experience Study and continues to be our best estimate of future experience.

% Terminating During the Year	
Age	Rate
20	12.0%
30	10.0%
40	5.2%
50	1.6%
60	0.4%
70	0.4%

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (continued):

Disability Rates: See sample rates below. It is assumed that 90% of disablements are service related. This assumption was developed from those used by other plans containing Florida Municipal Firefighters.

% Becoming Disabled During the Year	
Age	Rate
20	0.03%
30	0.04%
40	0.07%
50	0.18%
60	0.90%
65+	2.22%

Funding Method: Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution:

Interest - a half year, based on current 7.10%
Salary - None.

Asset Valuation Method: All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION PLAN
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
9/30/2025	$ 768,140	$ 768,140	$ -	$ 6,001,091	12.80%
9/30/2024	570,733	570,733	-	5,384,281	10.60%
9/30/2023	270,486	270,486	-	4,745,361	5.70%
9/30/2022	232,772	232,772	-	4,476,379	5.20%
9/30/2021	209,393	209,393	-	3,950,807	5.30%
9/30/2020	198,095	197,990	105	3,668,429	5.40%
9/30/2019	184,592	184,593	(1)	3,418,372	5.40%
9/30/2018	165,105	164,641	464	3,302,099	4.99%
9/30/2017	153,971	154,352	(381)	3,014,032	5.11%
9/30/2016	245,146	245,147	(1)	2,837,465	8.64%

NOTES TO SCHEDULE:

The following assumptions were used to determine the Actuarially Determined Contribution for the fiscal year ended September 30, 2025:

Valuation Date 10/01/2023

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES:

Mortality Rates:

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

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

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

Disabled Lives:
PubG.H-2010 for Disabled Retirees, set forward three years.
All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (continued):

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Interest Rate: 6.80% (prior year 6.80%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases: See Table below. These rates were developed based upon our April 15, 2022 Experience Study of the Plan. Projected salary in the year of retirement is increased individually according to accrued leave at transition date.

Individual Salary Increase		
Years of Service	Current Rate	Prior Rate
<1	7.00%	7.00%
1-4	5.00%	5.00%
5+	4.00%	4.00%

Payroll Growth: 0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses: $81,059 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Retirement Age: See Table below. This assumption was developed from our April 15, 2022 Experience Study.

% Retiring During the Year		
Age	Current Rate	Prior Rate
62	50.0%	50.0%
63-68	15.0%	15.0%
69	50.0%	50.0%
70+	100.0%	100.0%

Early Retirement: 5.0% per year (previously none). This assumption was developed from our April 15, 2022 Experience Study.

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (continued):

Termination Rates: See Table below. This assumption was covered in our April 15, 2022 Experience Study.

% Terminating During the Year		
Years of Service	Current Rate	Prior Rate
0	25.0%	25.0%
1 -5	10.0%	10.0%
6-19	7.0%	7.0%
20+	0.0%	0.0%

Funding Method: Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution:

Interest - a half year, based on current 6.80% assumption.
Salary - None

Amortization Method: New UAAL amortization bases are amortized over 20 years.

The amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4.

Actuarial Asset Method: All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

CITY OF GULFPORT, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

ANNUAL MONEY-WEIGHTED RATE OF RETURN NET OF INVESTMENT EXPENSE:

Year Ended September 30	General Employees	Firefighters	Police Officers
2025	8.84%	10.31%	10.63%
2024	22.71%	22.59%	21.97%
2023	12.57%	11.55%	9.16%
2022	16.40%	-20.04%	-18.18%
2021	22.50%	18.70%	18.83%
2020	7.47%	10.23%	9.45%
2019	3.76%	4.19%	4.08%
2018	8.47%	6.82%	7.72%
2017	13.33%	12.14%	10.74%
2016	9.87%	7.17%	7.25%

CITY OF GULFPORT, FLORIDA
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total OPEB Liability					
Service cost	$ 39,961	$ 37,858	$ 41,696	$ 59,203	$ 59,286
Interest	40,256	39,543	37,169	25,580	22,373
Difference between expected and actual experience	(129,354)	31,408	(5,415)	(188,372)	(3,347)
Change of assumptions and other inputs	-	-	-	-	-
Benefit payments	(25,848)	(25,848)	(22,699)	(22,699)	(22,154)
Net change in total OPEB liability	(74,985)	82,961	50,751	(126,288)	56,158
Total OPEB liability - beginning	1,016,627	933,666	882,915	1,009,203	953,045
Total OPEB liability - ending	$ 941,642	$ 1,016,627	$ 933,666	$ 882,915	$ 1,009,203
Covered- employee payroll	$ 11,965,577	$ 10,779,229	$ 9,760,605	$ 9,692,393	$ 8,703,580
Total OPEB liability as a percentage of covered-employee payroll	7.90%	9.40%	9.60%	9.11%	11.60%

	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability			
Service cost	$ 54,432	$ 43,499	$ 46,052
Interest	23,641	21,291	20,112
Difference between expected and actual experience	282,485	(23,146)	(803)
Change of assumptions and other inputs	-	4,578	-
Benefit payments	(22,154)	(33,000)	(32,919)
Net change in total OPEB liability	338,404	13,222	32,442
Total OPEB liability - beginning	614,641	601,419	568,977
Total OPEB liability - ending	$ 953,045	$ 614,641	$ 601,419
Covered- employee payroll	$ 8,249,747	$ 7,771,070	$ 7,564,210
Total OPEB liability as a percentage of covered- employee payroll	11.55%	7.91%	7.95%

NOTES TO SCHEDULE:

1. *GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB75
2. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Changes of Benefit Terms:

None

Changes of Assumptions:

The discount rate changed to 4.90% in current year from 4.09% in prior year.

PRIOR YEAR NOTES TO SCHEDULE:

Changes of Assumptions:

For measurement date 09/30/2023: The discount rate changed to 4.09% in current year from 4.02% in prior year.

For measurement date 09/30/2022: The discount rate changed to 4.02% in current year from 2.26% in prior year.

For measurement date 09/30/2021: The discount rate changed to 2.26% in current year from 2.21% in prior year.

For measurement date 09/30/2020: Discount rate changed to 2.21% in current year from 3.58% in prior year.

For measurement date 09/30/2019: Discount rate decreased to 3.58% from 3.64% in the prior year.

Other:

Benefit payments includes Implicit Subsidy Contribution of $25,848

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Other Supplementary Information

This financial statement section provides the following schedules:

Combining balance sheet and statement of revenues, expenditures, and changes in fund balances for nonmajor special revenue funds and capital project fund

Budgetary comparison schedules for:

Major Fund
- Capital Projects Fund

Nonmajor Fund
- Waterfront Redevelopment District

Description of Nonmajor Funds:

Nonmajor Special Revenue Funds:

49th Street Redevelopment District - to account for the restricted revenues and expenditures of 49th Street Redevelopment District

Law Enforcement Trust - to account for police forfeitures and use for allowable Police education and supplies

Library Fund - to account for donations for the City Library

Waterfront Redevelopment District - to account for the restricted tax increment revenues and expenditures of the Waterfront Redevelopment District Plan

Nonmajor Capital Project Fund:

Senior Center Fund - to account for the Senior Center improvement project

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CITY OF GULFPORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
For the Year Ended September 30, 2025

	Final Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Taxes	$ 1,900,000	$ 1,882,138	$ (17,862)
Permits and Fees	50,000	11,785	(38,215)
Intergovernmental Revenues	-	53,371	53,371
Total Revenues	1,950,000	1,947,294	(2,706)
EXPENDITURES			
General Government			
Capital Outlay	153,288	104,767	48,521
Public Safety			
Capital Outlay	355,000	358,486	(3,486)
Public Works			
Capital Outlay	1,465,000	430,417	1,034,583
Recreation			
Capital Outlay	295,712	195,711	100,001
Operating	-	48,044	(48,044)
Total Expenditures	2,269,000	1,137,425	1,131,575
Excess (Deficiency) of Revenues Over (Under) Expenditures	(319,000)	809,869	1,128,869
OTHER FINANCING SOURCES AND (USES)			
Transfers (Out)	(447,264)	(447,264)	-
Total Other Financing Sources and (Uses)	(447,264)	(447,264)	-
Net Change in Fund Balance	(766,264)	362,605	1,128,869
Fund Balance - Beginning	766,264	1,439,112	672,848
Fund Balance - Ending	$ -	$ 1,801,717	$ 1,801,717

CITY OF GULFPORT, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Special Revenue Funds						
	49th Street Redevelopment District	**Law Enforcement Trust**	**Library Fund**	**Waterfront Development District**	**Total Nonmajor Special Revenue Funds**	**Nonmajor Capital Project Senior Center Fund**	**Total Nonmajor Governmental Funds**
ASSETS							
Cash and Cash Equivalents	$ 11,739	$ 3,950	$ 45,832	$ 970,500	$ 1,032,021	$ 36,742	$ 1,068,763
Accounts Receivable (Net)	-	-	-	1,090	1,090	-	1,090
Total Assets	11,739	3,950	45,832	971,590	1,033,111	36,742	1,069,853
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	-	-	-	1,795	1,795	-	1,795
Total Liabilities	-	-	-	1,795	1,795	-	1,795
Fund Balances:							
Restricted for Law Enforcement	-	3,950	-	-	3,950	-	3,950
Restricted for Waterfront Redevelopment	-	-	-	331,865	331,865	-	331,865
Restricted for Donor Provisions	-	-	-	-	-	36,742	36,742
Restricted for Library	-	-	45,832	-	45,832	-	45,832
Assigned for 49th Street Redevelopment	11,739	-	-	-	11,739	-	11,739
Assigned for Other Waterfront Redevelopment	-	-	-	637,930	637,930	-	637,930
Total Fund Balances	11,739	3,950	45,832	969,795	1,031,316	36,742	1,068,058
Total Liabilities and Fund Balances	$ 11,739	$ 3,950	$ 45,832	$ 971,590	$ 1,033,111	$ 36,742	$ 1,069,853

CITY OF GULFPORT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Special Revenue Funds						
	49th Street Redevelopment District	**Law Enforcement Trust**	**Library Fund**	**Waterfront Development District**	**Total Nonmajor Special Revenue Funds**	**Nonmajor Capital Project Senior Center Fund**	**Total Nonmajor Governmental Funds**
REVENUES							
Miscellaneous Revenues	$ -	$ -	$ -	$ 3,439	$ 3,439	$ 93,893	$ 97,332
Total Revenues	-	-	-	3,439	3,439	93,893	97,332
EXPENDITURES							
Current:							
Recreation	-	-	-	-	-	61,115	61,115
Community Development/ Redevelopment	47	-	-	144,323	144,370	-	144,370
Total Expenditures	47	-	-	144,323	144,370	61,115	205,485
Net Change in Fund Balances	(47)	-	-	(140,884)	(140,931)	32,778	(108,153)
Fund Balances - Beginning	11,786	3,950	45,832	1,110,679	1,172,247	3,964	1,176,211
Fund Balances - Ending	$ 11,739	$ 3,950	$ 45,832	$ 969,795	$ 1,031,316	$ 36,742	$ 1,068,058

CITY OF GULFPORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
WATERFRONT REDEVELOPMENT DISTRICT
For the Year Ended September 30, 2025

	Final Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Miscellaneous Revenues	$ -	$ 3,439	$ 3,439
Total Revenues	-	3,439	3,439
EXPENDITURES			
Community Development/Redevelopment			
Community Development/Redevelopment Operating	785,732	144,323	641,409
Capital Outlay	135,000	-	135,000
Total Expenditures	920,732	144,323	776,409
Net Change in Fund Balance	(920,732)	(140,884)	779,848
Fund Balance - Beginning	920,732	1,110,679	189,947
Fund Balance - Ending	$ -	$ 969,795	$ 969,795

City of Gulfport, Florida

<u>Statistical Section</u>

September 30, 2025

This part of the City of Gulfport, Florida's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs

<u>Sources:</u> Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.

<u>Note:</u> As of September 30, 2025, the City had no long-term general bonded debt outstanding, and there has been none for the prior ten years. The City Charter has established that any general obligation borrowing must be exercised in accordance with Chapter 166, Florida Statutes.

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Schedule 1
City of Gulfport, Florida

NET POSITION BY COMPONENT
(accrual basis of accounting)
(in thousands)
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	$ 13,411	$ 14,242	$ 14,442	$ 14,757	$ 15,101	$ 14,801	$ 14,133	$ 14,285	$ 14,176	$ 13,661
Restricted	438	380	508	659	426	3,001	1,488	2,393	1,989	2,380
Unrestricted	3,559	2,136	2,064	1,535	1,841	747	6,469	2,387	1,802	(114)
Total governmental activities net position	$ 17,408	$ 16,758	$ 17,014	$ 16,951	$ 17,368	$ 18,549	$ 22,090	$ 19,065	$ 17,967	$ 15,928
Business-type activities										
Net investment in capital assets	$ 10,891	$ 12,318	$ 12,347	$ 11,314	$ 12,085	$ 11,589	$ 11,348	$ 11,476	$ 11,027	$ 11,196
Restricted	702	714	188	267	140	1,347	222	224	224	224
Unrestricted (Deficit)	1,810	2,479	3,401	3,137	2,961	2,290	4,660	3,985	3,702	2,520
Total business-type activities net position	$ 13,403	$ 15,511	$ 15,936	$ 14,718	$ 15,186	$ 15,226	$ 16,230	$ 15,685	$ 14,953	$ 13,939
Primary government										
Net investment in capital assets	$ 24,302	$ 26,560	$ 26,789	$ 26,071	$ 27,186	$ 26,390	$ 25,481	$ 25,761	$ 25,204	$ 24,857
Restricted	1,140	1,094	696	926	566	4,348	1,710	2,617	2,213	2,604
Unrestricted	5,369	4,615	5,465	4,672	4,802	3,037	11,129	6,372	5,504	2,406
Total primary government, net position	$ 30,811	$ 32,269	$ 32,950	$ 31,669	$ 32,554	$ 33,775	$ 38,320	$ 34,750	$ 32,921	$ 29,867

Schedule 2
City of Gulfport, Florida

CHANGES IN NET POSITION
Last Ten Fiscal Years
(in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General Government	$ 1,557	$ 1,614	$ 1,567	$ 1,867	$ 1,846	$ 1,902	$ 2,355	$ 2,510	$ 2,466	$ 2,858
Public Safety	5,455	5,483	5,745	6,031	6,230	6,795	7,863	9,200	9,132	9,295
Recreation	3,106	3,249	3,434	3,614	3,457	3,382	4,489	5,525	5,366	6,718
Community Development - Redevelopment	1,001	1,411	812	1,063	1,089	1,173	1,552	1,751	1,814	2,051
Public Works	1,494	1,039	1,836	1,767	1,995	1,923	2,806	3,195	3,093	8,127
Interest on Long Term Debt	-	6	13	18	13	5	3	1	3	3
Total governmental activities expenses	$ 12,613	$ 12,802	$ 13,407	$ 14,360	$ 14,630	$ 15,180	$ 19,068	$ 22,182	$ 21,874	$ 29,053
Business-type activities:										
Sanitation	$ 2,059	$ 2,210	$ 2,474	$ 2,215	$ 2,398	$ 2,284	$ 2,953	$ 3,391	$ 2,984	$ 3,127
Water and Sewer	5,472	5,399	5,825	8,237	6,794	7,240	7,557	8,228	9,692	10,941
Marina	1,536	1,762	1,964	2,006	2,107	2,561	3,045	3,121	3,563	2,680
Total business-type activities expenses	9,067	9,371	10,263	12,458	11,299	12,085	13,555	14,740	16,239	16,748
Total primary government expenses	$ 21,680	$ 22,173	$ 23,670	$ 26,818	$ 25,929	$ 27,265	$ 32,623	$ 36,922	$ 38,113	$ 45,801
Program revenues										
Governmental activities:										
Charges for services -										
General Government	$ 1,498	$ 1,559	$ 1,767	$ 1,818	$ 1,964	$ 2,083	$ 2,250	$ 2,277	$ 2,389	$ 2,428
Public Safety	1,240	957	1,179	1,226	1,427	1,715	1,659	1,906	2,052	2,156
Recreation	769	763	779	772	411	343	716	863	799	281
Public Works	178	210	387	260	248	209	430	422	389	394
Operating Grants and Contributions	526	294	382	479	539	524	6,586	456	772	2,787
Capital Grants and Contributions	317	310	137	305	49	105	89	15	117	107
Total governmental activities program revenues	$ 4,528	$ 4,093	$ 4,631	$ 4,860	$ 4,638	$ 4,979	$ 11,730	$ 5,939	$ 6,518	$ 8,154
Business-type activities:										
Charges for Services										
Sanitation	2,184	2,247	2,330	2,339	2,442	2,577	2,745	2,977	3,190	3,324
Water and Sewer	5,167	5,798	6,091	6,233	6,940	7,488	7,977	8,200	8,924	9,452
Marina	1,742	1,936	2,217	2,150	2,412	2,835	3,233	3,194	3,011	1,253
Operating Grants and Contributions	36	225	9	335	9	8	9	173	8	8
Capital Grants and Contributions	303	839	226	11	311	18	17	8	797	224
Total business-type activities program revenues	$ 9,432	$ 11,045	$ 10,873	$ 11,068	$ 12,114	$ 12,926	$ 13,981	$ 14,552	$ 15,930	$ 14,262
Total primary government program revenues	$ 13,960	$ 15,138	$ 15,504	$ 15,928	$ 16,752	$ 17,905	$ 25,711	$ 20,491	$ 22,448	$ 22,415
Net (Expense) Revenue										
Governmental activities	$ (8,085)	$ (8,709)	$ (8,776)	$ (9,500)	$ (9,992)	$ (10,201)	$ (7,338)	$ (16,243)	$ (15,347)	$ (20,900)
Business-type activities	365	1,674	610	(1,390)	815	841	426	(188)	(310)	(2,487)
Total primary government net (expense)	$ (7,720)	$ (7,035)	$ (8,166)	$ (10,890)	$ (9,177)	$ (9,360)	$ (6,912)	$ (16,431)	$ (15,657)	$ (23,386)

Continued next page

Schedule 2 - *Continued*
City of Gulfport, Florida

CHANGES IN NET POSITION - *Continued*
Last Ten Fiscal Years
(in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Ad Valorem	$ 3,051	$ 3,314	$ 3,563	$ 3,852	$ 4,213	$ 4,568	$ 4,910	$ 5,653	$ 6,445	$ 6,673
Franchise Fees	712	705	752	803	794	798	862	902	895	966
Public Service Taxes	1,577	1,593	1,621	1,711	1,800	1,864	1,956	2,112	2,092	2,266
Sales Tax - Infrastructure	1,242	1,281	1,343	1,417	1,353	1,524	1,786	1,851	1,851	1,882
Half-cent Sales Tax	764	772	799	821	780	912	1,015	993	955	940
Local Option Gas Tax	179	179	174	170	156	159	162	164	161	159
Other Taxes	64	69	67	72	41	65	73	65	63	80
State Revenue Sharing	398	416	425	437	408	461	557	546	514	513
Investment Income	27	37	53	62	33	9	36	334	507	439
Miscellaneous	203	128	177	216	167	119	65	126	150	4,743
Gain/(Loss) on Sale of Capital Assets	-	-	-	14	1	62	28	32	84	35
Transfers	(47)	(433)	222	(138)	664	840	(570)	440	531	451
Total governmental activities	$ 8,170	$ 8,061	$ 9,196	$ 9,437	$ 10,410	$ 11,381	$ 10,880	$ 13,218	$ 14,248	$ 19,147
Business-type activities:										
Investment Income (loss)	$ -	$ -	$ -	$ -	$ -	$ -	$ 8	$ 82	$ 89	$ 78
Gain on Sale of Capital Assets	-	-	65	34	-	40	-	-	-	-
Miscellaneous / Special Item	-	-	-	-	316	-	-	-	20	1,893
Transfers	47	433	(222)	138	(664)	(840)	570	(440)	(531)	(451)
Total business-type activities	47	433	(157)	172	(348)	(800)	578	(358)	(422)	1,520
Total primary government	$ 8,217	$ 8,494	$ 9,039	$ 9,609	$ 10,062	$ 10,581	$ 11,458	$ 12,860	$ 13,826	$ 20,667
Change in Net Position										
Governmental activities	$ 85	$ (649)	$ 420	$ (63)	$ 418	$ 1,180	$ 3,542	$ (3,025)	$ (1,098)	$ (1,753)
Business-type activities	412	2,107	453	(1,218)	467	41	1,004	(546)	(732)	(966)
Total primary government	$ 497	$ 1,458	$ 873	$ (1,281)	$ 885	$ 1,221	$ 4,546	$ (3,571)	$ (1,830)	$ (2,719)

Schedule 3
City of Gulfport, Florida

FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 51	$ 48	$ 72	$ 58	$ 80	$ 45	$ 273	$ 353	$ 206	$ 124
Restricted	20	27	43	16	8	16	16	18	20	160
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	17	9	58	78	218	506	2,762	1,748	1,508	947
Unassigned	4,184	3,415	3,626	3,310	3,016	4,033	6,350	7,169	7,848	4,778
Total General Fund	$ 4,272	$ 3,499	$ 3,799	$ 3,462	$ 3,322	$ 4,600	$ 9,401	$ 9,288	$ 9,582	$ 6,009
All other governmental funds										
Nonspendable	$ -	$ -	$ 1	$ 2	$ 1	$ 1	$ 25	$ -	$ -	$ -
Restricted	419	354	465	580	193	479	1,443	2,373	1,969	2,220
Assigned	602	475	421	359	630	631	634	339	646	650
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	$ 1,021	$ 829	$ 887	$ 941	$ 824	$ 1,111	$ 2,102	$ 2,712	$ 2,615	$ 2,870

Schedule 4
City of Gulfport, Florida

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 6,805	$ 7,118	$ 7,501	$ 8,003	$ 8,335	$ 8,955	$ 9,722	$ 10,724	$ 11,485	$ 12,000
Permits and fees	401	385	585	592	638	771	794	797	845	822
Intergovernmental revenues	2,414	2,209	2,086	2,438	2,291	3,003	9,154	2,971	3,310	3,838
Charges for services	2,264	2,377	2,742	2,714	2,559	2,569	3,182	3,347	3,485	3,234
Fines and forfeitures	401	116	110	84	53	54	(75)	87	43	44
Investment Income	27	37	52	62	33	9	26	344	507	439
Miscellaneous revenues	434	344	469	476	325	311	405	461	572	484
Total revenues	$ 12,746	$ 12,586	$ 13,545	$ 14,369	$ 14,234	$ 15,672	$ 23,208	$ 18,731	$ 20,247	$ 20,861
Expenditures										
General government	$ 1,432	$ 1,520	$ 1,489	$ 1,610	$ 1,773	$ 1,749	$ 2,147	$ 2,183	$ 2,362	$ 2,672
Public safety	4,950	5,055	5,243	5,493	5,863	6,106	6,429	6,863	7,799	9,472
Recreation	2,698	3,015	2,979	3,259	3,283	3,252	4,115	4,834	4,946	6,661
Community development/ Redevelopment	1,709	1,406	1,123	1,062	1,299	1,156	1,214	1,401	1,837	1,783
Public works	1,180	1,225	1,586	1,562	1,538	1,606	2,131	2,352	2,392	7,521
Capital outlay	1,125	1,179	1,123	1,555	1,139	920	721	1,037	1,327	1,089
Debt service:										
Principal	-	43	115	196	247	153	85	3	36	38
Interest	-	6	13	18	13	5	3	1	3	3
Total expenditures	$ 13,094	$ 13,449	$ 13,671	$ 14,755	$ 15,155	$ 14,947	$ 16,845	$ 18,674	$ 20,702	$ 29,239
Excess of revenues over (under) expenditures	$ (348)	$ (863)	$ (126)	$ (386)	$ (921)	$ 725	$ 6,363	$ 57	$ (455)	$ (8,378)
Other financing sources (uses)										
Transfers in	$ 1,267	$ 686	$ 631	$ 635	$ 1,030	$ 1,213	$ 997	$ 1,480	$ 1,463	$ 1,198
Transfers out	(1,315)	(1,119)	(409)	(773)	(366)	(373)	(1,567)	(1,040)	(931)	(747)
Insurance recoveries	-	-	-	-	-	-	-	-	-	4,609
Issuance of leases / SBITAs	-	332	263	241	-	-	-	-	120	-
Total other financing sources (uses)	$ (48)	$ (101)	$ 485	$ 103	$ 664	$ 840	$ (570)	$ 440	$ 652	$ 5,059
Net change in fund balances	$ (396)	$ (964)	$ 359	$ (283)	$ (257)	$ 1,565	$ 5,793	$ 497	$ 197	$ (3,319)
Debt service as a percentage of non-capital expenditures	N/A	N/A	0.4%	1.1%	1.7%	2.0%	1.2%	0.6%	0.6%	0.2%

Schedule 5
City of Gulfport, Florida

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Real Property			Less: Tax Exemptions	
	Residential Property	Commercial Property	Personal Property	Governmental/ Institutional	$ 25,000.00 Homestead
2016	$ 1,158,471,984	$ 132,568,863	$ 18,251,893	$ 90,582,656	$ 160,455,030
2017	1,246,940,796	135,303,673	19,314,382	89,126,722	167,873,903
2018	1,363,188,964	142,481,545	17,562,734	91,440,845	174,575,373
2019	1,467,189,529	150,551,485	18,119,786	94,740,002	177,093,595
2020	1,598,555,263	164,355,758	21,154,924	103,325,187	182,642,216
2021	1,737,662,739	177,910,708	20,511,221	111,415,087	186,311,931
2022	2,252,778,016	200,349,023	20,093,197	120,569,843	190,513,020
2023	2,739,257,661	223,024,199	21,680,929	130,885,569	191,873,026
2024	2,858,311,973	238,661,181	22,742,731	137,216,491	195,524,540
2025	2,818,644,022	253,429,711	23,352,819	148,649,390	198,592,042

Sources: Pinellas County Property Appraiser, 2025 Final tax roll (Form DR403V and Land Use Recaps)

Schedule 5 - Continued
City of Gulfport, Florida

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - Continued
Last Ten Fiscal Years

Less: Tax Exemptions			
Homestead Assessment Differential	Widows/ Disability/ Blind	Total Taxable Assessed Value	Millage Rate *
$ 245,544,608	$ 7,550,108	$ 805,160,338	4.039
269,860,826	8,096,306	866,601,094	4.039
310,073,683	9,607,438	937,535,904	4.039
330,338,990	11,598,684	1,022,089,529	4.039
377,854,602	11,881,243	1,108,362,697	4.039
431,602,238	14,061,432	1,192,693,980	4.039
770,842,530	17,412,528	1,373,882,315	4.039
1,070,148,879	21,343,457	1,569,711,858	4.026
1,040,124,631	25,209,228	1,721,640,995	4.026
934,033,043	28,558,346	1,785,593,731	4.026

Note: * The rate used in the calculation of property taxes. One mill equals $1 per $1,000 of taxable value. A millage of 4.026 (which is the millage in effect for the City of Gulfport) is equal to $4.026 for each $1,000 of taxable value on real property. The tax rate on real property based on $1 per $1,000 of assessed property value.

Property is assessed at actual value and therefore a separate table for assessed and actual data is not presented.

Schedule 6
City of Gulfport, Florida

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

City Direct Rates		Overlapping Rates					
Fiscal Year	Basic Rate *	Pinellas County	Pinellas County Schools	Transit	Emerg. Medical Services	Other **	Total Millage
2016	4.0390	5.3377	7.3180	0.7500	0.9158	1.2448	19.6053
2017	4.0390	5.3590	7.0090	0.7500	0.9158	1.2262	19.2990
2018	4.0390	5.3590	6.7270	0.7500	0.9158	1.2086	18.9994
2019	4.0390	5.3590	6.5840	0.7500	0.9158	1.1932	18.8410
2020	4.0390	5.3590	6.4270	0.7500	0.9158	1.1800	18.6708
2021	4.0390	5.2092	6.3250	0.7500	0.9158	1.1666	18.4056
2022	4.0390	4.8188	5.9630	0.7500	0.8775	1.0978	17.5461
2023	4.0258	4.8111	5.9380	0.7500	0.8418	1.0503	17.4170
2024	4.0258	4.6660	5.8220	0.7342	0.8050	1.0359	17.0889
2025	4.0258	4.6136	6.2930	0.7300	0.8050	1.0256	17.4930

Sources: Pinellas County Tax Collector, Pinellas County Property Appraiser

Note: * The rate used in the calculation for property taxes. One mill equals $1 per $1,000 of taxable value. The tax rate on real property based on $1 per $1,000 of assessed property value.

** "Other" includes Pinellas County Planning Council, Juvenile Welfare Board, South West Florida Water Management District and Pinellas Anclote River Basin.

Overlapping rates are those of local and county governments that apply to property owners within the City of Gulfport. The total millage column applies to all property owners within the City.

Schedule 7
City of Gulfport, Florida

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Total Tax Levy	Current Year Tax Collections	Percentage of Levy Collected in Year	Tax Collected in Subsequent Years	Total Tax Collected	Percentage of Levy Collected to Date
2016	3,021,146	2,912,132	96.4%	8,951	$ 2,921,083	97.1%
2017	3,252,043	3,139,165	96.5%	29,885	3,169,050	96.7%
2018	3,500,202	3,384,032	96.7%	10,887	3,394,919	97.4%
2019	3,786,708	3,655,605	96.5%	3,369	3,658,974	97.0%
2020	4,128,220	3,987,368	96.6%	2,297	3,989,665	96.6%
2021	4,476,677	4,322,415	96.6%	2,713	4,325,128	96.6%
2022	4,817,291	4,646,594	96.5%	3,296	4,649,890	96.6%
2023	5,549,111	5,357,847	96.6%	7,875	5,365,722	96.5%
2024	6,319,346	6,093,523	96.4%	17,491	6,111,014	96.7%
2025	6,930,982	6,667,509	96.2%	5,529	6,673,038	96.3%

Sources: Pinellas County Tax Collector's reports, Pinellas County final tax roll.
City of Gulfport, Incode Software

Schedule 8
City of Gulfport, Florida

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Property Description	2025 Taxable Assessed Value	2025 Rank	2025 Percentage of Total City Taxable Assessed Value	2016 Taxable Assessed Value	2016 Rank	2016 Percentage of Total City Taxable Assessed Value
Seaside Villas Florida LLC	$ 9,980,000	1	0.56%	$ -		
Culby Properties South LLC	6,718,018	2	0.38%	1,757,873	10	0.20%
Hawkeye Equity LLC	5,491,505	3	0.31%	-		
Valin, Peter J	5,377,067	4	0.30%	-		
Larson, Glenn J	5,016,810	5	0.28%	-		
49Th Street LLC	4,725,000	6	0.26%	2,850,603	3	0.32%
Hornsleth, Poul & April Caldwell Rev Liv Trust	4,041,421	7	0.23%	-		
J L P Management Assoc Inc	4,024,637	8	0.23%	1,934,119	9	0.22%
Meister, Scott B	3,394,844	9	0.19%	-		
5701 Gulfport Property LLC	3,383,000	10	0.19%	-		
Seaside Villas Gulfport LLC				9,100,000	1	1.02%
C F C Pasadena Golf LLC	-		-	2,851,534	2	0.32%
Karma Fund 3 LLC	-		-	2,677,525	4	0.30%
Woiteshek, Dwight	-		-	2,545,494	5	0.29%
Paonessa, Jeffrey L	-		-	2,366,460	6	0.27%
Hernandez, Roberto M	-		-	2,037,869	7	0.23%
Holmes, Michael R	-		-	1,980,161	8	0.22%
	-		-			
All Others	-		97.07%	-		96.61%
Total	$ 52,152,302		100.00%	$ 30,101,638		100.00%

Source: Pinellas County Property Appraiser tax rolls.

Schedule 9
City of Gulfport, Florida

WATER SOLD BY TYPE OF CUSTOMER
Last Ten Fiscal Years

Type of Customer	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential	$ 2,758,757	$ 2,828,295	$ 2,646,964	$ 2,643,615	$ 2,728,581	$ 2,600,561	$ 2,591,810	$ 2,657,756	$ 2,578,054	$ 2,424,910
Commercial	271,658	291,889	258,286	272,263	292,060	297,300	271,434	273,719	287,435	278,971
Government	113,235	112,531	108,342	107,453	86,816	81,856	100,168	96,608	90,263	120,211
Total	$ 3,143,650	$ 3,232,715	$ 3,013,592	$ 3,023,331	$ 3,107,457	$ 2,979,717	$ 2,963,412	$ 3,028,083	$ 2,955,752	$ 2,824,092

Sources: City of Gulfport Utility Billing System, Incode Software

Schedule 10
City of Gulfport, Florida

WATER AND SEWER RATES
Last Ten Fiscal Years

Water Rates Effective 10/1

Service Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Base Rate starts FY23	-	-	-	-	-	-	-	$ 17.74	$ 19.16	$ 20.69
Volumetric Charges per 1,000 gallons of water usage:										
0 - 2,000	$ 13.84	$ 14.28	$ 15.68	$ 15.68	$ 16.93	$ 18.28	$ 19.74	$ 1.00	$ 1.08	$ 1.17
2,001 - 3,000	6.92	7.14	7.84	7.84	8.47	9.15	9.88	9.88	10.67	11.52
3,001 - 4,000	7.83	8.08	8.87	8.87	9.58	10.35	11.18	11.18	12.07	13.04
5,001 - 10,000	8.77	9.05	9.93	9.93	10.72	11.58	12.51	12.51	13.51	14.59
10,001 - 15,000	9.68	9.99	10.96	10.96	11.84	12.79	13.81	13.81	14.91	16.10
15,001 - 20,000	10.60	10.94	12.01	12.01	12.97	14.01	15.13	15.13	16.34	17.65
20,000 +	10.60	17.95	19.70	19.70	21.28	22.98	24.82	24.82	26.81	28.95

Sewer Rates Effective 10/1

Service Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Base Rate starts FY23	-	-	-	-	-	-	-	$ 24.86	$ 26.85	$ 29.00
Volumetric Charges per 1,000 gallons of water usage:										
0 - 2,000	$ 17.21	$ 17.76	$ 17.76	$ 21.32	$ 23.03	$ 24.87	$ 26.86	$ 1.00	$ 1.08	$ 1.17
2,001 - 3,000	8.60	8.88	8.88	10.66	11.51	12.43	13.42	13.42	14.49	15.65
3,001 - 4,000	9.06	9.35	9.35	11.22	12.12	13.09	14.14	14.14	15.27	16.49
5,001 - 10,000	9.50	9.80	9.80	11.76	12.70	13.72	14.82	14.82	16.01	17.29
10,001 - 15,000	9.97	10.29	10.29	12.35	13.34	14.41	15.56	15.56	16.80	18.14
15,001 - 20,000	10.43	10.76	10.76	12.91	13.94	15.06	16.26	16.26	17.56	18.96
20,000 +	10.43	10.95	10.95	13.14	14.19	15.33	16.56	16.56	17.88	19.31

Sources: City of Gulfport Utility Billing, City Ordinances

Schedule 11
City of Gulfport, Florida

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities					
Fiscal Year	Lease Liability	SBITAs Liability	Financed Purchases	Financed Purchases	State Revolving Loan	Total Primary Government	Gulfport Personal Income	Percentage of Personal Income	Per Capita
2016	$ -	$ -	$ -	$ 166,409	$ 1,457,997	$ 1,624,406	$ 385,109,230	0.40%	$ 131
2017	-	-	288,561	91,918	1,563,819	1,944,298	408,689,190	0.50%	155
2018	-	-	436,386	28,229	2,995,086	3,459,701	426,431,607	0.80%	276
2019	-	-	481,807	673,995	4,272,126	5,427,928	446,273,542	1.20%	430
2020	-	-	235,023	530,911	4,610,978	5,376,912	465,068,760	1.20%	424
2021	-	-	82,268	384,085	5,232,143	5,698,496	514,478,003	1.10%	460
2022	15,183	-	-	233,419	7,550,930	7,799,532	603,785,007	1.30%	663
2023	12,010	-	-	78,813	7,484,334	7,575,157	784,916,262	1.00%	631
2024	8,547	87,778	-	-	7,133,144	7,229,469	784,618,374	0.90%	609
2025	4,767	54,013	-	-	6,719,182	6,777,962	822,047,906	0.82%	568

Sources: Per capita information for calculation of personal income obtained from University of Florida Bureau of Economic and Business Research for Pinellas County.
City of Gulport, Incode Software

Debt limitation: There are no legal debt limits for Florida municipalities.

Schedule 12
City of Gulfport, Florida

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2025

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (a)	City's Share of Debt
DIRECT DEBT			
City of Gulfport	$ 58,780	100.00%	$ 58,780
Subtotal Direct Debt	$ 58,780		$ 58,780
OVERLAPPING DEBT			
Pinellas County School District State Bonds (b)	$ -	1.31%	$ -
Pinellas County School District Lease Liability	1,636,739	1.31%	21,441
Pinellas County Financed Purchases	27,162,465	1.31%	355,828
Pinellas County Notes Outstanding	-	1.31%	-
Pinellas County SBITAs	11,385,648	1.31%	149,152
Subtotal Overlapping Debt	$ 40,184,852		$ 526,422
Total Direct and Overlapping Debt	$ 40,243,632		$ 585,202

Sources: Assessed value data used to estimate applicable percentages provided by Pinellas County Property Appraiser. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

(a) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

(b) The School District State Bonds are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is also pledged for the bonds.

Schedule 13
City of Gulfport, Florida

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population	Personal Income (a)	Per Capita Personal Income	Median Age (a)	Unemployment Rate (b)	School Enrollment (c)
2016	12,371	$ 385,109,230	$ 31,130	53.0	4.5%	2,489
2017	12,510	408,689,190	32,669	53.7	3.1%	2,493
2018	12,527	426,431,607	34,041	54.2	3.7%	2,531
2019	12,623	446,273,542	35,354	54.7	3.3%	2,502
2020	12,686	465,068,760	36,660	54.9	6.8%	2,277
2021	12,389	514,478,003	41,527	55.2	4.0%	2,110
2022	11,769	603,785,007	51,303	55.2	2.5%	2,003
2023	12,006	784,916,262	65,377	54.0	2.8%	1,887
2024	11,877	784,618,374	66,062	56.9	3.3%	1,693
2025	11,939	822,047,906	68,854	57.0	3.7%	1,535

Sources:
(a) - Pinellas County Economic Development
(b) - Florida Department of Economic Opportunity
(c) - Pinellas County School Board (Boca Ciega High School, Gulfport Elementary School, and Disston Academy)

Schedule 14
City of Gulfport, Florida

PRINCIPAL EMPLOYERS (a)
Current Year and Nine Years Ago

	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Pinellas County Public School District	13,210	1	2.71%	15,836	1	3.60%
Publix	7,575	2	1.55%	-		-
U.S. Dept Of Veterans Affairs	5,124	3	1.05%	4,459	2	1.01%
Walmart	4,676	4	0.96%	-		-
Raymond James & Associates	4,600	5	0.94%	3,200	4	0.73%
All Childrens Health Systems	3,865	6	0.79%	3,200	3	0.73%
City of St Petersburg	3,855	7	0.79%	3,165	5	0.72%
Morton F Plant Hospital	3,363	8	0.69%	2,550	7	0.58%
Mease Hospital Trustees	2,582	9	0.53%	-		-
Pinellas County Sheriff's Office	2,522	10	0.52%	2,682	6	0.61%
St. Petersburg College	-		-	2,413	9	0.55%
Home Shopping Network	-		-	2,200	10	0.50%
Tech Data	-		-	2,500	8	0.57%
All Others	-		89.46%	-		90.41%
Total Employees above	51,372			42,205		
Total Employment Pinellas County	476,928		100%	440,172		100%

(a) Data for the City of Gulfport is not currently available. Pinellas County is the closest large metropolitan area with data available for reporting purposes.

Source: Pinellas County Economic Development, Florida Research and Economic Information Database Application

Schedule 15
City of Gulfport, Florida

CITY FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
City Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Manager	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Administrative Services	10.00	10.00	10.00	10.00	10.00	10.00	10.00	8.00	5.00	5.00
Human Resources	-	-	-	-	-	-	-	2.00	3.00	2.00
Public Safety										
Police	37.50	37.50	37.50	38.50	38.50	40.00	40.00	40.00	40.50	40.50
Fire	14.50	13.50	13.50	14.50	18.50	18.50	18.50	20.50	20.50	20.50
Recreation										
Library	8.50	8.75	9.75	9.25	9.25	9.75	9.75	9.75	9.75	9.75
Museum & Art Center	-	-	-	-	-	-	-	-	2.50	3.00
Recreation	10.25	11.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25
Senior Center	3.00	3.25	3.25	3.25	3.25	3.25	3.25	4.25	4.25	4.25
Gems	3.50	3.50	3.00	3.00	3.00	3.50	3.50	3.50	3.50	3.50
Cultural Facilities										
Casino	3.25	3.5	3.5	3.5	3.5	3.25	3.25	3.75	3.75	3.75
Theater	3.25	3.5	3.5	3.5	3.5	3.25	3.25	3.75	3.75	3.75
Tech Events	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development										
Planning	2.00	2.00	3.00	2.67	2.67	2.67	2.67	2.67	2.67	3.67
Building	3.00	3.00	3.00	3.67	3.67	4.67	5.67	5.67	5.67	7.67
Code Enforcement	1.25	1.25	1.25	1.66	2.66	2.66	2.66	2.66	2.66	2.66
49th Street Corridor	0.75	0.75	0.75	-	-	-	-	-	-	-
Public Works										
Director	1.00	1.25	1.25	1.25	1.50	1.50	1.50	1.50	1.50	1.50
Parks	6.00	7.00	7.00	8.50	9.00	9.00	9.00	9.00	9.00	10.00
Streets	1.50	0.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Garage	2.00	2.00	2.00	2.50	3.00	3.00	3.00	3.00	3.00	3.00
Building	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Utilities										
Utility Billing - Customer Service	-	-	-	-	-	-	-		4.50	4.50
Water	3.80	3.54	3.54	3.21	3.28	3.28	3.28	3.28	3.28	3.28
Sewer	3.80	3.54	3.54	3.21	3.28	3.28	3.28	3.28	3.28	3.28
Stormwater	1.00	1.67	3.67	4.34	4.34	4.34	4.34	4.34	4.34	4.34
Sanitation	15.90	17.00	16.00	16.00	16.10	16.10	16.10	16.10	16.10	17.10
Marina	3.50	4.50	6.00	6.00	6.00	7.00	7.00	7.00	7.50	7.50
Total	146.25	149.75	157.75	161.26	167.75	171.75	172.75	176.75	182.75	188.25

Source: City Annual Adopted Budgets

Notes:
Refers to the number of personnel authorized for an accounting period, including part-time personnel converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time recreation aide working twenty (20) hours per week for fifty-two (52) weeks a year equals .5 of a full-time position.

Schedule 16
City of Gulfport, Florida

OPERATING INDICATORS BY FUNCTION / PROGRAM
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Reported crime (UCR Part One)	444	633	455	528	384	367	-	-	-	-
Reported crime (NIBRS) ***	-	-	-	-	-	-	708	614	526	497
Felony arrests (a)	148	173	176	152	117	112	88	101	81	101
Reported traffic crashes	104	118	114	133	98	107	126	122	148	126
Traffic violations issued (a)	1,053	1,137	1,445	1,518	672	776	667	452	504	612
Calls for service	21,649	29,139	27,538	29,821	29,513	24,794	22,188	29,043	20,615	22,437
Fire										
Fire incidents (b)	23	18	32	38	40	41	75	65	121	129
Emergency responses	3,668	2,576	2,698	3,106	2,876	4,295	3,660	3,509	3,899	3,788
Fire inspections	813	707	556	788	486	767	477	234	284	245
Sanitation										
Refuse collected (tons/annu.)	9,839	9,917	9,966	10,473	10,125	10,099	9,457	9,675	10,285	10,582
Recyclables collected (tons/annu.)	987	796	756	692	731	653	769	632	591	619
Utilities										
Average daily consumption (thousands of gallons)	964	968	921	899	900	886	958	1,001	890	900
Average daily sewage treatment (thousands of gallons)	1,299	977	1,028	1,131	836	953	748	620	911	1,155
Recreation										
Participants in after-school program	61	52	78	67	11	33	51	59	47	38
Participants in summer camp program	136	149	125	123	27	72	79	75	83	67
Library										
Circulation of materials	110,371	120,047	119,261	114,482	123,397	144,771	134,793	138,200	138,578	148,084
Reference questions	8,908	7,835	6,300	9,053	1,311	2,756	13,117	10,823	8,015	8,300
Sponsored programs	354	374	435	609	319	141	398	359	418	397
Senior Center										
Average daily attendance	240	525	599	614	270	150	445	592	539	515
Meals served daily	82	88	59	59	184	115	125	148	177	101
Reassurance calls made daily	10	10	10	12	199	18	15	18	16	14
GEMS										
Number of rides	8,300	8,502	9,624	9,659	4,683	6,425	8,569	9,136	9,934	7,165
Number of subscriptions	128	113	122	128	104	122	120	132	160	104
Number of handicapped members	102	76	73	58	60	55	63	39	69	59
Marina										
Number of wet/dry slips rented	290	290	290	281	320	326	332	330	318	232
Number of vessels fueled (c)	5,528	5,167	5,704	6,790	7,683	7,606	9,104	6,825	6,530	200
Number of gallons dispensed (c)	208,394	224,490	272,977	296,018	389,387	380,559	428,942	355,592	364,397	50,000
Number of transient rentals	303	353	304	566	424	419	420	379	355	281
Number of kayaks stored	32	24	22	29	32	32	32	32	23	12
Cultural Facilities										
Number of dances/rentals	335	328	331	340	145	77	327	383	383	-
Number of theater rentals	66	69	82	82	41	16	87	122	87	91

Sources: Various City departments

*** The State of Florida has transitioned from Uniform Crime Reporting (UCR) to National Incident Based Reporting (NIBRS). NIBRS requires reporting of up to ten offenses per incident versus UCR's one offense and includes a much larger range of offense types.
(a) Different operating indicators selected for tracking after 2007.
(b) Changed from Fires extinguished as of FY21-22.
(c) Marina ship store/fuel sales were inoperable for most of FY25 due to hurricane damage in 2024. Vessles fueled and gallons sold estimated.

Schedule 17
City of Gulfport, Florida

CAPITAL ASSET STATISTICS BY FUNCTION PROGRAM
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Schools										
Elementary	1	1	1	1	1	1	1	1	1	1
Junior/Senior High	2	2	2	2	2	2	2	2	2	2
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	23	23	23	23	23	23	23	23
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire trucks	2	2	2	2	2	2	2	2	2	2
Rescue Units	-	-	-	1	1	1	1	1	1	1
Other Public Works										
Streets - Paved	67.63	*49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25
Streets - Unpaved	32	32	32	32	32	32	32	32	32	32
Streetlights	1,368	1,368	1,368	1,368	1,380	1,380	1,381	1,381	1,381	1,381
Sanitation										
Collection trucks	11	11	12	12	12	12	12	12	12	12
Utilities										
Water mains (miles)	68	68	68	68	68	68	68	68	68	68
Fire hydrants	285	286	286	286	286	286	268	268	268	268
Lift stations	2	2	2	2	2	2	2	2	2	2
Sanitary sewer (miles)	105	105	105	105	105	105	105	105	105	105
Storm drain lines (miles)	23	23	23	23	23	23	23	23	23	23
Stormwater treatment lakes	4	4	4	4	4	4	4	4	4	4
Recreation										
Acreage	36.75	36.75	36.75	36.75	36.75	36.75	36.75	36.75	36.75	36.75
Playgrounds	6	6	6	6	6	6	6	6	6	6
Tennis courts	2	2	2	2	2	2	2	2	2	2
Skate parks	-	-	1	1	1	1	1	1	1	1
Volleyball courts	4	4	6	6	6	6	6	6	6	2
Basketball courts	1	1	1	1	1	1	1	1	1	1
Bocce courts	1	1	1	1	1	1	1	1	1	1
Recreation buses	1	1	1	1	1	1	1	1	1	1
Pickleball courts	-	-	-	-	-	-	2	2	2	2
Library										
Catalogued items	80,948	76,868	100,071	127,834	147,969	153,762	78,795	78,204	78,712	77,436
GEMS										
Vehicles	4	4	4	4	4	4	4	4	4	4
Marina										
Number of slips	247	247	247	247	252	252	252	252	252	196
Dry storage slips	80	80	79	79	78	78	78	78	52	52

Sources: Various City departments

Note: No capital asset indicators are available for the general government function.

*All paved roads were recently inventoried which showed a reduction in City maintained lane miles. Prior to 2018 this statistic included private and County maintained paved roadways.

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Compliance Section

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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

Honorable Mayor and City Council
City of Gulfport, Florida
Gulfport, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gulfport, 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 May 27, 2026. Our report includes an emphasis of matter paragraph for a change in accounting principle. Our opinions are not modified with respect to this matter.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. 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 were not identified.

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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, grant agreements and contracts, 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Tampa, Florida
May 27, 2026

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Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Honorable Mayor and City Council
City of Gulfport, Florida

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited City of Gulfport, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District s major federal program for the year ended September 30, 2025. The City's major federal program 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 compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

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

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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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, 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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "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. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

Tampa, Florida
May 27, 2026

CITY OF GULFPORT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2025

FEDERAL AWARDS FUNDING SOURCE AND GRANT PROGRAM	Assistance Listing Number	Grant Number	Pass-Through Identifying Number	Sum of Total Federal Expenditures	Amount Provided to Subrecipients
U. S. DEPARTMENT OF AGRICULTURE					
Passed through Florida Department of Health					
Child and Adult Care Food Program	10.558	A-4190	N/A	$ 5,194	$ -
Total U. S. DEPARTMENT OF AGRICULTURE				$ 5,194	$ -
U. S. DEPARTMENT OF JUSTICE					
Office of Justice Programs					
Bureau of Justice Assistance					
Patrick Leahy Bulletproof Vest Partnership Program	16.607	N/A	N/A	$ 1,718	$ -
Total U. S. DEPARTMENT OF JUSTICE				$ 1,718	$ -
U. S. DEPARTMENT OF TRANSPORTATION					
TRANSIT SERVICES PROGRAMS CLUSTER					
Passed through Florida Department of Transportation					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	1001-2024-25	456349-1-94-24	$ 80,882	$ -
Total U. S. DEPARTMENT OF TRANSPORTATION				$ 80,882	$ -
U. S. DEPARTMENT OF HOMELAND SECURITY					
Passed through Florida Division of Emergency Management					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)					
Hurricane Debby	97.036	4806DR	Z4280	$ 47,011	$ -
Hurricane Helene	97.036	4828DR	Z4306	1,374,932	-
Hurricane Ian	97.036	4673DR	Z2939	16,310	-
Hurricane Idalia	97.036	4734DR	Z4001	87,144	-
Hurricane Milton	97.036	4834DR	Z4441	930,598	-
Total U. S. DEPARTMENT OF HOMELAND SECURITY				$ 2,455,996	$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 2,543,790	$ -

The accompanying notes are an integral part of this Schedule.

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Gulfport (City) under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).* Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The City did not receive noncash assistance during the year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards recorded in governmental funds and the accrual basis of accounting for awards in the proprietary funds, which are described in Note 1 to the City's basic financial statements. Such expenditures are recognized following the cost principles in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The City has not elected to use the 15 percent de minimis cost rate allowed under the Uniform Guidance.

NOTE 4 – DISASTER ASSISTANCE

The City has incurred hurricane-related expenditures for the 2025 fiscal year under the Disaster Grants – Public Assistance program. The City reports the eligible expenditures during the year in which they were obligated by Federal Emergency Management Agency (FEMA) on the SEFA. The Schedule includes expenditures incurred and obligated as of September 30, 2025; however, expenditures in the amount of $47,011 and $73,758 for Hurricanes Debby and Idalia were incurred in a prior fiscal year.

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal program:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

5. Type of auditor's report issued on compliance for major federal program(s):

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

7. Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters

8. Dollar threshold used to distinguish between Type A and Type B programs: $1,000,000.

9. Auditee qualified as a low-risk auditee? ☐ Yes ☒ No

Section II – Financial Statement Findings

No matters are reported.

Section III – Federal Award Findings and Questioned Costs

No matters are reported.

Section IV – Prior Year Audit Findings

No matters are reported.

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Independent Accountant's Report

Honorable Mayor and City Council
City of Gulfport, Florida
Gulfport, Florida

We have examined the compliance of the City of Gulfport, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, 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 with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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 engagement.

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

Forvis Mazars, LLP

Tampa, Florida
May 27, 2026

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Independent Auditor's Management Letter

Honorable Mayor and City Council
City of Gulfport, Florida
Gulfport, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Gulfport , Florida (the "City") as of and for the year ended September 30, 2025, and have issued our report thereon dated May 27, 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; Title 2 *U.S. Code of Federal Regulations, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General.*

Other Reporting Requirements

We have issued our Independent 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 on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards in Accordance with the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 27, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General,* requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding audit, all prior year findings were fully resolved.

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. The legal authority is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General,* requires 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 identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes

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

Section 10.554(1)(i)2., *Rules of the Auditor General,* requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no 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 that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statues, and Section 10.554(1)(i)6, Rules of the Auditor General, see separately issued financial statements for the City of Gulfport Waterfront Community Redevelopment Agency. The Forty-Ninth Street Corridor Redevelopment District does not have employees, independent contractors, construction projects or budget variances.

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 have 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, City Council, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Forvis Mazars, LLP

Tampa, Florida
May 27, 2026