



City of
Lake Mary
Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year
Ended September 30, 2025**



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**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
CITY OF LAKE MARY
FLORIDA
FISCAL YEAR ENDED
September 30, 2025**



PREPARED BY THE
FINANCE DEPARTMENT



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Introductory Section



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City of Lake Mary

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City Manager

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March 19, 2026

To the Honorable Mayor, City Commission and the Citizens of the City of Lake Mary, Florida:

It is with pleasure that we present to you the City of Lake Mary, Florida Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2025. This document fulfills the requirements set forth in Florida Statutes, Chapter 166.241, and the Rules of the Florida Auditor General, Chapter 10.550. The organization, form and contents of this report, plus the accompanying financial statements and statistical tables, are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, State of Florida, and the Government Finance Officers Association.

Management assumes full responsibility for the completeness and reliability of all information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of material misstatement. As management, we assert, to the best of our knowledge and belief that this financial report is complete and reliable in all material aspects.

McDermitt Davis & Company, LLC, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended September 30, 2025, 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 auditors concluded, based upon their examination, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended September 30, 2025 are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the City

The City of Lake Mary, Florida, a municipality incorporated under Florida law in 1973, is located in Central Florida and considered a part of the Orlando Metropolitan area. The City encompasses 9.9 square miles with an estimated population of 17,516. Land uses within Lake Mary consist primarily of single-family residential neighborhoods, retail businesses, Class A office space, light manufacturing and high-tech industries. Lake Mary is considered a major economic hub of the Orlando Metropolitan Area. Several large corporations maintain major operations within the City and is well renowned for its exceptional quality of life. This quality of life is enhanced by Lake Mary's strategic location on the North Interstate-4 corridor, the community's exceptional education system, and a skilled workforce.

In accordance with the City Charter, the City Commission, consisting of a mayor and four commissioners elected at large, appoints a City Manager who is responsible for the day-to-day administration of City services including all traditional municipal functions such as police and fire protection; emergency medical

services; land use and building construction regulation; refuse collection; drainage and roadway system maintenance and construction; recreational facilities management to include programming for all ages; parks maintenance; cemetery management; fleet services; and all components of the water, wastewater and stormwater utility systems.

The annual budget serves as the foundation for the City of Lake Mary's financial planning and control. Department Directors are required to submit their budget requests to the City Manager who, in coordination with the Finance Department, uses them as the starting point in developing a proposed budget. The City Manager is required by the City Charter to present the proposed budget to the City Commission prior to August 1st of each year. The City Commission must hold public hearings on the proposed budget and adopt a final budget by September 30th which is prior to the close of the City's fiscal year. The appropriated budget is prepared by fund and program. The City Manager may make transfers between programs within the same fund. Any other budget transfers or amendments must be adopted by a budget resolution of the City Commission. The budget may be amended up until 60 days after the end of the fiscal year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds. Formal budgetary integration is not utilized for capital projects funds, as these funds are appropriated on a project-length basis. For other governmental funds with appropriated budgets, this comparison is presented in the Combining and Individual Fund Statements and Schedules subsection of this report. The Police & Firefighter Premium Tax Trust Special Revenue Fund is not budgeted as this represents the state contribution to pension funds and is unknown until received. The City's financial plan may be obtained from the City's website (www.lakemaryfl.com).

Local economy

The City of Lake Mary's economy is comprised of a well-established and growing business community that is represented by manufacturing, medical, retail, professional office and technology uses. Over the past year, the economic landscape continues to present challenges. While inflationary pressures have begun to ease, the lingering effects of rising costs continue to impact the affordability of goods and services. Workforce availability and the demand for specialized skills remain critical concerns. Accordingly, we will continue to adhere to our long-established strategic approach of maintaining strong fiscal management practices, while ensuring a stable and prosperous future for our City.

Lake Mary's taxable values for 2025 are estimated to grow from \$3.67 billion to \$3.83 billion. This equates to a moderate 4.31% increase over the prior year and generates approximately \$537,086 in additional ad valorem revenues. The two contributing factors to this modest growth are a significant reduction in new construction (43.60%) compared to the prior year and a stagnation or decline in commercial valuations due to vacancies in office spaces. Whether this trend is a temporary fluctuation or indicative of a long-term shift remains uncertain. The City also continues to maintain a near equal split between commercial uses (53.12% of taxable value) verses residential uses (46.88% of taxable value).

As the City approaches full development, maintaining proactive planning strategies and forward-thinking initiatives is crucial to preserving its outstanding reputation as one of the premier places in Florida to live, work, and establish a business.

Long-term financial planning and major initiatives

The City continues its commitment toward conservative financial planning. Our long-standing policy has been to prepare the annual budget encompassing all categories of revenue generation and expenditures including personnel, operating and capital costs. The budget functions as a roadmap for achieving our goals of delivering City services that improve quality of life and promote economic opportunities. It is important to acknowledge that FY 2025 marked the end of COVID-related aid and relief provided to local and state governments. These temporary funding sources played a significant role in supporting operations during recent years. With its conclusion, that added financial flexibility is no longer available moving forward.

Development remains active inside the City with several ongoing construction projects. This includes Heathrow Hill, Rhinehart Pointe, Office Biscayne, Fairfield Lake Mary, and Fontaine Subdivision. As we look ahead, upcoming developments such as Alhambra Medical Park, Heathrow Center, Florida Retina Institute, and various additional residential, office, and commercial infill projects are expected in the coming years. As the City approaches build-out, careful planning of new growth remains essential.

Downtown Lake Mary remains a key focal point. Our ongoing \$4.30 million multi-year downtown transformation project, jointly funded by the City and Seminole County through the one-cent sales tax program, along with additional support from American Rescue Plan Act (ARPA), is designed to integrate Uptown/International Parkway, the Medical Corridor/Rinehart Road, and Midtown/Griffin Farms, providing multiple opportunities for those who wish to establish or move their business, as well as those seeking to make Lake Mary their home. The final phase of this project involves converting to underground electrical power lines, upgrading streetlights, signal modifications, and enhancing the streetscape along Country Club Road. Additionally, several developments are on the horizon within the downtown corridor including Dwell at Lake Mary mixed-use project, Lourdes Landing townhomes, Crystal Lake Condos, and 4th Street Studios, which is currently under construction. Further build-out within the downtown area, particularly along Country Club Road and Wilbur Avenue, is expected, focusing on boutique commercial and residential redevelopment.

These projects are strategically planned to fit within the City's current budget, thereby eliminating the need for additional debt to finance these initiatives.

Relevant financial policies

It is the policy of the City, a long-standing goal of the City Commission, and management's position that the General Fund balance should always remain above 25% of projected expenditures and that the net position of the Enterprise Funds are above 25% of current year expenditures. The City has also adopted an investment policy with the objectives to safeguard principal, to ensure the preservation of capital, provide sufficient liquidity to meet the City's operating, payroll and capital requirements and to strive to increase the return on the portfolio but avoid assuming unreasonable investment risks.

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 Lake Mary for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. This was the thirty-third consecutive year that the City of Lake Mary has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Preparation of this Annual Comprehensive Financial Report on a timely basis is made possible through the efficient, dedicated and professional efforts of the Finance Department staff. The significant amount of year-end closing procedures required prior to the audit would not have been accomplished without much hard work and personal sacrifice.

Other City departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to the City's auditors whose suggestions and attention to detail enhanced the quality of this report.

In closing, special thanks go to the Mayor and Commission for their continued support and steadfast commitment to maintaining the financial integrity of the City. With their leadership, Lake Mary indeed has a secure financial future without compromising a total quality of life second to no other community in this area.

Respectfully submitted,

Kevin L. Smith

Kevin L. Smith
City Manager

Brent D. Mason

Brent D. Mason
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lake Mary
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

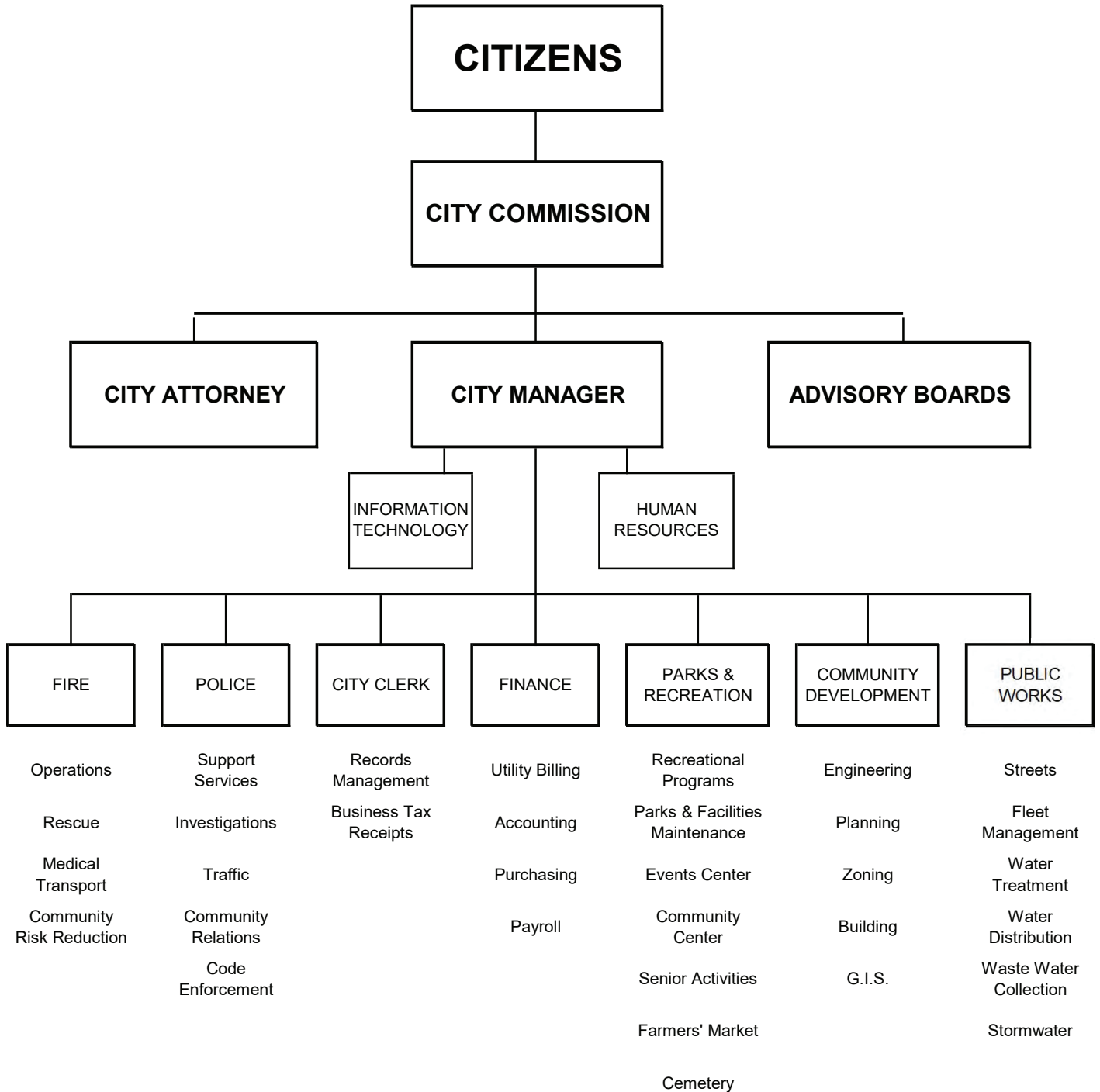
September 30, 2024

Christopher P. Morrill

Executive Director/CEO

CITY OF LAKE MARY, FLORIDA

ORGANIZATIONAL CHART



**CITY OF LAKE MARY, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2025**

CITY COMMISSION

David Mealor, Mayor

Justin York, Deputy Mayor

Colleen Taylor

Geroge Duryea

Jordan Smith

ADMINISTRATION

CITY MANAGER

Kevin Smith

FINANCE DIRECTOR

Brent Mason

CITY ATTORNEY

Darren Elkind

CITY CLERK

Amber Branton

ASSISTANT FINANCE DIRECTOR

Ehab Azer

COMMUNITY DEVELOPMENT DIRECTOR

Sabreena Colbert

PUBLIC WORKS DIRECTOR

Danielle Koury

PARKS & RECREATION DIRECTOR

Bryan Nipe

POLICE CHIEF

Kevin Pratt II

ACTING FIRE CHIEF

Corey Bowles

Financial Section



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FINANCIAL SECTION

Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements
Notes to the Financial Statements
Required Supplemental Information



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Lake Mary, 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 Lake Mary, 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 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 of Lake Mary, Florida*, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAS, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Supplementary Pension and OPEB Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). 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 exist between the other information and the basic financial statements, or the other information otherwise appears to be materially misstatement. 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 March 19, 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 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 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.

McDiarmid Davis

Orlando, Florida
March 19, 2026

Management's Discussion and Analysis



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As management of The City of Lake Mary (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. The purpose of *management's discussion and analysis* (MD&A) is 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 next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns. We encourage readers to consider this information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-3 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Lake Mary exceeded its liabilities and deferred inflows of resources at September 30, 2025 by \$157,371,347 (*net position*). Of this amount, \$42,464,229 represents unrestricted net position, and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$5,375,548 (or 3.54%). Governmental total net position increased by \$5,470,657 (or 6.56%). Business-type activities decreased by 95,109 in 2025 (or 0.14%).
- As of the close of the current fiscal year, the City of Lake Mary's governmental funds reported combined fund balances of \$41,382,726, an increase of \$3,453,656 in comparison with the prior year. Approximately 62% of this amount, or \$25,833,190, is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$27,580,779 (or 98%) of total expenditures and transfers out.
- Net position of the Police Officers' and Firefighters' Pension Trust Funds increased by \$3,058,130 and \$2,508,137 respectively.

Overview of the Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the City of Lake Mary's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, streets, parks and recreation and other physical environment. The business-type activities of the City consist of the water, sewer, and stormwater systems.

The government-wide financial statements include only the City of Lake Mary (known as the *primary government*). There are no component units.

The government-wide financial statements can be found on pages 20-21 of this report.

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

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

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

During fiscal year 2025, the City utilized twelve (12) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, general capital project fund, and one-cent infrastructure sales tax fund which are considered to be major funds. Data from the other (9) nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the notes to the financial statements and required supplemental information.

The City adopts an annual appropriated budget for its general fund, and most special revenue funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

The basic governmental fund financial statements may be found on pages 22-26 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, and stormwater systems. *Internal service fund* is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City utilizes an internal service fund for the management of its fleet operations. Because this service predominately benefits governmental rather than business-type functions, it has been included within the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, and the Stormwater fund (which are both considered to be major funds of the City). The Internal service fund is presented in the proprietary fund statements.

The basic proprietary fund financial statements can be found on pages 27-31 of this report.

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

The basic fiduciary fund financial statements can be found on pages 32-33 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-66 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information (RSI)* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 67-75 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the RSI on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 76-89 of this report.

Government-wide Overall Financial Analysis

Statement of Net Position - As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Lake Mary, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$157,371,347 at the close of fiscal year ended September 30, 2025.

**Statement of Net Position
As of September 30,**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024, as restated	2025	2024, as restated
Current and other assets	\$ 51,851,376	\$ 49,215,725	\$ 18,021,902	\$ 20,034,471	\$ 69,873,278	\$ 69,250,196
Restricted assets	349,759	427,054	2,480,221	2,314,734	2,829,980	2,741,788
Capital assets	45,818,593	44,715,383	49,376,293	49,941,027	95,194,886	94,656,410
Total assets	98,019,728	94,358,162	69,878,416	72,290,232	167,898,144	166,648,394
Total deferred outflows of resources	2,704,524	2,398,868	54,968	68,843	2,759,492	2,467,711
Current liabilities	1,493,186	3,446,281	524,937	2,913,316	2,018,123	6,359,597
Non-current liabilities outstanding	1,035,463	1,524,584	429,961	394,029	1,465,424	1,918,613
Other liabilities (comp abs & opeb)	4,775,264	4,487,876	374,166	349,361	5,149,430	4,837,237
Total liabilities	7,303,913	9,458,741	1,329,064	3,656,706	8,632,977	13,115,447
Total deferred inflows of resources	4,603,418	3,952,025	49,894	52,834	4,653,312	4,004,859
Net investment in capital assets	45,409,375	44,054,599	49,376,293	49,346,699	94,785,668	93,401,298
Restricted	18,071,190	15,724,380	2,050,260	1,920,705	20,121,450	17,645,085
Unrestricted	25,336,356	23,567,285	17,127,873	17,382,131	42,464,229	40,949,416
Total net position	\$ 88,816,921	\$ 83,346,264	\$ 68,554,426	\$ 68,649,535	\$ 157,371,347	\$ 151,995,799

By far, the largest portion of the City's net position \$94,785,668 (or 60.2%) reflect its investment in capital assets (e.g., land, buildings, improvements, infrastructure, vehicles and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position \$20,121,450 (or 12.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$42,464,229 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2025, the City of Lake Mary is able to report positive balances in the government activities as a whole. This trend has been consistent for the previous sixteen fiscal years.

The City's net position increased a total of \$5,375,548 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Statement of Activities. The following table reflects the *Statement of Changes in Net Position* for the current and prior year. For more detailed information see the *Statement of Activities* on page 21.

Note that the City's net position increased by \$5,375,548 or 3.54% in fiscal year 2025.

Governmental activities increased net position by \$5,470,657 in fiscal year 2025 compared to an increase of \$6,352,365 in 2024. The increase is largely attributable to the recognition of \$2,461,326 in American Rescue Plan Act (ARPA) funding for eligible projects during the program's final fiscal year. Property tax revenues also grew, as the Property Appraiser projected taxable values to increase from \$3.46 billion to \$3.67 billion, a 6.12 percent rise driven by \$55.47 million in new construction and higher real estate values. Actual expenditures were 6 percent below the adopted budget, reflecting the City's prudent financial management and the continued efforts of departments to monitor spending, implement cost-saving measures, and manage resources efficiently.

Business-type activities decreased net position by \$95,109 or 0.14% in fiscal year 2025 compared to an increase of \$1,037,841 or 1.54% in 2024. The decline in net position was primarily due to unanticipated equipment replacements, including a generator costing \$45,409 and the replacement of the sodium hypochlorite storage tank for \$48,800. These necessary expenditures contributed to the reduction in net position.

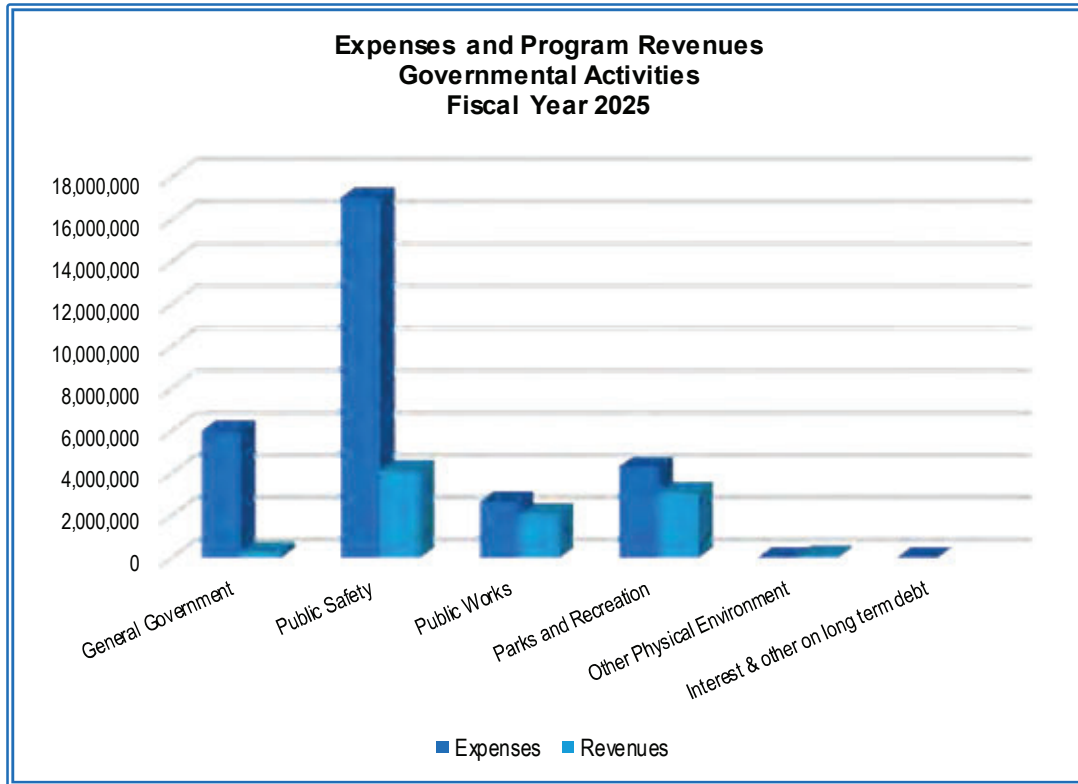
Following the *Changes in Net Position* table is a series of bar and pie charts that relay in pictorial form the revenues and expenses for each of the governmental and business-type activities as well as the revenue 'source' for each.

Additional information regarding the changes in fund balances of the governmental and business-type activities can be found in the section entitled **Financial Analysis of the City's Funds** on page 16.

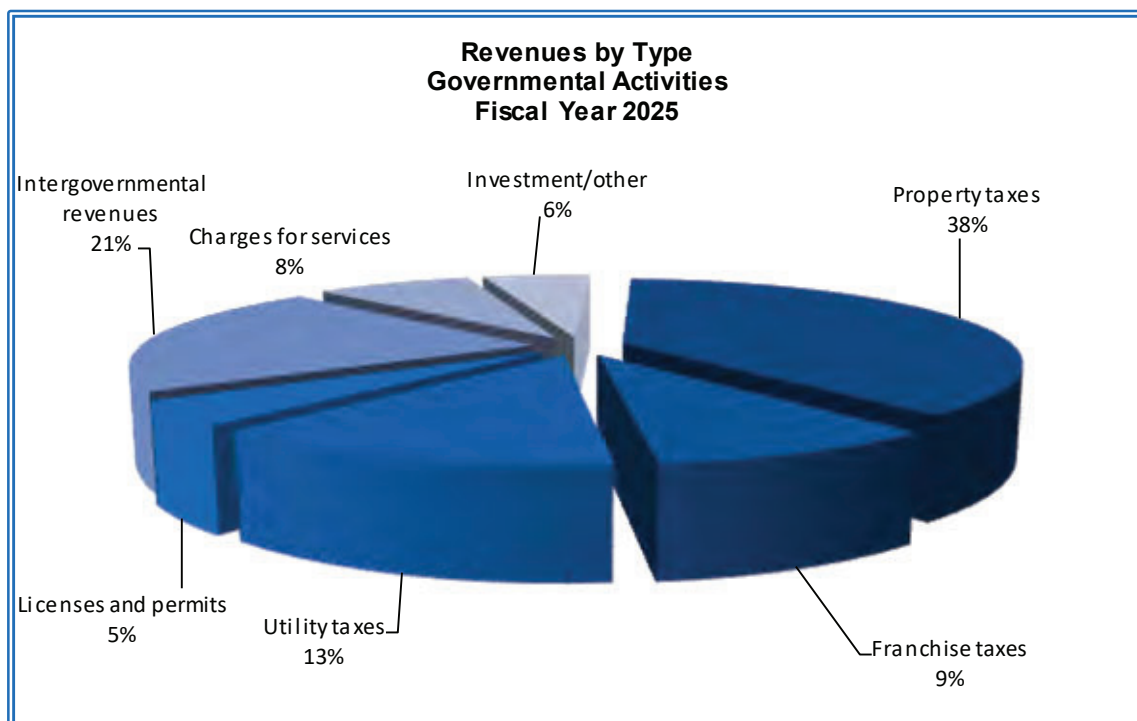
**Changes In Net Position
For the Year Ended September 30,**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024, as restated	2025	2024, as restated
Revenues:						
Program revenues:						
Charges for services	\$ 4,397,405	\$ 4,265,797	\$ 8,129,223	\$ 7,618,339	\$ 12,526,628	\$ 11,884,136
Operating grants and contributions	1,084,766	1,037,030	-	-	1,084,766	1,037,030
Capital grants and contributions	4,167,833	4,589,056	1,155,242	1,648,605	5,323,075	6,237,661
General revenues:						
Property taxes	12,685,410	11,963,333	-	-	12,685,410	11,963,333
Other taxes	7,631,299	7,184,597	-	-	7,631,299	7,184,597
Other revenues	3,703,307	4,286,980	713,132	952,479	4,416,439	5,239,459
Total revenues	<u>33,670,020</u>	<u>33,326,793</u>	<u>9,997,597</u>	<u>10,219,423</u>	<u>43,667,617</u>	<u>43,546,216</u>
Expenses:						
General government	5,985,783	6,459,535	-	-	5,985,783	6,459,535
Public safety	17,010,484	16,241,663	-	-	17,010,484	16,241,663
Public works	2,642,505	1,644,764	-	-	2,642,505	1,644,764
Parks and recreation	4,295,270	3,961,318	-	-	4,295,270	3,961,318
Other physical environment	6,068	5,694	-	-	6,068	5,694
Interest on long-term debt	9,253	11,454	-	-	9,253	11,454
Water and sewer	-	-	7,807,282	7,349,729	7,807,282	7,349,729
Stormwater	-	-	535,424	407,483	535,424	407,483
Total expenses	<u>29,949,363</u>	<u>28,324,428</u>	<u>8,342,706</u>	<u>7,757,212</u>	<u>38,292,069</u>	<u>36,081,640</u>
Increase (decrease) in net position before transfers	<u>3,720,657</u>	<u>5,002,365</u>	<u>1,654,891</u>	<u>2,462,211</u>	<u>5,375,548</u>	<u>7,464,576</u>
Transfers	<u>1,750,000</u>	<u>1,350,000</u>	<u>(1,750,000)</u>	<u>(1,350,000)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in Net position	<u>5,470,657</u>	<u>6,352,365</u>	<u>(95,109)</u>	<u>1,112,211</u>	<u>5,375,548</u>	<u>7,464,576</u>
Net position - October 1	83,346,264	78,109,074	68,649,535	67,611,694	151,995,799	145,720,768
Restatements	-	(1,115,175)	-	(74,370)	-	(1,189,545)
Net position - October 1, as restated	<u>83,346,264</u>	<u>76,993,899</u>	<u>68,649,535</u>	<u>67,537,324</u>	<u>151,995,799</u>	<u>144,531,223</u>
Net position - September 30	<u>\$ 88,816,921</u>	<u>\$ 83,346,264</u>	<u>\$ 68,554,426</u>	<u>\$ 68,649,535</u>	<u>\$ 157,371,347</u>	<u>\$ 151,995,799</u>

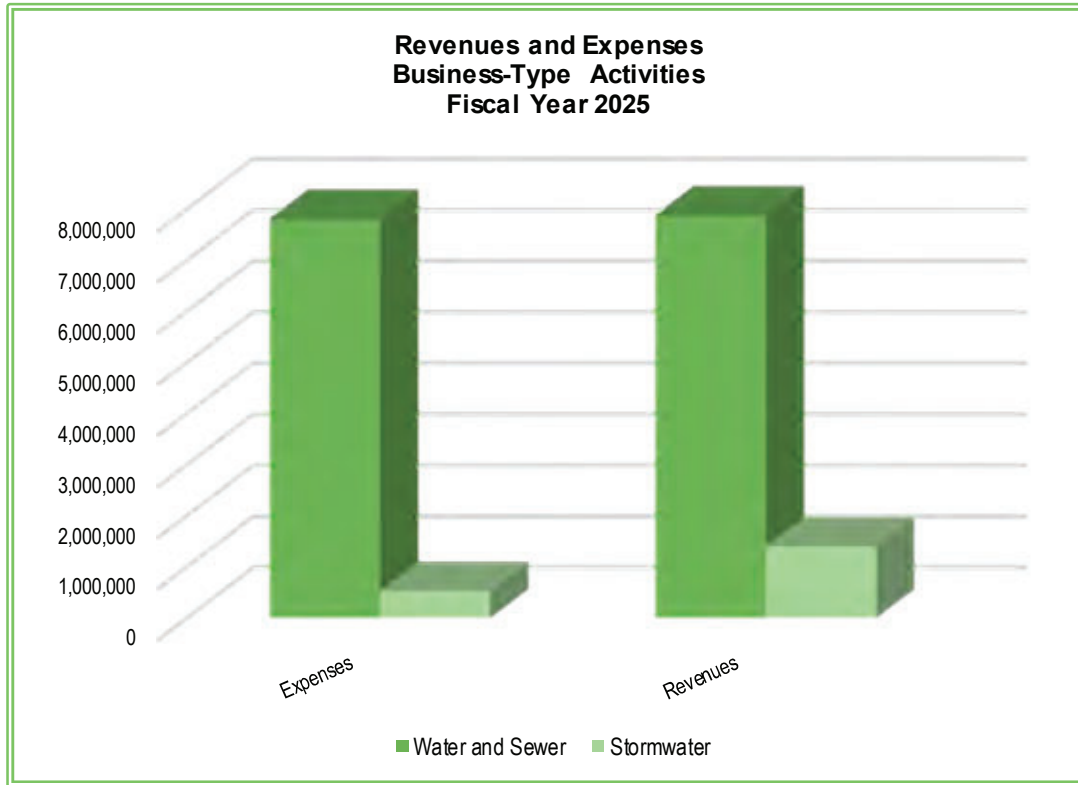
Expenses and revenues for governmental activities are shown graphically by function. Public safety is the largest category of expenses followed by general government.



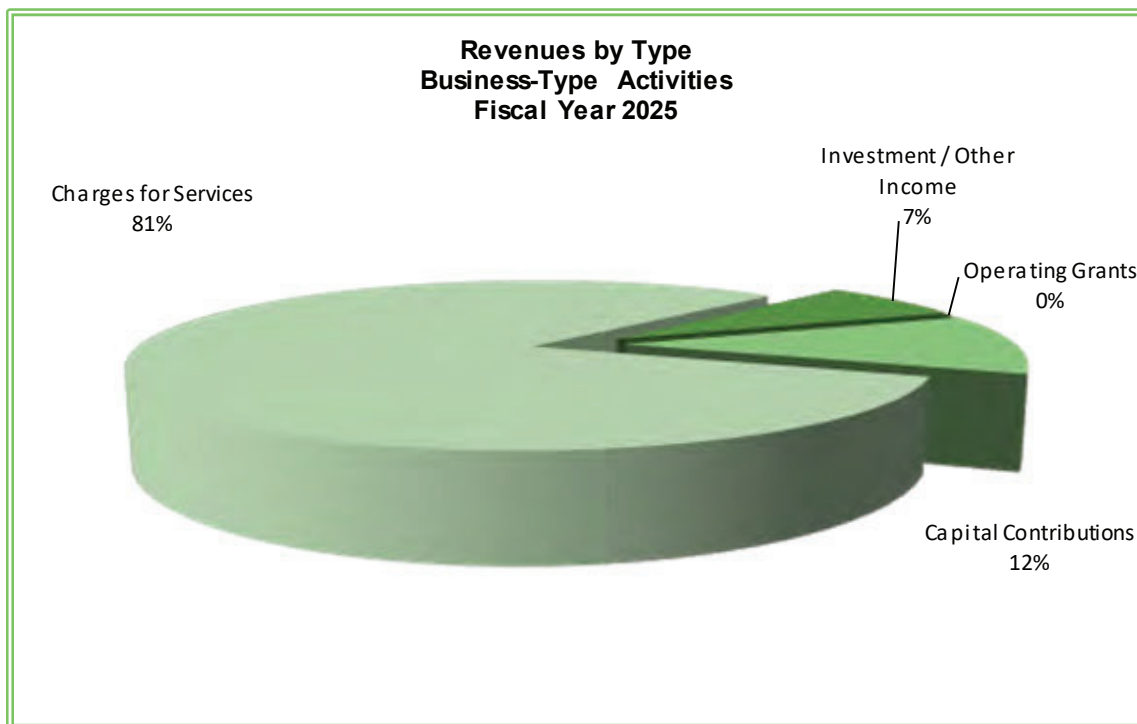
Revenue for governmental activities are shown graphically by type. The largest type of revenue for governmental activities is property taxes followed by intergovernmental revenues.



Revenues and expenses are shown by business-type activity. The Water and Sewer Fund is the largest business-type activity.



Revenues for business-type activities are shown graphically by type. The largest source of revenue is charges for services.



Financial Analysis of the City's Funds.

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

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 of Lake Mary's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Lake Mary itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Lake Mary's Commission.

As of September 30, 2025, the City's governmental funds reported combined ending fund balances of \$41,382,726 an increase of \$3,453,656 in comparison with the prior year. Approximately 62% of this total amount \$25,833,190 constitutes *unassigned fund balance*, which is available for spending at the City's discretion. Further information regarding unassigned fund balance can be found in the governmental funds financial statements starting on page 22. The remainder of fund balance is either *nonspendable, restricted, committed, or assigned*. These amounts totaled \$15,549,536 or 38% of ending fund balance. Of this amount, \$13,260 is nonspendable as inventories and prepaid items; \$1,034,095 is restricted for special revenue funds, \$4,958,234 is restricted for capital projects funded by One-Cent Infrastructure Sales Tax and \$6,522,271 is restricted for building department; \$1,274,087 is committed to other capital projects. A total of \$800,000 is assigned to other capital projects and \$947,589 is assigned for subsequent years expenditures as approved by the City's Commission.

The General Fund is the chief operating fund of the City. The general fund manages 85% of the total governmental revenues. At September 30, 2025, the unassigned fund balance of the general fund was \$25,833,190 while the total fund balance increased to \$34,116,310. The increase is attributable to revenues exceeding original estimates, reflecting stronger-than-anticipated performance across several categories, while the City continues to apply conservative forecasting practices. Investment earnings benefited from the prevailing interest rate environment during the fiscal year. In addition, expenditures were 6 percent below the final budget, demonstrating disciplined financial oversight. Departments consistently evaluate spending patterns, implement operational efficiencies, and exercise prudent cost control measures to ensure resources are managed effectively within approved appropriations. Unassigned fund balance represents 91% of the total general fund expenditures and transfers out, while total fund balance represents 121% of that same amount.

The adopted budget for the fiscal year 2025 projected an appropriation of fund balance in the amount of \$1,164,817. The actual increase to the fund balance of the City's General Fund was \$1,813,812 during the fiscal year. Total actual revenue collections were \$1,335,644 more favorable than projected. Franchise and utility tax revenues increased by \$698,299, or 10 percent, reflecting higher consumption levels and the addition of approximately \$55.47 million in new construction. Investment income rose by \$646,494, or 88 percent, due to the favorable interest rate environment maintained by the Federal Reserve during the fiscal year. Charges for services exceeded projections by 12 percent, primarily attributable to increased demand for public safety services, including additional police services for special events and a higher volume of Fire Rescue transport activity. Although multiple revenue categories outperformed expectations, the City continues to project revenues conservatively to mitigate potential volatility and support long-term financial stability. Overall expenditures were under budget by \$1,642,985 or 5%. Additional information regarding the general fund budget to actual variances can be found on page 26.

The General Capital Projects Fund increased \$495,986. The recognition of American Rescue Plan Act (ARPA) revenues to fund eligible capital projects reduced the reliance on transfers from the General Fund. Consequently, the Capital Projects Fund balance increased by 64 percent during the fiscal year. The City fully expended all available ARPA funds and concluded the program in FY 2025.

The One-Cent Infrastructure Sales Tax Capital Projects Fund increased \$1,169,228. As the City awaits completion of the underground electrical power line conversion, the next phases of the multi-year Downtown Improvement Project are temporarily on hold. This pause has led to a temporary increase in the fund balance.

The total fund balance of all the nonmajor governmental funds is \$1,034,095, a net decrease of \$25,370 when compared to fiscal year 2024. The decrease was due to the use of Recreation Impact Fees to finance a portion of the new playground at the Community Center, a phase of the City's multi-year Downtown Improvement Project. Actual revenues for FY 2025 were not sufficient to fully cover the project costs, resulting in a reduction of the fund balance.

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

At September 30, 2025, unrestricted net position of the Water and Sewer Fund amounted to \$15,408,995, unrestricted net position of the Stormwater Utility Fund was \$1,718,878, and net position restricted for capital improvement in the Water and Sewer Fund was \$2,050,260. In total, the proprietary funds decreased net position by \$95,109 over the prior year. Operating revenues increased 6.7% while operating expenses increased 7.5%.

General Fund Budgetary Highlights

Original budget compared to final budget. During fiscal year 2025, the general fund budget was not amended, however, appropriations were transferred between functions.

Final budget compared to actual results. The final amended general fund appropriations were \$28,816,267 and actual expenditures (budgetary basis) were \$27,173,282. General fund revenues exceeded the original budget by \$1,335,644, or 5%. Significant budgetary variances between the final amended budget and actual results are listed below:

- Franchise and utility tax revenues increased by \$698,299, or 10 percent, exceeding budgeted projections for the fiscal year. The favorable variance is attributable in part to higher-than-anticipated consumption levels as well as the addition of approximately \$55.47 million in new construction during FY 2025.
- Investment income increased by \$646,494, or 88 percent, during FY 2025. The increase was primarily attributable to the prevailing interest rate environment, as the Federal Reserve maintained rates within a range of approximately 4.25 percent to 5.00 percent during the fiscal year. Because investment earnings are driven by market conditions and are subject to fluctuation, the City budgets investment income conservatively to account for potential rate volatility. As a result of this prudent approach and the favorable rate environment experienced during the year, actual investment income exceeded the adopted budget for FY 2025.
- Charges for services exceeded projections by 12 percent, primarily due to higher-than-anticipated demand for public safety services. During the fiscal year, the City provided additional police services to local businesses in support of special events and related activities. In addition, Fire Rescue experienced an increase in transport services, contributing to higher service charge revenues.
- Actual expenditures were \$1,642,985 below the final appropriations, representing a favorable variance of 6 percent. This variance reflects the City's continued commitment to prudent fiscal management and conservative budgeting practices. Throughout the fiscal year, departments actively monitor expenditures, identify cost-saving opportunities, and carefully manage resources to ensure spending remains within authorized levels. Despite operating below budget, the City maintains high service standards by prioritizing essential programs, leveraging operational efficiencies, and strategically allocating resources to meet the needs of our citizens.

Transfers to other funds were:

- \$1,000,000 to the Capital Projects Fund.

Overall:

- The net increase in the fund balance of the general fund was \$1,813,812.

Capital Asset and Debt Administration

Capital assets. The City of Lake Mary's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to \$95,194,886 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, water and sewer system, stormwater system, intangible assets, infrastructure, vehicles, and equipment. The total net increase in the City's capital assets for the current fiscal year was \$538,476.

**Capital Assets (net of depreciation)
As of September 30,**

	Governmental Activities		Business-type Activities		Total	
	2024, as		2024, as		2024, as	
	2025	restated	2025	restated	2025	restated
Land	\$ 10,515,924	\$ 10,510,062	\$ 488,808	\$ 488,808	\$ 11,004,732	\$ 10,998,870
Buildings	8,999,690	9,215,771	11,800	23,600	9,011,490	9,239,371
Improvements other than bldg	1,016,077	462,796	-	-	1,016,077	462,796
Water/sewer system	-	-	44,440,082	45,686,157	44,440,082	45,686,157
Stormwater system	-	-	3,363,181	1,337,225	3,363,181	1,337,225
Intangible assets	1,510,356	1,544,097	-	-	1,510,356	1,544,097
Subscription assets	343,611	458,148	-	-	343,611	458,148
Machinery and equipment	2,033,503	1,491,084	579,861	667,928	2,613,364	2,159,012
Vehicles	4,407,650	3,762,228	-	-	4,407,650	3,762,228
Infrastructure	13,713,160	13,285,513	-	-	13,713,160	13,285,513
Construction in progress	3,278,622	3,985,684	492,561	1,737,309	3,771,183	5,722,993
Total	\$ 45,818,593	\$ 44,715,383	\$ 49,376,293	\$ 49,941,027	\$ 95,194,886	\$ 94,656,410

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

- Downtown Parking Improvements \$1,131,114
- Tennis Center Lighting \$470,150
- Events Center Privacy Wall \$153,320

Major capital assets included in Construction in Progress:

- Downtown Underground Utilities - \$1,598,728
- Stair Step Park (Crystal Gardens) - \$1,455,766

Additional information regarding the City's capital assets can be found in on pages 46-47 of this report.

Long-term debt. At the end of the current fiscal year, the City had \$350,392 outstanding debt related to a subscription liability. Business-type activities have no outstanding debt.

There are no limitations placed on the amount of debt the City may issue either by the City's charter, code of ordinances or by the Florida State Statutes. The City's charter does require voter referendum for any lease purchase contracts or any other unfunded multi-year contracts for the purchase of real property or the construction of any capital improvement, the repayment of which extends beyond the end of any fiscal year. However, in the case of the Water and Sewer Fund the City Commission may declare an emergency to issue debt in order to meet a public emergency affecting the safety, health and welfare of the citizens where the requirements cannot be met through the prudent use of existing reserves.

Additional information regarding the City's long-term liabilities can be found in on pages 63-64 in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The national economic landscape continues to pose challenges as we move into FY 2026. While inflationary pressures are beginning to subside, the residual effects of elevated costs are still influencing the affordability of goods and services. Challenges related to workforce availability and the demand for specialized skills persist. Additionally, the long-term impact of current tariff policies on international trade remains uncertain. Given these factors, it is important that we maintain our disciplined, strategic approach to fiscal management that has long supported the City's financial stability.

Development remains active throughout the City, with several construction projects currently underway. These include Heathrow Hill, Rhinehart Pointe, Office Biscayne, Fairfield Lake Mary, and Fontaine Subdivision. Looking ahead, additional developments such as Alhambra Medical Park, Heathrow Center, Florida Retina Institute, and a variety of residential, office, and commercial infill projects are anticipated in the coming years.

Downtown Lake Mary continues to serve as a central focus. The City's \$4.30 million multi-year downtown transformation initiative, jointly funded by the City and Seminole County through the one-cent sales tax program, with supplemental support from the American Rescue Plan Act (ARPA), aims to connect key areas including Uptown/International Parkway, the Medical Corridor/Rinehart Road, and Midtown/Griffin Farms. This integrated vision is designed to provide multiple opportunities for those who wish to establish or move their business, as well as those seeking to make Lake Mary their home.

Several notable projects are also planned or underway within the downtown corridor, including Dwell at Lake Mary mixed-use project, Lourdes Landing townhomes, Crystal Lake Condos, and 4th Street Studios, which is currently under construction. Additional build-out is expected along Country Club Road and Wilbur Avenue, with a focus on boutique commercial and residential redevelopment that complements the character of the area.

The City's taxable values for 2025 are estimated to increase from \$3.67 billion to \$3.83 billion, representing a moderate 4.31% growth over the previous year. This increase is expected to generate approximately \$537,086 in additional ad valorem revenues. Two primary factors contributed to the modest growth: a significant 43.60% decline in new construction activity compared to the prior year, and stagnant or declining commercial property valuations, largely due to office space vacancies. It remains uncertain whether these trends reflect a short-term fluctuation or a more permanent shift in the market. Notably, for the thirteenth consecutive year, the City of Lake Mary has maintained its ad valorem millage rate at 3.5895.

Requests for Information

This financial report is designed to provide a general overview of the City of Lake Mary's finances for all of those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, P.O. Box 958445, Lake Mary, Florida 32795.



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Basic Financial Statements



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City of Lake Mary, Florida
Statement of Net Position
September 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and equivalents	\$ 25,194,003	\$ 6,813,072	\$ 32,007,075
Investments	20,259,730	9,561,509	29,821,239
Interest receivable	36,295	15,333	51,628
Accounts receivable (net of allowance for uncollectibles)	1,542,622	967,420	2,510,042
Due from other governments	463,811	-	463,811
Unbilled service charges	2,273	469,952	472,225
Special assessments-current	2,727	5,935	8,662
Inventories	56,140	149,711	205,851
Prepaid items	11,272	38,970	50,242
Restricted Assets:			
Temporarily restricted investments	349,759	2,480,221	2,829,980
Net pension asset	4,282,503	-	4,282,503
Capital assets not being depreciated:			
Land	10,515,924	488,808	11,004,732
Construction in progress	3,278,622	492,561	3,771,183
Capital assets net of accumulated depreciation:			
Buildings	8,999,690	11,800	9,011,490
Improvements other than buildings	1,016,077	-	1,016,077
Water/sewer system	-	44,440,082	44,440,082
Stormwater system	-	3,363,181	3,363,181
Intangible assets	1,510,356	-	1,510,356
Subscription assets	343,611	-	343,611
Machinery and equipment	2,033,503	579,861	2,613,364
Infrastructure	13,713,160	-	13,713,160
Vehicles	4,407,650	-	4,407,650
Total assets	98,019,728	69,878,416	167,898,144
Deferred Outflows of Resources			
Deferred outflows of pension earnings	2,053,951	-	2,053,951
Deferred outflows related to OPEB	650,573	54,968	705,541
Total deferred outflows of resources	2,704,524	54,968	2,759,492
Liabilities			
Accounts payable and other current liabilities	1,355,508	371,566	1,727,074
Due to other governments	9,154	149,168	158,322
Unearned revenue	128,524	4,203	132,727
Liabilities payable from restricted assets	350,093	429,961	780,054
Noncurrent liabilities:			
Due within one year	456,470	26,325	482,795
Due in more than one year	5,004,164	347,841	5,352,005
Total liabilities	7,303,913	1,329,064	8,632,977
Deferred Inflows of Resources			
Deferred inflows of pension earnings	3,990,475	-	3,990,475
Deferred inflows related to OPEB	612,943	49,894	662,837
Total deferred inflows of resources	4,603,418	49,894	4,653,312
Net Position			
Net investment in capital assets	45,409,375	49,376,293	94,785,668
Restricted for capital projects	6,232,321	2,050,260	8,282,581
Restricted for building department	6,522,271	-	6,522,271
Restricted for other purposes	1,034,095	-	1,034,095
Restricted for pensions	4,282,503	-	4,282,503
Unrestricted	25,336,356	17,127,873	42,464,229
Total net position	\$ 88,816,921	\$ 68,554,426	\$ 157,371,347

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

City of Lake Mary, Florida
Statement of Activities
For the Year Ended September 30, 2025

	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Primary government							
Governmental activities:							
General government	\$ 5,985,783	\$ 264,322	\$ -	\$ -	\$ (5,721,461)	\$ -	\$ (5,721,461)
Public safety	17,010,484	3,005,825	687,286	438,377	(12,878,996)	-	(12,878,996)
Public works	2,642,505	2,497	397,480	1,677,439	(565,089)	-	(565,089)
Parks and recreation	4,295,270	1,042,744	-	2,052,017	(1,200,509)	-	(1,200,509)
Other physical environment	6,068	82,017	-	-	75,949	-	75,949
Interest on long-term debt	9,253	-	-	-	(9,253)	-	(9,253)
Total governmental activities	29,949,363	4,397,405	1,084,766	4,167,833	(20,299,359)	-	(20,299,359)
Business-type activities:							
Water and sewer	7,807,282	7,658,269	-	217,677	-	68,664	68,664
Stormwater	535,424	470,954	-	937,565	-	873,095	873,095
Total business-type activities	8,342,706	8,129,223	-	1,155,242	-	941,759	941,759
Total primary government	38,292,069	12,526,628	1,084,766	5,323,075	(20,299,359)	941,759	(19,357,600)
General Revenues:							
Property taxes					12,685,410	-	12,685,410
Franchise taxes					3,158,257	-	3,158,257
Utility taxes					4,473,042	-	4,473,042
Unrestricted intergovernmental revenues					1,789,419	-	1,789,419
Unrestricted investment earnings (loss)					1,721,377	713,132	2,434,509
Miscellaneous revenues					93,679	-	93,679
Gain on sale of asset					98,832	-	98,832
Transfers					1,750,000	(1,750,000)	-
Total general revenues and transfers					25,770,016	(1,036,868)	24,733,148
Change in net position					5,470,657	(95,109)	5,375,548
Net position - beginning, as previously presented					83,346,264	68,425,088	151,771,352
Restatements (Note 2)					-	224,447	224,447
Net position - beginning, as restated					83,346,264	68,649,535	151,995,799
Net position - ending					\$ 88,816,921	\$ 68,554,426	\$ 157,371,347

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

City of Lake Mary, Florida
Balance Sheet
Governmental Funds
September 30, 2025

	General Fund	General Capital Projects Fund	One-Cent Infrastructure Sales Tax Fund	Total Nonmajor Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 14,953,909	\$ 1,221,309	\$ 4,635,321	\$ 884,804	\$ 21,695,343
Investments	18,763,707	53,317	111,066	148,489	19,076,579
Interest receivable	27,953	-	3,796	802	32,551
Receivables (net of allowance for uncollectibles)	1,542,622	-	-	-	1,542,622
Unbilled service charges	2,273	-	-	-	2,273
Due from other governments	230,261	2,818	230,732	-	463,811
Special assessments-current	2,727	-	-	-	2,727
Inventories	1,988	-	-	-	1,988
Prepaid expenses	11,272	-	-	-	11,272
Restricted investments	349,759	-	-	-	349,759
Total assets	\$ 35,886,471	\$ 1,277,444	\$ 4,980,915	\$ 1,034,095	\$ 43,178,925
Liabilities					
Accounts payable	\$ 560,528	\$ 3,357	\$ 22,681	\$ -	\$ 586,566
Accrued liabilities	711,297	-	-	-	711,297
Due to other governments	9,154	-	-	-	9,154
Unearned revenue	128,524	-	-	-	128,524
Other liabilities	10,565	-	-	-	10,565
Liabilities payable from restricted assets	350,093	-	-	-	350,093
Total liabilities	1,770,161	3,357	22,681	-	1,796,199
Fund Balances					
Nonspendable	13,260	-	-	-	13,260
Restricted	6,522,271	-	4,958,234	1,034,095	12,514,600
Committed	-	1,274,087	-	-	1,274,087
Assigned	1,747,589	-	-	-	1,747,589
Unassigned	25,833,190	-	-	-	25,833,190
Total fund balances	34,116,310	1,274,087	4,958,234	1,034,095	41,382,726
Total liabilities and fund balances	\$ 35,886,471	\$ 1,277,444	\$ 4,980,915	\$ 1,034,095	\$ 43,178,925

City of Lake Mary, Florida
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2025

Total fund balance, governmental funds	\$ 41,382,726
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	41,341,443
Internal service funds are used by management to charge the costs of fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	9,116,047
Deferred inflows and outflows of resources related to pension earnings and OPEB are not recognized in the governmental funds; however, they are recorded in the entity-wide statement of net position under full accrual accounting.	(1,898,894)
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the funds:	
Compensated absences	(3,004,706)
Other post employment benefits	(1,716,828)
Subscription Liability	(350,392)
Net pension asset/liability are not due and payable in the current period and therefore, are not reported in the funds.	<u>3,947,525</u>
Net Position of Governmental Activities	<u>\$ 88,816,921</u>

City of Lake Mary, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2025

	General Fund	General Capital Projects Fund	One-Cent Infrastructure Sales Tax Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues					
Taxes:					
Property	\$ 12,685,410	\$ -	\$ -	\$ -	\$ 12,685,410
Franchise	3,158,257	-	-	-	3,158,257
Utility	4,473,042	-	-	-	4,473,042
Licenses and permits	1,552,830	-	-	-	1,552,830
Intergovernmental revenues	2,228,513	2,490,394	1,677,439	664,451	7,060,797
Charges for services	2,560,212	-	-	82,017	2,642,229
Impact fees/assessments	32,301	-	-	45,366	77,667
Fines and forfeitures	75,256	-	-	30,644	105,900
Investment income	1,377,594	-	142,673	30,494	1,550,761
Other	93,679	-	-	-	93,679
Total revenues	28,237,094	2,490,394	1,820,112	852,972	33,400,572
Expenditures					
Current:					
General government	5,096,252	-	-	-	5,096,252
Public safety	16,633,711	-	-	673,084	17,306,795
Public works	1,346,916	-	-	-	1,346,916
Parks and recreation	3,813,380	-	-	-	3,813,380
Other physical environment	-	-	-	5,258	5,258
Debt service:					
Principal	112,247	-	-	-	112,247
Interest and other fiscal charges	9,253	-	-	-	9,253
Capital outlay:					
General government	160,363	569,292	-	-	729,655
Public safety	-	723,996	-	-	723,996
Public works	-	6,598	650,884	-	657,482
Parks and recreation	1,160	1,694,522	-	200,000	1,895,682
Total expenditures	27,173,282	2,994,408	650,884	878,342	31,696,916
Excess (deficiency) of revenues over (under) expenditures	1,063,812	(504,014)	1,169,228	(25,370)	1,703,656
Other Financing Sources (Uses)					
Transfers in	1,750,000	1,000,000	-	-	2,750,000
Transfers out	(1,000,000)	-	-	-	(1,000,000)
Total other financing sources and uses	750,000	1,000,000	-	-	1,750,000
Net change in fund balances	1,813,812	495,986	1,169,228	(25,370)	3,453,656
Fund balances - beginning	32,302,498	778,101	3,789,006	1,059,465	37,929,070
Fund balances - ending	\$ 34,116,310	\$ 1,274,087	\$ 4,958,234	\$ 1,034,095	\$ 41,382,726

City of Lake Mary, 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

Net change in fund balances - total governmental funds: \$ 3,453,656

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. In the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation during the period.

Expenditure for capital assets	2,822,644	
Current year depreciation	<u>(1,892,655)</u>	929,989

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position. (70,166)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Principal repayments	<u>112,247</u>	112,247
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Internal service funds are used by management to charge the costs of fleet management and health insurance to individual funds. The change in net position of the internal service funds are reported and allocated to governmental activities.

Change in net position of the internal service funds	<u>499,590</u>	499,590
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Cash pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and therefore decrease net position. 967,118

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.

Change in compensated absences	(265,150)	
Change in OPEB liability	<u>(156,627)</u>	<u>(421,777)</u>

Change in Net Position of Governmental Activities \$ 5,470,657

City of Lake Mary, Florida
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 12,519,250	\$ 12,519,250	\$ 12,685,410	\$ 166,160
Franchise	2,893,000	2,893,000	3,158,257	265,257
Utility	4,040,000	4,040,000	4,473,042	433,042
Licenses and permits	1,814,000	1,814,000	1,552,830	(261,170)
Intergovernmental revenues	2,379,100	2,379,100	2,228,513	(150,587)
Charges for services	2,288,000	2,288,000	2,560,212	272,212
Impact fees/assessments	32,000	32,000	32,301	301
Fines and forfeitures	105,000	105,000	75,256	(29,744)
Investment income	731,100	731,100	1,377,594	646,494
Other	100,000	100,000	93,679	(6,321)
Total revenues	26,901,450	26,901,450	28,237,094	1,335,644
Expenditures				
Current:				
General government	6,322,114	5,930,614	5,096,252	834,362
Public safety	16,850,539	17,227,039	16,633,711	593,328
Public works	1,216,442	1,216,442	1,346,916	(130,474)
Parks and recreation	4,177,172	4,192,172	3,813,380	378,792
Debt service:				
Principal	-	-	112,247	(112,247)
Interest and other fiscal charges	-	-	9,253	(9,253)
Capital outlay:				
General government	250,000	250,000	160,363	89,637
Parks and recreation	-	-	1,160	(1,160)
Total expenditures	28,816,267	28,816,267	27,173,282	1,642,985
Excess (deficiency) of revenues over (under) expenditures	(1,914,817)	(1,914,817)	1,063,812	2,978,629
Other Financing Sources (Uses)				
Transfers in	1,750,000	1,750,000	1,750,000	-
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
Total other financing sources and uses	750,000	750,000	750,000	-
Net change in fund balances	(1,164,817)	(1,164,817)	1,813,812	2,978,629
Fund balances - beginning	32,302,498	32,302,498	32,302,498	-
Fund balances - ending	\$ 31,137,681	\$ 31,137,681	\$ 34,116,310	\$ 2,978,629

City of Lake Mary, Florida
Statement of Net Position
Proprietary Funds
September 30, 2025

	Business Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 5,354,410	\$ 1,458,662	\$ 6,813,072	\$ 3,498,660
Investments	9,304,539	256,970	9,561,509	1,183,151
Interest receivable	13,918	1,415	15,333	3,744
Accounts receivable (net of allowance for uncollectibles)	923,738	43,682	967,420	-
Unbilled service charges	436,512	33,440	469,952	-
Special assessments- current	1,399	4,536	5,935	-
Inventories	149,711	-	149,711	54,152
Prepaid items	38,970	-	38,970	-
Total current assets	16,223,197	1,798,705	18,021,902	4,739,707
Noncurrent Assets:				
Restricted investments:				
Customer deposits	429,961	-	429,961	-
Impact fee funds	2,050,260	-	2,050,260	-
Total restricted assets	2,480,221	-	2,480,221	-
Capital Assets:				
Land	488,808	-	488,808	-
Construction in progress	250,447	242,114	492,561	69,500
Buildings	472,000	-	472,000	-
Water/sewer system	59,286,021	-	59,286,021	-
Stormwater system	-	4,888,238	4,888,238	-
Intangible assets	73,621	-	73,621	-
Machinery and equipment	1,204,661	19,678	1,224,339	-
Vehicles	-	-	-	12,146,209
Less accumulated depreciation	(16,005,653)	(1,543,642)	(17,549,295)	(7,738,559)
Total capital assets (net of accumulated depreciation)	45,769,905	3,606,388	49,376,293	4,477,150
Total noncurrent assets	48,250,126	3,606,388	51,856,514	4,477,150
Total assets	\$ 64,473,323	\$ 5,405,093	\$ 69,878,416	\$ 9,216,857
Deferred Outflows of Resources				
Deferred outflows related to OPEB	46,310	8,658	54,968	-
Total deferred outflows of resources	46,310	8,658	54,968	-

City of Lake Mary, Florida
Statement of Net Position
Proprietary Funds
September 30, 2025

	Business Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund
Liabilities				
Current Liabilities:				
Accounts payable	\$ 305,605	\$ 13,769	\$ 319,374	\$ 38,553
Accrued liabilities	45,205	6,987	52,192	8,527
Due to other governments	149,168	-	149,168	-
Compensated absences	15,216	3,412	18,628	4,298
Other current liabilities	7,147	550	7,697	-
Unearned revenue	4,203	-	4,203	-
Total current liabilities	526,544	24,718	551,262	51,378
Noncurrent Liabilities:				
Liabilities payable from restricted assets:				
Customer deposits	429,961	-	429,961	-
Compensated absences	174,988	39,242	214,230	49,432
Other noncurrent liabilities	114,699	18,912	133,611	-
Total noncurrent liabilities	719,648	58,154	777,802	49,432
Total liabilities	1,246,192	82,872	1,329,064	100,810
Deferred Inflows of Resources				
Deferred inflows related to OPEB	44,281	5,613	49,894	-
Total deferred inflows of resources	44,281	5,613	49,894	-
Net Position				
Net investment in capital assets	45,769,905	3,606,388	49,376,293	4,444,363
Restricted for capital improvement	2,050,260	-	2,050,260	-
Unrestricted	15,408,995	1,718,878	17,127,873	4,671,684
Total net position	\$ 63,229,160	\$ 5,325,266	\$ 68,554,426	\$ 9,116,047



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City of Lake Mary, 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			Governmental
	Stormwater Utility		Totals	Activities
	Water & Sewer Fund	Fund		Internal Service Fund
Operating Revenues				
Charges for sales and services:				
Water sales	\$ 3,151,245	\$ -	\$ 3,151,245	\$ -
Sewer revenue	3,210,924	-	3,210,924	-
Stormwater fees	-	470,954	470,954	-
Other service charges	1,296,100	-	1,296,100	1,728,731
Total operating revenues	7,658,269	470,954	8,129,223	1,728,731
Operating Expenses				
Costs of operations	6,174,071	365,214	6,539,285	379,389
Administration	260,248	-	260,248	-
Depreciation	1,361,459	169,325	1,530,784	1,119,200
OPEB expense	11,504	885	12,389	-
Total operating expenses	7,807,282	535,424	8,342,706	1,498,589
Operating income (loss)	(149,013)	(64,470)	(213,483)	230,142
Nonoperating Revenues (Expenses)				
Investment income	637,604	75,528	713,132	170,616
Gain (loss) on sale of capital assets	-	-	-	98,832
Total nonoperating revenue (expenses)	637,604	75,528	713,132	269,448
Income (loss) before contributions and transfers	488,591	11,058	499,649	499,590
Capital contributions - impact fees	129,556	-	129,556	-
Capital contributions - intergovernmental	88,121	937,565	1,025,686	-
Transfers out	(1,750,000)	-	(1,750,000)	-
Change in net position	(1,043,732)	948,623	(95,109)	499,590
Net position - beginning, as previously presented	64,272,892	4,152,196	68,425,088	8,616,457
Restatements (Note 2)	-	224,447	224,447	-
Net position - beginning, as restated	64,272,892	4,376,643	68,649,535	8,616,457
Total net position - ending	\$ 63,229,160	\$ 5,325,266	\$ 68,554,426	\$ 9,116,047

City of Lake Mary, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 5,610,801	\$ 420,183	\$ 6,030,984	\$ -
Other operating cash receipts	1,296,100	-	1,296,100	-
Receipts from interfund services provided	-	-	-	1,728,731
Payments to suppliers	(5,384,563)	(177,029)	(5,561,592)	(152,626)
Payments to employees	(1,131,455)	(168,520)	(1,299,975)	(246,208)
Net cash provided by operating activities	390,883	74,634	465,517	1,329,897
Cash Flows From Noncapital financing activities				
Transfers to/from other funds	(1,750,000)	-	(1,750,000)	-
Net cash provided (used) by non-capital financing activities	(1,750,000)	-	(1,750,000)	-
Cash Flows From Capital and Related Financing Activities				
Capital contributions - impact fees	129,556	-	129,556	-
Acquisition and construction of capital assets	(121,975)	(1,438,403)	(1,560,378)	(1,471,673)
Proceeds from sales of capital assets	-	-	-	98,832
Net cash provided (used) by capital and related financing activities	7,581	(1,438,403)	(1,430,822)	(1,372,841)
Cash Flows From Investing Activities				
Investments purchased	-	-	-	-
Interest and dividends received	316,395	36,708	353,103	83,610
Net cash provided by investing activities	316,395	36,708	353,103	83,610
Net increase (decrease) in cash and cash equivalents	(1,035,141)	(1,327,061)	(2,362,202)	40,666
Cash and cash equivalents - October 1	6,389,551	2,785,723	9,175,274	3,457,994
Cash and cash equivalents - September 30	\$ 5,354,410	\$ 1,458,662	\$ 6,813,072	\$ 3,498,660

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (149,013)	\$ (64,470)	\$ (213,483)	\$ 230,142
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1,361,459	169,325	1,530,784	1,119,200
(Increase) decrease in customer accounts receivable	(121,644)	3,307	(118,337)	-
(Increase) decrease in unbilled service charges	(4,848)	(58)	(4,906)	-
(Increase) decrease in inventory	(31,848)	-	(31,848)	158
(Increase) decrease in deferred outflows	12,884	991	13,875	-
Increase (decrease) in accounts payable	(70,149)	7,996	(62,153)	(24,570)
Increase (decrease) in accrued expenses	6,083	2,533	8,616	1,107
Increase (decrease) in due to other governments	-	-	-	-
Increase (decrease) in OPEB obligation	1,350	104	1,454	-
Increase (decrease) in deferred inflows	(2,730)	(210)	(2,940)	-
Increase (decrease) in unearned revenue	(660,808)	(54,020)	(714,828)	-
Increase (decrease) in compensated absences payable	14,215	9,136	23,351	3,860
Increase (decrease) in customer deposits	35,932	-	35,932	-
Total adjustments	539,896	139,104	679,000	1,099,755
Net cash provided by operating activities	\$ 390,883	\$ 74,634	\$ 465,517	\$ 1,329,897
Supplemental Schedule of Noncash Investing, Capital, and Financing Activities				
Description of Noncash Activity:				
Gain in the fair value of investments	\$ 28,376	\$ 4,399	\$ 32,775	\$ 7,355
Purchase of capital assets on account	\$ -	\$ 594,328	\$ 594,328	\$ 109,086

City of Lake Mary, Florida
Statement of Fiduciary Net Position - Fiduciary Fund
September 30, 2025

	Total Employee Pension Funds
Assets	
Cash and cash equivalents	\$ 3,089,193
Receivables:	
Interest receivable	118,169
Total receivables	<u>118,169</u>
Investments, at fair value:	
Domestic corporate & govt bonds	20,512,490
Domestic stocks	40,488,416
Real estate	3,723,791
Total investments	<u>64,724,697</u>
Total assets	<u>67,932,059</u>
Liabilities	
Accounts payable	73,305
Due to other funds	58,684
Total liabilities	<u>131,989</u>
Net Position:	
Net position restricted for pensions	<u>\$ 67,800,070</u>

Statement of Changes in Fiduciary Net Position - Fiduciary Fund

For the Year Ended September 30, 2025

	<u>Total Employee Pension Funds</u>
Additions	
Contributions:	
City	\$ 1,532,389
State	664,451
Employee	422,175
Total contributions	<u>2,619,015</u>
Investment earnings:	
Net increase in fair value of investments	4,921,141
Interest	1,393,574
Less: investment expense	<u>(241,570)</u>
Net investment earnings	<u>6,073,145</u>
Total additions	<u>8,692,160</u>
Deductions	
Benefit payments	2,591,807
Refunds of contributions	385,802
Administrative expenses	<u>148,284</u>
Total deductions	<u>3,125,893</u>
Change in net position	5,566,267
Net position - beginning	<u>62,233,803</u>
Net position - ending	<u><u>\$ 67,800,070</u></u>

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Lake Mary, Florida ("City"), a municipality incorporated under Chapter 73-422, Laws of Florida, in 1973, operates under the Commission - City Manager form of government. The City is located near the center of the State of Florida in the northwest part of Seminole County.

The City of Lake Mary is a municipal corporation governed by an elected mayor and a four member commission. The City provides a full range of municipal services, including police and fire protection, public works activities, parks and recreation, planning and development, and general administrative service. In addition, the City operates a water, sewer and stormwater utility.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, management has determined that there are no component units to be included within the reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been removed from the government-wide statements. Exceptions to this rule are charges between the City's water, sewer and stormwater function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The government reports the following funds:

Major Governmental Funds

General Fund - The *general fund* is the City's primary operating fund and is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the general fund.

The General Capital Project Fund - accounts for acquisition or construction of capital facilities, equipment purchases and general capital improvements, estimated to cost in excess of \$5,000.

One-Cent Infrastructure Sales Tax Fund - *Capital Projects Funds* - is used to account for acquisition and construction activity for large-scale projects of the general government.

The government reports the following major enterprise funds:

The *Water and Sewer Fund* - is used to account for the operations of the City's water and wastewater systems, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

The *Stormwater Utility Fund*- is an enterprise fund that accounts for the operation and maintenance of the City's stormwater system.

Additionally, the government reports the following fund types:

Special Revenue Funds - account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes. Non-major special revenue funds include the Police Education Fund, Police Impact Fees Fund, Fire Impact Fees Fund, Public Works Impact Fees Fund, Recreation Impact Fees Fund, Law Enforcement Trust Fund, Police and Fire Premium Tax Trust, and the Cemetery Fund.

Internal Service Funds - are used to account for the City's fleet maintenance operations and vehicle rental on a cost reimbursement basis.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Property taxes, franchise fees and utility taxes, licenses, fines and forfeitures, and investment earnings associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

Unearned revenues in governmental funds include amounts collected before revenue recognition criteria are met. The unearned amount typically consists of license revenue collected in advance of the ensuing year, and grants received before all eligibility is met.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Formal budgetary integration is employed as a management control device during the year for the general fund and most special revenue funds. The police & firefighter premium tax trust special revenue fund is not budgeted as this represents the state contribution to pension funds and is unknown until received. Formal budget integration is not employed for the capital projects funds because capital projects funds are appropriated on a project-length basis. Transfers of appropriations between departments require the approval of the City Manager. Revisions that alter the total expenditures of any fund must be approved by the City Commission. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executed contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, And Net Position/Fund Balance

Cash and cash equivalents

The government'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. The City currently holds \$660 available as petty cash.

The City maintains a cash and investment pool that is used by all funds. This pool includes deposits and overnight repurchase agreements. Pooled cash is classified as "Cash" in the Balance Sheet. Interest income earned as a result of pooling is distributed to the appropriate funds based on the month end equity balance in each fund.

Investments

Investments for the government are reported at fair value (generally based on quoted market prices) and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Property, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land and construction in progress are not depreciated. The other property, plant and equipment and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	15-50 years
Machinery and equipment	5-10 years
Water/sewer system	15-60 years
Stormwater system	15-60 years
Structures	25 years
Intangible assets	5-10 years
Infrastructure	25-100 years
Heavy equipment vehicles	7-15 years
Light vehicles	3-5 years

Sewer contract cost (purchases of capacity) is capitalized and amortized over the life of the agreement. Subscription assets are amortized over the life of the associated contract.

Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. City of Lake Mary has two items that qualify for reporting in this category for the year ended September 30, 2025, the deferred inflow of pension investment earnings, and deferred inflow related to OPEB.

Net position flow assumption

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

Fund balance flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations of the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Commission is the highest level of decision-making authority that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Commission has by resolution authorized the finance director to assign fund balance. The commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The General Fund is the only fund that reports a positive unassigned fund balance. However, in other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Revenues and Expenditures/Expenses

Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the County Property Appraiser and 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 (10) mills. The millage rate in effect for the City for the fiscal year ended September 30, 2025 was 3.5895 mills.

The tax levy of the City is established by the City Commission prior to October 1 of each year and the Seminole County Property Appraiser incorporates the millage into the total tax levy, which includes the municipalities, independent districts and the County School Board tax requirements. All property is reassessed according to its fair market value on January 1 of each year.

All taxes are due and payable on the levy date of 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 are assessed. Discounts are allowed for early payment at the rate of 4% for payments received in the month of November, 3% for payments received in the month of December, 2% for payments received in the month of January and 1% for payments received in the month of February. The taxes paid in March are not subject to discount.

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The City recognized 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 (for example paid in cash to the employee) during or upon separation of employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences – vacation, sick leave and personal leave. The liability for compensated absences is reported as incurred 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 or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

City policy permits employees to accumulate up to 240 or 336 hours per fiscal year end, of earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from government service.

Sick Leave

The City's policy permits employees to accumulate earned but unused sick leave benefits. Upon separation, employees with at least five years of continuous service will receive pay for 50% of their accumulated sick leave hours, to a maximum of 240 hours of pay. Additionally, a liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Personal Leave

The City's policy permits employees to use two days of personal leave after six months of employment. All personal leave lapses upon separation, however, a liability for estimated value of personal leave that will be used by employees is included in the liability for compensated absences.

Subscription-Based Information Technology Arrangements

The City reports a subscription liability and an intangible right-to-use capital assets (known as the subscription asset) on the government-wide financial statements for a subscription-based information technology arrangement (SBITA). The City's policy is to recognize subscription liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of the subscription liability, adjusted for subscription payments made at or before the SBITA commencement date, plus certain initial direct costs, including development costs. Subsequently, the subscription asset is amortized on a straight-line basis over the SBITA term.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA and any extensions that are deemed certain to be exercised. Subscription payments included in the measurement of the subscription liability are composed of fixed payments to the SBITA vendor.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of subscription liabilities.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the water and sewer fund, the stormwater fund, and internal service funds are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

New GASB Statements Implemented

In fiscal year 2025, the City implemented Government Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. This statement will improve financial reporting by providing timely essential information regarding certain concentrations or constraints, not often provided, and related events that have occurred or begun to occur that make the City vulnerable to a substantial impact. As a result of implementation, there were no changes to the City’s beginning balances.

Other Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES

In the current year, the City corrected an error for contributed infrastructure received in a prior year that was not capitalized. The effect of this error is summarized below in the “Error correction” column below.

	<u>Net position/fund balance 9/30/24 as previously reported</u>	<u>Error Correction</u>	<u>Net position/fund balance 9/30/24 as restated</u>
Government-Wide			
Business-type Activities	68,425,088	224,447	68,649,535
Total government-wide	<u>\$ 68,425,088</u>	<u>\$ 224,447</u>	<u>\$ 68,649,535</u>
Proprietary Funds			
Enterprise Funds			
Stormwater	4,152,196	224,447	4,376,643
Total Enterprise Funds	<u>\$ 4,152,196</u>	<u>\$ 224,447</u>	<u>\$ 4,376,643</u>

NOTE 3 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes reconciliation between *fund-balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position.

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities.

NOTE 4 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

1. Prior to the first day of August of each year, the City Manager prepares a recommended budget for the next succeeding fiscal year and submits it to the City Commission. The recommended budget includes proposed expenditures and the sources of receipts to finance them.
2. Public hearings are conducted to obtain taxpayers comments.
3. The budget is approved by the Commission and becomes the basis for the millage levied by the Commission.
4. The City Manager is authorized to transfer budgeted amounts between departments; however, any revisions that alter the total expenditures of any fund must be approved by the City Commission. Expenditures may not exceed legal appropriations at the fund level. All appropriations lapse at year-end.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and most Special Revenue Funds. The Police & Firefighter Premium Tax Trust Special Revenue Fund is not budgeted as this represents the state contribution to pension funds and is unknown until received. Formal budget integration is not employed for the Capital Project Funds because projects are approved individually.
6. The budgets for the General Fund and Special Revenue Funds are legally adopted on a basis consistent with generally accepted accounting principles.
7. Budgeted amounts are as originally adopted, or as amended, in accordance with City ordinance.
8. The Budgetary Comparison Schedules shown in the accompanying supplemental information present comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

Fund Balance/Net Position Policy

In accordance with Resolution No's 800 and 924, the City designates that a minimum amount equal to 25 percent of the current fiscal year expenditures of the General Fund be maintained as unassigned fund balance and 25 percent of the current year expenditures of each Enterprise Fund, as unrestricted net position. The purpose of this policy is to provide the capacity to provide sufficient cash flow for daily financial needs, to have the ability to offset significant economic downturns or revenue shortfalls, to provide funds for unforeseen expenditures related to emergencies or other unanticipated needs/occurrences, and maintain historical fund balance/net position stability which may provide advantageous interest rates in the event of issuing debt.

If, at the end of any fiscal year, the actual amount of unassigned fund balance, or unrestricted net position falls below the required level, the City Manager and City Commission review the circumstances creating the shortfall and develop a plan for restoring or amending the requirements. Compliance with the resolution is part of the annual budget process.

NOTE 5 DEPOSITS AND INVESTMENTS

Cash Deposits With Financial Institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government’s deposits may not be returned to it.

The City’s bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. Remaining balances are collateralized pursuant to Chapter 280, Florida Statutes. Under this chapter all depositories holding public funds collateralize deposits in excess of FDIC insurance with the State Treasurer. In the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

Investments

The City utilizes a pooled investment concept for all its funds to maximize its investment program. Income for this internal pooling is allocated to the respective funds based upon the sources of funds invested.

As of September 30, 2025, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
U.S. Agencies	\$ 7,674,493	0.41 years
Certificates of deposit	74,332	n/a
Commercial paper	23,892,002	85 days
Money market	1,010,392	n/a
Total Fair Value of Investments	<u>\$ 32,651,219</u>	

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. The valuation technique(s) to value Level 2 investment is a model that takes into consideration both the yield curve and option adjusted spread (OAS) to determine the fair value. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the City’s own data in measuring unobservable inputs. Level 2 investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered active.

The City has the following recurring fair value measurements as of September 30, 2025:

- U.S. Agencies of \$7,674,493 are valued using Level 2 inputs.
- Commercial paper of \$23,892,002 is valued using Level 2 inputs.

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the investment of current operating funds to an average maturity of less than 36 months. Investments of bond reserves, construction funds, and other non-operating funds maturity may not exceed 5 years.

NOTE 5 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk. The City limits investments to Local Government Investment Pool (SBA), SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency, savings accounts or certificates of deposit in state certified qualified public depositories, direct obligations of the U.S. Treasury, Federal agencies and instrumentalities or investment trusts registered under the investment Company Act of 1940, provided the portfolio is limited to U.S. Government obligations and repurchase agreements fully collateralized by such U.S. Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian, i.e. mutual funds. The SBA is administered by the State of Florida. Investments held consist of U.S. Treasury obligations, short-term federal agency obligations, repurchase agreements, and commercial paper. The City has no investment position with SBA on September 30, 2025. All agencies held by the City on September 30, 2025, are rated AA+ or higher by Standard & Poor's.

Concentration of credit risk. Assets held shall be diversified to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instruments, dealer or bank through which these instruments are bought and sold. Diversification strategies within the established guidelines of the City's investment Policy shall be reviewed and revised periodically as necessary.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failures of the counterparty, the government will not be able to recover the value of it investments or collateral securities that are in the possession of an outside party. The City's investments are insured or registered and held by its agent in the City's name.

As of September 30, 2025, the City has satisfied all of the objectives and requirements laid out in the City's investment policy and held no investments that were not in compliance with policy.

City of Lake Mary Pension Funds had the following investments on September 30, 2025:

Investment Type	Police Officers' Pension Funds Fair Value	Weighted Average Maturity (years)	Firefighters' Pension Funds Fair Value	Weighted Average Maturity (years)
U.S. Treasuries	\$ 1,645,953	12.96	\$ 1,939,478	10.76
U.S. Agencies & BAB's	4,331,006	20.24	3,569,933	19.89
Corporate Bonds	3,528,497	6.75	5,497,623	5.49
Corporate Stocks	23,930,091	n/a	16,558,325	n/a
Real Estate	1,223,523	n/a	2,500,268	n/a
Total Investments	34,659,070		30,065,627	
Cash and Cash Equivalents	1,741,929	n/a	1,347,264	n/a
Total Cash and Investments	\$ 36,400,999		\$ 31,412,891	

* Contains U.S. Treasuries and/or agencies, but specific identification is not available.

The City has the following recurring fair value measurements as of September 30, 2025 for pension funds:

- U.S. Treasuries of are valued using Level 2 inputs.
- U.S. Agencies and BABS are valued using Level 2 inputs
- Corporate Bonds are valued using Level 2 inputs
- Corporate Stocks are valued using Level 1 inputs
- Real Estate are valued using Level 3 inputs

NOTE 5 DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk. The pension fund investment policy limits the duration of fixed income portfolio to within 50% to 150% of the duration of the Merrill Lynch Master Bond Index.

Credit risk. Securities shall be limited to those rated BAA or higher by Moody's or Standard & Poor's rating services. Foreign bonds are prohibited. Of Police Pension investments, 16% are rated by Moody's as A3 or better, 11% are rated by Moody's as Baa1 to Baa3, and 73% unrated. Fire Pension investments are 12% rated by Moody's as A3 or better, 7% rated Baa1 to Baa3, with 81% unrated. Unrated investments are typically U.S. Agency backed securities.

Concentration of credit risk. The pension investment policy does not allow for an investment in any one issuer that is in excess of five percent of the pension fund's fixed income portfolio.

Foreign currency risk. The police pension fund invests only in ADR's which are traded in U.S. Dollars mitigating any foreign currency risk, while firefighter pension invests in i-series foreign investment. Due to the nature of these investment vehicles, it has been determined that these investments carry a minimal risk of fluctuation in foreign currency valuation.

As of September 30, 2025, the Police and Fire Pension funds had satisfied the objectives and requirements laid out in their respective investment policy and held no investments that were not in compliance with policy.

NOTE 6 RECEIVABLES

Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, all other governmental funds in the aggregate, water and sewer fund, stormwater fund, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts:

Receivables	General Fund	Water and Sewer Fund	Stormwater Fund	Total
Accounts receivables	\$ 2,097,574	\$ 977,908	\$ 97,033	\$ 3,172,515
Less: allowance for uncollectibles	<u>(554,952)</u>	<u>(54,170)</u>	<u>(53,351)</u>	<u>(662,473)</u>
Net receivables	<u>\$ 1,542,622</u>	<u>\$ 923,738</u>	<u>\$ 43,682</u>	<u>\$ 2,510,042</u>

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NOTE 7 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,955,302	\$ 5,862	\$ -	\$ 7,961,164
Land under infrastructure	2,554,760	-	-	2,554,760
Construction in progress	3,985,684	1,959,663	(2,666,725)	3,278,622
Total capital assets, not being depreciated	<u>14,495,746</u>	<u>1,965,525</u>	<u>(2,666,725)</u>	<u>13,794,546</u>
Capital assets, being depreciated:				
Buildings	25,010,103	370,441	-	25,380,544
Improvements other than building	4,533,580	623,470	-	5,157,050
Intangible assets	1,701,381	-	-	1,701,381
Subscription assets	572,685	-	-	572,685
Equipment	3,710,390	926,618	(281,777)	4,355,231
Infrastructure	30,143,111	1,131,114	-	31,274,225
Vehicles	11,022,167	1,764,622	(640,580)	12,146,209
Total capital assets, being depreciated:	<u>76,693,417</u>	<u>4,816,265</u>	<u>(922,357)</u>	<u>80,587,325</u>
Less accumulated depreciation for:				
Buildings	(15,794,332)	(586,522)	-	(16,380,854)
Improvements other than buildings	(4,070,784)	(70,189)	-	(4,140,973)
Intangible assets	(157,284)	(33,741)	-	(191,025)
Subscription assets	(114,537)	(114,537)	-	(229,074)
Equipment	(2,219,306)	(384,199)	281,777	(2,321,728)
Infrastructure	(16,857,598)	(703,467)	-	(17,561,065)
Vehicles	(7,259,939)	(1,119,200)	640,580	(7,738,559)
Total accumulated depreciation	<u>(46,473,780)</u>	<u>(3,011,855)</u>	<u>922,357</u>	<u>(48,563,278)</u>
Total capital assets, being depreciated, net	<u>30,219,637</u>	<u>1,804,410</u>	<u>-</u>	<u>32,024,047</u>
Governmental activities capital assets, net	<u>\$ 44,715,383</u>	<u>\$ 3,769,935</u>	<u>\$ (2,666,725)</u>	<u>\$ 45,818,593</u>

NOTE 7 CAPITAL ASSETS (CONTINUED)

	Beginning Balance, as Restated	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 488,808	\$ -	\$ -	\$ 488,808
Construction in progress	1,737,309	286,332	(1,531,080)	492,561
Total capital assets, not being depreciated	<u>2,226,117</u>	<u>286,332</u>	<u>(1,531,080)</u>	<u>981,369</u>
Capital assets, being depreciated:				
Buildings	472,000	-	-	472,000
Water/sewer system	59,310,801	-	(24,780)	59,286,021
Stormwater system	2,908,581	2,176,696	(197,039)	4,888,238
Intangible Assets	73,621	-	-	73,621
Machinery and equipment	1,193,762	34,102	(3,525)	1,224,339
Total capital assets, being depreciated:	<u>63,958,765</u>	<u>2,210,798</u>	<u>(225,344)</u>	<u>65,944,219</u>
Less accumulated depreciation for:				
Buildings	(448,400)	(11,800)	-	(460,200)
Water/sewer system	(13,624,644)	(1,246,075)	24,780	(14,845,939)
Stormwater system	(1,553,500)	(168,596)	197,039	(1,525,057)
Intangible Assets	(73,621)	-	-	(73,621)
Machinery and equipment	(543,690)	(104,313)	3,525	(644,478)
Total accumulated depreciation	<u>(16,243,855)</u>	<u>(1,530,784)</u>	<u>225,344</u>	<u>(17,549,295)</u>
Total capital assets, being depreciated, net	<u>47,714,910</u>	<u>680,014</u>	<u>-</u>	<u>48,394,924</u>
Business-type capital assets, net	<u>\$ 49,941,027</u>	<u>\$ 966,346</u>	<u>\$ (1,531,080)</u>	<u>\$ 49,376,293</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 220,108
Police	346,199
Fire	273,393
Public works	703,555
Parks	348,590
Other physical environment	810
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	1,119,200
Total depreciation expense	<u>\$ 3,011,855</u>

Depreciation expense was charged to business type activities as follows:

Water/sewer system	\$ 1,361,459
Stormwater system	169,325
Total depreciation expense	<u>\$ 1,530,784</u>

NOTE 8 PENSIONS

Police and Fire Employee Pension Plans:

The City maintains two separate single-employer, defined benefit pension plans for police officers and firefighters, which are maintained as Pension Trust Funds and included as part of the City’s reporting entity. These pension plans do not issue stand-alone financial reports. These plans also provide for disability and survivor benefits.

Each system is independently governed by separate boards of trustees. Assets may not be transferred from one plan to another or used for any purpose other than to benefit each system's participants as defined in their authorizing ordinances. Administrative expenses and fees attributable to each plan are deducted from the plan assets. These funds are reported using the full accrual basis of accounting. The benefits and refunds of each defined benefit plan are recognized when due and payable in accordance with the terms of the plan.

These plans are established by and operated in accordance with Chapters 175 (Fire) & 185 (Police), Florida Statutes. The State requires local governments to make the actuarially determined contribution. The funding methods and determination of benefits payable are provided in the various acts of the Florida Legislature, which created the funds including subsequent amendments thereto. Additionally, the State collects two locally authorized insurance premium surcharges (one for the Police Pension Plan on casualty insurance policies and one for the Firefighter Pension Plan on certain real and personal property insurance policies within the corporate limits) which can only be distributed after the Florida Division of Retirement reviews and approves each local government’s actuarial report and has ascertained that the local government has met their actuarial funding requirement for the then most recently completed fiscal year.

With the adoption by the Florida Legislation of Chapter 2015-39, Laws of Florida, a separate Defined Contribution component of the Police and Fire Employee Pensions plans was established by October 1, 2015 and will provide special benefits in the form of a supplemental retirement, termination, death and disability benefits to be funded solely and entirely by premium tax monies. The Share Plan benefits are additional to the benefits currently provided by the defined benefit component currently provided. Individual Member share accounts shall be established as of September 30, 2015 for all members actively employed as of October 1, 2014. Funds will be allocated to eligible members on each valuation date based on an individual’s total years of Credited Service to the sum of all individuals to whom allocations are being made.

The annual pension cost, and required contribution for September 30, 2025, were determined as part of the actuarial valuation of each plan as of October 1, 2023, and reviewed as part of the actuarial valuation as of October 1, 2023, using the entry age normal actuarial cost method.

Police Officers’ Pension Plan Description

Plan administration: The City of Lake Mary Police Officer’s Pension is a single employer defined benefit pension plan that provides pensions for all full-time active and future police officers of the City. The sole and exclusive administration and responsibility for proper operation of the Plan and for making effective the provisions of the Plan is vested in the Board of Trustees (Board). The Board is hereby designated as the plan administrator. The Board shall consist of five (5) Trustees, two (2) of whom, unless otherwise prohibited by law, shall be legal residents of the City, who shall be appointed by the Lake Mary City Commission, and two (2) of whom shall be Members of the System, who shall be elected by a majority of the Police Officers who are Members of the System. The fifth Trustee shall be chosen by a majority of the previous four (4) Trustees as provided for herein, and such person’s name shall be submitted to the Lake Mary City Commission.

Plan Membership as of October 1, 2024:

Inactive Plan members or beneficiaries currently receiving benefits	37
Inactive Plan members entitled to but not yet receiving benefits	27
Active Plan Members	46
Total	110

NOTE 8 PENSIONS (CONTINUED)

Benefits Provided. The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of: 1) the attainment of age 55 and 5 years of Credited Service, or 2) the completion of 20 years of service, regardless of age.

Benefit: 3.2% of Average Final Compensation times Credited Service.

Early Retirement:

Date: Age 50 and completion of 5 years of Credited Service.

Benefit: Determined as for Normal Retirement, reduced by 3% per year preceding Normal Retirement Date.

Termination Benefit:

Less than 5 years: Refund of Contributions

5 or more years: Refund of Contributions or vested accrued benefit payable at Normal (unreduced) or Early (reduced) retirement date.

Disability Retirement:

Line of Duty: The greater of 1) 50% of salary at the time of disability or 2) the Member's accrued pension.

Non Line-of-Duty: A vested Member receives the greater of 1) the Member's accrued pension, or 2) 25% of salary at the time of disability.

A Member that is not vested receives the Members' Accumulated Contributions.

Pre-Retirement Death Benefits:

Vested In-Line of Duty: Spouse will receive the greater of 1) 10% of the Member's yearly compensation for life or 2) the monthly actuarial equivalent of the accrued normal or early retirement Benefit. If there is no Spouse, then a dependent child can receive benefit until age 18.

Vested Not-In-Line of Duty: Actuarial equivalent of accrued benefit.

Non-Vested: Refund of Member's Accumulated Contributions.

Contributions. The Board establishes contributions based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability, as provided in Chapter 112, Florida Statutes. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended September 30, 2025, the active member contribution rate was 5.0% of annual pay, and the City plus State contribution is the remaining requirement.

Investments

Investment Policy: The pension plan's policy relating to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members, and must be approved by the City commission. The investment objective of the Board is to preserve the purchasing power of the Fund's assets and earn a reasonable real rate of return (after inflation) over the long term while minimizing the short-term volatility of results. To achieve these objectives, the Board seeks to create a conservative, well diversified and balanced portfolio of high quality equity, convertible, fixed income, real estate, master limited partnerships and money market securities. The following was the Board's adopted asset allocation policy as of September 30, 2025:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	40.00%
International equity	15.00%
Bonds	25.00%
Convertibles	5.00%
Private real estate	5.00%
Infrastructure	5.00%
Private credit	5.00%
Total	<u>100.00%</u>

NOTE 8 PENSIONS (CONTINUED)

Concentrations. The plan did not hold investments in any one organization that exceeded the limitations set forth in the investment policy.

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 9.98%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP)

Eligibility: Satisfaction of Normal Retirement requirements (earlier of (1) Age 55 with 5 years of Credited Service, or (2) 20 years of Credited Service).

Participation: Not to exceed 60 months.

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.

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

Net Pension Liability

The City's net pension liability was measured as of September 30, 2025. The total pension liability used to calculate the Net Pension Liability was determined as of that date.

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

	Police Officers' Pension Fund
Total pension liability	\$ 32,135,805
Plan fiduciary net position	(36,418,308)
City's net pension liability (asset)	<u>\$ (4,282,503)</u>
Plan fiduciary net position as a percentage of total pension liability	113.33%

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

Inflation	2.5%
Salary increases	Age Based
Discount rate	7.0%
Investment rate of return	7.0%

Mortality rates were based on the Mortality Improvement Scale MP-2021. Mortality assumptions were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The rates used are those outlined in Milliman's July 1, 2024 FRS valuation report for special risk participants.

The actuarial assumptions used in the October 1, 2024 valuation were based on the results of an actuarial experience study dated May 5, 2021.

NOTE 8 PENSIONS (CONTINUED)

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 the pension plan's target asset allocation as of September 30, 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic equity	7.8%
International equity	3.8%
Bonds	1.8%
Convertibles	6.3%
Private real estate	5.4%
Infrastructure	6.4%
Private credit	2.7%

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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.

**City of Lake Mary Police Officers' Pension Plan
Changes in Net Pension Liability**

	<u>Increase (Decrease)</u>		
	<u>Total Pension</u>	<u>Plan Fiduciary</u>	<u>Net Pension</u>
	<u>Liability</u>	<u>Net Position</u>	<u>Liability (Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at September 30, 2024	\$ 29,952,377	\$ 33,360,177	\$ (3,407,800)
Changes for the year:			
Service cost	834,841	-	834,841
Interest	2,106,902	-	2,106,902
Share plan allocation	93,821	-	93,821
Differences between expected and actual experience	223,911	-	223,911
Changes of assumption	301,175	-	301,175
Contributions - employer	-	646,498	(646,498)
Contributions - state	-	324,297	(324,297)
Contributions - employee	-	224,865	(224,865)
Net investment income	-	3,309,252	(3,309,252)
Benefit payments, including refunds of employee contributions	(1,377,222)	(1,377,222)	-
Administrative expense	-	(69,559)	69,559
Net changes	<u>2,183,428</u>	<u>3,058,131</u>	<u>(874,703)</u>
Balances at September 30, 2025	<u>\$ 32,135,805</u>	<u>\$ 36,418,308</u>	<u>\$ (4,282,503)</u>

NOTE 8 PENSIONS (CONTINUED)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.00 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability (asset)	\$ (491,708)	\$ (4,282,503)	\$ (7,427,229)

Deferred Outflows and Inflows of Resources

For the year ended September 30, 2025, the City will recognize a pension expense of \$231,374. On September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 594,262	\$ 86,492
Changes of assumptions	200,784	-
Net difference between Projected and actual earnings on pension plan investments	-	2,180,545
Total	<u>\$ 795,046</u>	<u>\$ 2,267,037</u>

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

Total year ended September 30:

2026	\$ 474,183
2027	(783,795)
2028	(965,813)
2029	(196,566)
2030	-
Thereafter	-

Firefighters' Pension Plan Description

Plan administration. The City of Lake Mary Firefighters' Pension Trust Fund is single employer defined benefit pension plan that provides pensions for all active and future, full time or volunteer firefighters who participate in the plan as a condition of employment. The Board is hereby designated as the plan administrator. The Board shall consist of five (5) Trustees, two (2) of whom, unless otherwise prohibited by law, shall be legal residents of the City, who shall be appointed by the Lake Mary City Commission, and two (2) of whom shall be Members of the System, who shall be elected by a majority of the Firefighters who are Members of the System. The fifth Trustee shall be chosen by a majority of the previous four (4) Trustees as provided for herein, and such person's name shall be submitted to the Lake Mary City Commission.

NOTE 8 PENSIONS (CONTINUED)

Plan Membership as of October 1, 2024:

Inactive Plan members or beneficiaries currently receiving benefits	24
Inactive Plan members entitled to but not yet receiving benefits	6
Active Plan Members	40
Total	70

Benefits Provided. The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of: 1) the attainment of age 55 and 5 years of Credited Service, or 2) the completion of 20 years of service, regardless of age.

Benefit: 3.2% of Average Final Compensation times Credited Service.

Early Retirement:

Date: Age 50 and completion of 10 years of Credited Service.

Benefit: Determined as for Normal Retirement, reduced by 3% per year preceding Normal Retirement Date.

Termination Benefit:

Less than 5 years: Refund of Member Contributions plus 5% compounded annual interest.

5 or more years: Refund of Contributions or Vested Accrued benefit payable at Normal (unreduced) or Early (reduced) retirement date.

Disability Retirement:

Line of Duty: The greater of 1) 50% of salary at the time of disability or 2) the Member's accrued normal retirement benefit. Non Line-of-

Duty: A vested Member with 5 years of Credited Service, receives the greater of 1) 25% of salary at the time of disability or 2) the Member's accrued normal retirement taking into account compensation earned and service credited until the date of disability. A Member that is not vested receives the Members' Accumulated Contributions plus 5% compounded annual interest.

Pre-Retirement Death Benefits:

Vested In-Line of Duty: Beneficiary will receive a monthly benefit based on the greater of 1) 1/12th of 10% of the Member's current annual salary on the date of death or 2) the monthly actuarial equivalent of the accrued normal retirement benefit. In lieu of the Normal Form, the beneficiary may elect to receive the greater of a lump sum of the present value of the member's accrued benefit or a refund of the member's contributions with interest.

Vested Not-In-Line of Duty: Any member with 5 or more years of Credited Service is considered vested. The member's beneficiary will receive a monthly benefit based on the greater of 1) 1/12th of 5% of the member's current annual salary on the date of death or 2) the Actuarial equivalent of 50% of the present value of the member's accrued Normal Retirement Benefit taking into account Compensation earned and service credited until the date of death.

Non-Vested: Refund of Member's Accumulated Contributions with 5% compounded annual interest.

Contributions. The Board establishes contributions based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability, as provided in Chapter 112, Florida Statutes. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended September 30, 2025, the active member contribution rate was 5.0% of annual pay, and the City and state contribution was the remaining requirement.

NOTE 8 PENSIONS (CONTINUED)

Investments

Investment Policy. The pension plan's policy relating to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members, and must be approved by the City commission. The investment objective of the Board is to obtain a reasonable total rate of return - defined as interest and dividend income plus realized and unrealized capital gains or losses - that exceeds the actuarial interest rate assumption on an annual basis. Additionally, the Board, in performing their investment duties, shall comply with fiduciary standards set forth in the Employee Retirement Income Security Act of 1974, U.S.C. s1104 (a) (1) (A)-(C).

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	35.00%
International equity	15.00%
Bonds	30.00%
Real estate	5.00%
Infrastructure	5.00%
Convertibles	10.00%
Total	<u>100.00%</u>

Concentrations. The plan did not hold investments in any one organization that represented 5% or more of the Pension Plan's fiduciary net position.

Rate of Return. For the year ended September 30, 2025, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.08%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP)

Eligibility: Satisfaction of Normal Retirement requirements (earlier of (1) Age 55 with 5 years of Credited Service, or (2) 20 years of Credited Service).

Participation: Not to exceed 60 months

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.

The DROP balance as of September 30, 2025 is \$1,931.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2025. The total pension liability used to calculate the Net Pension Liability was determined as of that date.

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

	Firefighters' Pension Fund
Total pension liability	\$ 31,775,424
Plan fiduciary net position	(31,440,446)
City's net pension liability (asset)	<u>\$ 334,978</u>
Plan fiduciary net position as a percentage of total pension liability	98.95%

NOTE 8 PENSIONS (CONTINUED)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2023 updated to September 30, 2025 using the following actuarial assumptions applied to all measurement periods:

Inflation		2.5%
Salary increases	4% to 8% service-based table	
Investment rate of return		6.9%

Mortality rates are based on the PUB-2010 Headcount Weighted Safety Below Median Employee Table for males and females. The provision for future mortality improvements is being made by using scale MP-2018 after 2010. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in the July 1, 2023 FRS valuation, as mandated by Chapter 112.63, Florida Statutes.

The long-term expected return is the 30-year average return, or since- inception average return for those assets that did not exist prior to 1993, less inflation measured by CPI. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2025 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic equity	7.8%
International equity	3.8%
Bonds	1.8%
Real estate	5.4%
Infrastructure	6.4%
Convertibles	6.3%

Discount Rate. The discount rate used to measure the total pension liability was 6.9%. 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.

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NOTE 8 PENSIONS (CONTINUED)

**City of Lake Mary Firefighters' Pension Plan
Changes in Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Balances at September 30, 2024	\$ 29,567,190	\$ 28,932,309	\$ 634,881
Changes for the year:			
Service cost	946,931	-	946,931
Interest	2,079,975	-	2,079,975
Differences between expected and actual experience	351,646	-	351,646
Assumption changes	344,868	-	344,868
Contributions - employer and state		1,226,045	(1,226,045)
Contributions - employee	-	197,310	(197,310)
Net investment income	-	2,763,894	(2,763,894)
Benefit payments, including refunds of employee contributions	(1,600,387)	(1,600,387)	-
Other (change in state contribution reserve)	85,201	-	85,201
Administrative expense	-	(78,725)	78,725
Net changes	2,208,234	2,508,137	(299,903)
Balances at September 30, 2025	<u>\$ 31,775,424</u>	<u>\$ 31,440,446</u>	<u>\$ 334,978</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 6.9 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9 percent) or 1-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
City's net pension liability (asset)	\$ 4,167,579	\$ 334,978	\$ (2,848,282)

Deferred Outflows and Inflows of Resources:

For the year ended September 30, 2025, the City will recognize a pension expense of \$998,348. On September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 973,497	\$ 6,081
Changes in assumptions	285,408	88,440
Net difference between Projected and actual earnings on pension plan investments	-	1,628,917
Total	<u>\$ 1,258,905</u>	<u>\$ 1,723,438</u>

NOTE 8 PENSIONS (CONTINUED)

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

Total year ended September 30:

2026	\$	520,813
2027		(629,466)
2028		(549,350)
2029		85,870
2030		107,600
Thereafter		-

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2025 are as follows:

	<u>Net Pension Asset (Liability)</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Pension Expense</u>
Police Pension Plan	\$ 4,282,503	\$ (2,267,037)	\$ 795,046	\$ 231,374
Firefighters' Pension Plan	(334,978)	(1,723,438)	1,258,905	998,348
Total	<u>\$ 3,947,525</u>	<u>\$ (3,990,475)</u>	<u>\$ 2,053,951</u>	<u>\$ 1,229,722</u>

General Pension Plan:

The General Employees Pension Plan (General Plan) is a defined contribution plan covering all other full-time and permanent part-time employees of the City. This plan is authorized by and may be amended by the City Commission. The City makes employee contributions of 10%, with an available match of up to an additional 2.5%. Employees can make voluntary contributions of up to 10% of annual compensation. Employees are eligible to participate in the General Plan after 6 months of employment. Employees are immediately vested in their own contributions and earnings on those contributions. Vesting of City contributions is 20% after the first year and each year thereafter, with full vesting after 5 years. Benefits are available at termination, regardless of age, based on vested years of service. Normal retirement age has been designated by the employer as age 60. The loan provision for the plan permits loans from participant contributions only. All loans are due in full at termination.

For the fiscal year ending September 30, 2025, payroll for the employees covered by this plan was \$4,645,376. Employer contributions required and made were \$692,740, with voluntary contributions of \$128,407. During FY 2025, the City did not utilize forfeited funds to reduce its cash contribution. As of September 30, 2025, participation in the plan consisted of 70 active members. The outstanding employee loan amount at September 30, 2025 was \$136,457.

There is no actuarial valuation required for this plan.

During the fiscal year, the General Plan held no securities issued by the employer.

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NOTE 8 PENSIONS (CONTINUED)

Individual Fiduciary Fund Statements

Individual statements of net position for the two plans included in the City of Lake Mary fiduciary funds are as follows:

City of Lake Mary, Florida
Individual Statements of Fiduciary Net Position
September 30, 2025

	Police Pension Trust	Fire Pension Trust	Total Employee Pension Funds
Assets			
Cash and cash equivalents	\$ 1,741,929	\$ 1,347,264	\$ 3,089,193
Receivables:			
Interest receivable	68,229	49,940	118,169
Total receivables	<u>68,229</u>	<u>49,940</u>	<u>118,169</u>
Investments, at fair value:			
Domestic corporate & govt bonds	9,505,456	11,007,034	20,512,490
Domestic stocks	23,930,091	16,558,325	40,488,416
Real estate	1,223,523	2,500,268	3,723,791
Total Investments	<u>34,659,070</u>	<u>30,065,627</u>	<u>64,724,697</u>
Total assets	<u><u>36,469,228</u></u>	<u><u>31,462,831</u></u>	<u><u>67,932,059</u></u>
Liabilities			
Accounts payable	50,920	22,385	73,305
Due to other funds	-	58,684	58,684
Total liabilities	<u>50,920</u>	<u>81,069</u>	<u>131,989</u>
Net Position Restricted for Pensions	<u><u>\$ 36,418,308</u></u>	<u><u>\$ 31,381,762</u></u>	<u><u>\$ 67,800,070</u></u>

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NOTE 8 PENSIONS (CONTINUED)

Individual statements of the changes in fiduciary net position are as follows:

City of Lake Mary, Florida
Individual Statements of Changes in Fiduciary Net Position
For the Year Ended September 30, 2025

	<u>Police Pension Trust</u>	<u>Fire Pension Trust</u>	<u>Total Employee Pension Funds</u>
Additions			
Contributions:			
City	\$ 646,498	\$ 885,891	\$ 1,532,389
State	324,297	340,154	664,451
Employee	224,865	197,310	422,175
Total contributions	<u>1,195,660</u>	<u>1,423,355</u>	<u>2,619,015</u>
Investment Earnings:			
Net increase in fair value of investments	2,681,100	2,240,041	4,921,141
Interest	774,727	618,847	1,393,574
Less: investment expense	(146,576)	(94,994)	(241,570)
Net investment earnings (losses)	<u>3,309,251</u>	<u>2,763,894</u>	<u>6,073,145</u>
Total additions	<u>4,504,911</u>	<u>4,187,249</u>	<u>8,692,160</u>
Deductions			
Benefit payments	1,284,506	1,307,301	2,591,807
Refunds of contributions	92,716	293,086	385,802
Administrative expenses	69,559	78,725	148,284
Total deductions	<u>1,446,781</u>	<u>1,679,112</u>	<u>3,125,893</u>
Change in net position	3,058,130	2,508,137	5,566,267
Net position - beginning	33,360,178	28,873,625	62,233,803
Net position - ending	<u>\$ 36,418,308</u>	<u>\$ 31,381,762</u>	<u>\$ 67,800,070</u>

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (OPEB)

Pursuant to Resolution 830, and in accordance with Florida Statutes Section 112.0801, the City of Lake Mary makes continuation of group health insurance through the city's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This single-employer benefit plan has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has six retirees currently receiving benefits. The City has chosen pay-as-you-go funding, but is recording the liability in the government wide financial statements. This plan does not have assets accumulated in any GASB-compliant trust and does not issue stand-alone financial statements.

As of October 1, 2023, the valuation date, there were 185 active employees and 6 inactive employees currently receiving benefits. The OPEB liability of \$1,858,136 was measured as of September 30, 2025 and was determined by the actuarial valuation. The covered payroll was \$12,753,164, and the ratio of Net OPEB liability as a percentage of covered payroll was 14.57%.

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Summary of Actuarial Methods & Assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. The Liability of the OPEB Plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Other Postemployment Benefits Liability and Related Ratios Schedule, immediately following the notes to the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time.

Projections of benefits for financial reporting purposes are based on the substantive OPEB plan provision, (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuary provided guidance with respect to the economic assumptions, demographic assumptions, and the health care participant rate assumptions.

The Total liability was determined using the following actuarial assumptions and other inputs, applied to all periods include in the measurement unless otherwise specified:

Health Care Trend Rates	
Initial Health Care Cost Trend Rate	7.0%
Ultimate Health Care Cost Trend Rate	4.5%
Fiscal Year the Ultimate Rate is Reached	Fiscal year 2040
Additional Information	
Valuation Date	October 1, 2023
Measurement Date	September 30, 2025
Actuarial Cost Method	Entry Age Normal
Discount Rate*	4.50%
Inflation Rate	3%
Salary Rate Increase	4%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	0%
Covered Payroll	\$ 12,753,164
Net OPEB Liability as a Percentage of Covered Payroll	14.57%

* Discount rate of 4.50% is used, which is the S&P Municipal Bond 20-year high-grade rate index as of September 30, 2025.

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NOTE 9 OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2023, to September 30, 2025.

	<u>Total OPEB Liability</u>
Balance as of 9/30/2024	\$ 1,838,304
Changes for the year:	
Service Cost	120,676
Interest on Total OPEB Liability	72,504
Difference Between Expected & Actual Experience	-
Changes of Assumptions and Other Inputs	(68,348)
Benefit Payments	(105,000)
Net Changes	<u>19,832</u>
Balance as of 9/30/2025	<u>\$ 1,858,136</u>

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 percentage point lower or 1 percentage higher than the current discount rate:

	<u>Decrease 3.50%</u>	<u>Discount Rate 4.50%</u>	<u>Increase 5.50%</u>
Net OPEB Liability	\$ 2,011,532	\$ 1,858,136	\$ 1,718,647

The following presents the total liability of the city using the ultimate healthcare cost trend rate of 4.5 percent, as well as what the City's OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rates:

	<u>Decrease 1%</u>	<u>Health Care Trend</u>	<u>Increase 1%</u>
Net OPEB Liability	\$ 1,674,138	\$ 1,858,136	\$ 2,074,758

For the fiscal year ended September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 134,707	\$ 358,092
Changes of assumptions	570,834	304,745
Total	<u>\$ 705,541</u>	<u>\$ 662,837</u>

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Fiscal Year Ending		
September 30,		
2026	\$	80,836
2027		57,294
2028		26,984
2029		(24,508)
2030		(37,008)
Thereafter		(60,894)

Summary of Benefits

The City of Lake Mary provides optional post-employment medical, prescription drug and dental insurance coverage to eligible individuals. Eligible individuals include all regular, full-time employees and certain elected officials of the City of Lake Mary who retire from active service and are eligible for retirement or disability benefits under the general employee or fire and police pension plans. Under certain conditions, eligible individuals for healthcare coverage also include spouses and dependent children. The medical plan is the Florida Blue “BlueCare 60” HMO with prescription drug copays of \$15/\$45/\$75. Retirees must pay a monthly premium as determined by the insurance carrier. The premium varies depending on single or family coverage.

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

1. North Country Club Road and Wilbur Avenue signal modification was carried forward into fiscal year 2026 in the amount of \$192,296.
2. North Country Club Road streetscape design was carried forward into fiscal year 2026 in the amount of \$243,173
3. The Lift Station improvements were carried forward into fiscal year 2026 in the amount of \$700,568.

Encumbrances. As discussed in note 4, budgetary information, budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor and re-appropriated October 1, 2025 were as follows:

	Encumbrances
General fund	\$ 67,159
General capital projects fund	10,440
One-Cent infrastructure sales tax fund	455,859
Enterprise funds	783,706
Internal Service fund	37,084
	<u>\$ 1,354,248</u>

NOTE 11 RISK MANAGEMENT

Public Risk Management of Florida

The City is a member of Public Risk Management of Florida (the pool), a local government liability risk pool. The pool has approximately 55 local government agency members. The pool administers insurance activities relating to property, general liability, police, professional, automobile liability, public officials' liability, workers' compensation, and boiler and machinery. The pool absorbs losses up to a specified amount for each pool year and purchases excess and other specific coverage's from third-party carriers. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pools ability to assess its members would revert back to the member that incurred the loss. There has been no significant reduction in insurance coverage from the prior year, and no settlements in excess of insurance coverage in any of the prior three years. There were no additional assessments levied against the City for the fiscal year ended September 30, 2025. The cost of the insurance is allocated among the appropriate departments and funds.

NOTE 12 LONG TERM LIABILITIES

Subscription Based Information Technology Arrangements (SBITA)

In November 2023, the City entered into a five year subscription for the use a vendor's public safety software. An initial subscription liability was recorded in the amount of \$572,685. As of September 30, 2025, the value of the subscription liability is \$350,392. The City is required to make annual fixed payments of approximately \$121,500 through November 2027. The subscription liability has an interest rate of 2%. The value of the right to use subscription asset as of September 30, 2025 is \$572,685 with accumulated amortization of \$114,537 included with subscription assets in Note 7.

Annual debt service requirements to maturity for SBITA's are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 114,492	\$ 7,008
2027	116,782	4,718
2028	119,118	2,382
	<u>\$ 350,392</u>	<u>\$ 14,108</u>

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NOTE 12 LONG TERM LIABILITIES (CONTINUED)

During the year ended September 30, 2025, the following changes occurred in long term liabilities:

	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Additions</u>	<u>Balance 09/30/2025</u>	<u>Balance Due within One Year</u>
Governmental activities					
Subscription Liability	\$ 462,639	\$ (112,247)	\$ -	\$ 350,392	\$ 114,492
Other post employment benefits	1,698,450	-	18,378	1,716,828	97,304
Net pension Liability	634,881	(299,903)	-	334,978	-
Compensated absences *	2,789,426	-	269,010	3,058,436	244,674
Governmental activity long-term liabilities	<u>\$ 5,585,396</u>	<u>\$ (412,150)</u>	<u>\$ 287,388</u>	<u>\$ 5,460,634</u>	<u>\$ 456,470</u>
Business-type activities					
Other post employment benefits	\$ 139,854	-	\$ 1,454	\$ 141,308	\$ 7,697
Compensated absences *	209,507	-	23,351	232,858	18,628
Business-type activity long-term liabilities	<u>\$ 349,361</u>	<u>\$ -</u>	<u>\$ 24,805</u>	<u>\$ 374,166</u>	<u>\$ 26,325</u>

* The change in the compensated absences above is as a net change for the year.

For governmental activities, compensated absences, net pension liability and the other post employment benefits liability are generally liquidated by the general fund.

NOTE 13 FUND BALANCE

Minimum fund balance policy. In accordance with Resolution No's. 800 and 924, the City designates that a minimum amount equal to 25 percent of the current fiscal year expenditures of the General Fund be maintained as unassigned fund balance and 25 percent of the current year expenditures of each Enterprise Fund, as unrestricted net position. The purpose of this policy is to provide the capacity to provide sufficient cash flow for daily financial needs, to have the ability to offset significant economic downturns or revenue shortfalls, to provide funds for unforeseen expenditures related to emergencies or other unanticipated needs/occurrences, and maintain historical fund balance/net position stability which may provide advantageous interest rates in the event of issuing debt.

If, at the end of any fiscal year, the actual amount of unassigned fund balance, or unrestricted net position falls below the required level, the City Manager and City Commission review the circumstances creating the shortfall and develop a plan for restoring or amending the requirements. Compliance with the resolution is part of the annual budget process.

NOTE 13 FUND BALANCE (CONTINUED)

At September 30, 2025, the City's governmental fund balances were classified as follows:

Fund Balances	General Fund	General Capital Projects Fund	One-Cent Infrastructure Sales Tax Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:					
Inventory/prepays	\$ 13,260	\$ -	\$ -	\$ -	\$ 13,260
Restricted for:					
Public works	-	-	-	66,320	66,320
Public safety	-	-	-	662,229	662,229
Parks and recreation	-	-	-	66,472	66,472
Other physical environment	-	-	-	239,074	239,074
Building department	6,522,271	-	-	-	6,522,271
Other capital projects	-	-	4,958,234	-	4,958,234
Committed to:					
Other capital projects	-	1,274,087	-	-	1,274,087
Assigned to:					
Capital projects	800,000	-	-	-	800,000
Subsequent year expenditures	947,589	-	-	-	947,589
Unassigned fund balance	25,833,190	-	-	-	25,833,190
Total fund balance	\$ 34,116,310	\$ 1,274,087	\$ 4,958,234	\$ 1,034,095	\$ 41,382,726

NOTE 14 INTERFUND TRANSFERS

The composition of interfund transfers for the year ended September 30, 2025 is as follows:

Recipient Fund	Amount	Purpose
General Fund	1,750,000	Transfer from Water and Sewer Fund to cover costs of General Fund services provided to the Water and Sewer Fund, such as Customer Service, Finance, Human Resources, Purchasing, Information Technology Services, City Manager, City Clerk and Community Development.
Capital Projects Fund	1,000,000	Transfer from General Fund to provide for general capital improvements of the City.

NOTE 15 CONTINGENCIES

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 16 TAX ABATEMENTS

In accordance with s. 288.106, Florida Statutes and in partnership with Seminole County and the State of Florida, the City has agreed to participate in the Qualified Target Industry (QTI) Tax Refund Program. Under the Statutes, the City may offer tax refund incentives for companies that create high wage jobs in targeted high value-added industries. Qualified companies who create jobs in Florida receive tax refunds depending on the number of new jobs created, salary level, and certain other criteria. Currently resolutions have been adopted to support incentives and approve expenditures for several area businesses.

For the fiscal year ended September 30, 2025, the City abated taxes totaling \$5,625 under this program.

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CITY OF LAKE MARY POLICE OFFICERS' PENSION FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability				
Service cost	\$ 834,841	\$ 829,663	\$ 686,106	\$ 680,197
Interest	2,106,902	1,943,659	1,866,910	1,782,416
Change in excess state money	93,821	-	-	-
Share plan allocation	223,911	74,353	59,243	40,180
Differences between expected and actual experience	301,175	889,975	(345,968)	(197,771)
Assumption changes	-	-	-	-
Contributions - buy back	-	-	-	-
Benefit payments, including refunds of member contributions	(1,377,222)	(1,444,362)	(1,182,476)	(1,025,284)
Net change in total pension liability	<u>2,183,428</u>	<u>2,293,288</u>	<u>1,083,815</u>	<u>1,279,738</u>
Total pension liability - beginning	<u>29,952,377</u>	<u>27,659,089</u>	<u>26,575,274</u>	<u>25,295,536</u>
Total pension liability - ending (a)	<u>\$ 32,135,805</u>	<u>\$ 29,952,377</u>	<u>\$ 27,659,089</u>	<u>\$ 26,575,274</u>
Plan fiduciary net position				
Contributions - employer	\$ 646,498	\$ 574,312	\$ 537,255	\$ 526,855
Contributions - state	324,297	285,361	255,139	217,015
Contributions - employee	224,865	198,313	187,028	170,798
Contributions - buy back	-	-	-	-
Net investment income	3,309,252	5,791,819	2,848,786	(4,612,862)
Benefit payments, including refunds of member contributions	(1,377,222)	(1,444,362)	(1,182,476)	(1,025,284)
Administrative expense	(69,559)	(64,994)	(62,546)	(61,598)
Net change in plan fiduciary net position	<u>3,058,131</u>	<u>5,340,449</u>	<u>2,583,186</u>	<u>(4,785,076)</u>
Plan fiduciary net position - beginning	<u>33,360,177</u>	<u>28,019,728</u>	<u>25,436,542</u>	<u>30,221,618</u>
Plan fiduciary net position - ending (b)	<u>\$ 36,418,308</u>	<u>\$ 33,360,177</u>	<u>\$ 28,019,728</u>	<u>\$ 25,436,542</u>
City's net pension liability (asset) - ending (a) - (b)	<u>\$ (4,282,503)</u>	<u>\$ (3,407,800)</u>	<u>\$ (360,639)</u>	<u>\$ 1,138,732</u>
Plan fiduciary net position as a percentage of the total pension liability	113.33%	111.38%	101.30%	95.72%
Covered payroll	\$ 4,497,301	\$ 3,966,262	\$ 3,740,564	\$ 3,415,969
City's net pension liability (asset) as a percentage of covered payroll	-95.22%	-85.92%	-9.64%	33.34%

Notes to Schedule:

Changes of assumptions

For measurement date 9/30/25

As mandated by Chapter 2015-157, Laws of Florida, the mortality rates were updated to align with those outlined in Milliman's July 1, 2024 FRS valuation report for special-risk employees.

For measurement date 9/30/21:

- The investment return assumption was reduced from 7.55 to 7% per year, net of investment related expenses.
- Assumed rate of individual salary increases has been changed from a flat 7% per year to age-based assumption.
- Assumed rates of retirement were amended
- Assumed rates of pre-retirement withdrawal were changed
- Assumed rates of disability retirement were doubled at each age.

CITY OF LAKE MARY POLICE OFFICERS' PENSION FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years

2021	2020	2019	2018	2017	2016
\$ 867,986	\$ 847,935	\$ 711,092	\$ 815,164	\$ 786,087	\$ 699,691
1,774,467	1,636,092	1,538,000	1,476,466	1,363,629	1,215,442
-	-	-	-	-	(185,349)
27,901	29,315	23,487	16,131	13,125	212,226
(161,209)	366,589	(162,738)	(621,805)	(44,067)	(57,497)
460,045	(44,515)	-	-	41,017	375,825
-	-	-	11,000	-	36,773
(930,464)	(1,090,450)	(787,146)	(757,705)	(611,052)	(574,995)
2,038,726	1,744,966	1,322,695	939,251	1,548,739	1,722,116
23,256,810	21,511,844	20,189,149	19,249,898	17,701,159	15,979,043
<u>\$ 25,295,536</u>	<u>\$ 23,256,810</u>	<u>\$ 21,511,844</u>	<u>\$ 20,189,149</u>	<u>\$ 19,249,898</u>	<u>\$ 17,701,159</u>
\$ 583,427	\$ 548,192	\$ 540,893	\$ 629,559	\$ 620,418	\$ 600,951
192,457	195,285	183,629	168,916	162,904	154,751
170,772	156,615	149,072	139,682	139,829	137,252
-	-	-	11,000	-	36,773
5,585,272	1,774,969	634,605	1,641,052	2,177,717	1,584,417
(930,464)	(1,090,450)	(787,146)	(757,705)	(611,052)	(574,995)
(57,236)	(52,854)	(52,749)	(53,223)	(50,923)	(37,977)
5,544,228	1,531,757	668,304	1,779,281	2,438,893	1,901,172
24,677,390	23,145,633	22,477,329	20,698,048	18,259,155	16,357,983
<u>\$ 30,221,618</u>	<u>\$ 24,677,390</u>	<u>\$ 23,145,633</u>	<u>\$ 22,477,329</u>	<u>\$ 20,698,048</u>	<u>\$ 18,259,155</u>
<u>\$ (4,926,082)</u>	<u>\$ (1,420,580)</u>	<u>\$ (1,633,789)</u>	<u>\$ (2,288,180)</u>	<u>\$ (1,448,150)</u>	<u>\$ (557,996)</u>
119.47%	106.11%	107.59%	111.33%	107.52%	103.15%
\$ 3,415,446	\$ 3,132,289	\$ 2,981,442	\$ 2,793,634	\$ 2,796,590	\$ 2,745,050
-144.23%	-45.35%	-54.80%	-81.91%	-51.78%	-20.33%

Notes to Schedule:

For Measurement date 9/30/19, the inflation rate assumption was lowered from 2.6% to 2.5%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date 9/30/17, assumed rates of mortality have been changed to those used in the July 1, 2016 FRS valuation report. The inflation assumption rate was lowered from 2.7% to 2.6% matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date 9/30/16, the assumed rates of mortality have been changed to the mortality table used by the Florida Retirement System for the special risk employees. The inflation rate was lowered from 3% to 2.7% matching the long-term inflation assumption utilized by the Plan's investment consultant.

CITY OF LAKE MARY POLICE OFFICERS' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years

	Actuarially determined contribution	Contributions in relation to the actuarially determined contributions	Contribution deficiency (Excess)	Covered payroll	Contributions as a percentage of covered payroll
2025	\$ 876,974	\$ 876,974	\$ -	\$4,497,301	19.50%
2024	785,320	785,320	-	3,966,262	19.80%
2023	733,151	733,151	-	3,740,564	19.60%
2022	703,690	703,690	-	3,415,969	20.60%
2021	747,983	747,983	-	3,415,466	21.90%
2020	714,162	714,162	-	3,132,289	22.80%
2019	679,769	701,035	(21,266)	2,981,442	23.51%
2018	768,249	782,344	(14,095)	2,793,634	28.00%
2017	760,672	770,197	(9,525)	2,796,590	27.54%
2016	746,654	746,654	-	2,745,050	27.20%

Notes to Schedule:

Valuation date - 10/1/24

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 - Healthy Active Lives: Female: PubS-2010 for Employees. Male: PubS-2010 for Employees, set forward 1 year. Disabled Lives: Female: PubG.H-2010 for Disabled Retirees, set forward 1 years. Male: PubG.H-2010 for Disabled Retirees.

Investment rate of return - 7.0% per year compounded annually, net of investment related expenses.

Retirement age - Earlier of 1) Age 55 and 5 years of service or 2) completion of 20 years of service, regardless of age. In addition, members who are eligible to retire on the valuation date are assumed to retire one year later.

Early retirement - Commencing at the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at a rate of 10% per year.

Disability rates - See Table below. It is assumed that 75% of disablements and active member deaths are service related.

Termination rates - See table below.

Termination and Disability Rate Table

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.0%	0.06%
30	7.0%	0.08%
40	4.0%	0.14%
50	0.0%	0.36%

Marriage rates - Assume all are married.

Salary increases - 7% per year until the assumed retirement age. Projected salary at retirement is increased by an individually determined amount, based on data provided by the City, to account for non-regular payments.

Payroll growth assumption - 2.79% per year (3.8% for 10/1/14). This assumption complies with Part VII of Chapter 112, Florida Statutes.

Funding method - Entry Age Normal Actuarial Cost Method.

Asset valuation method - Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Fair Value return. It is possible that over time this technique will produce an insignificant bias above or below Fair Value.

CITY OF LAKE MARY POLICE OFFICERS' PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS
 Last Ten Fiscal Years

	Annual money-weighted rate of return, net of investment expense
2025	9.98%
2024	20.86%
2023	11.31%
2022	-15.35%
2021	22.71%
2020	8.33%
2019	3.41%
2018	7.93%
2017	11.89%
2016	9.63%

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CITY OF LAKE MARY FIREFIGHTERS' PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability				
Service cost	\$ 946,931	\$ 907,216	\$ 809,571	\$ 788,791
Interest	2,079,975	1,936,795	1,822,740	1,684,035
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	351,646	703,313	148,483	359,755
Changes of assumptions	344,868	-	-	-
Change in state contribution reserve	85,201	70,833	55,413	22,823
Refunds	-	-	-	(18,306)
Benefit payments, including refunds of member contributions	(1,600,387)	(1,624,514)	(984,456)	(786,604)
Net change in total pension liability	<u>2,208,234</u>	<u>1,993,643</u>	<u>1,851,751</u>	<u>2,050,494</u>
Total pension liability - beginning	29,567,190	27,573,547	25,721,796	23,671,302
Total pension liability - ending (a)	<u>\$ 31,775,424</u>	<u>\$ 29,567,190</u>	<u>\$ 27,573,547</u>	<u>\$ 25,721,796</u>
Plan fiduciary net position				
Contributions - employer and state	\$ 1,226,045	\$ 1,026,226	\$ 929,463	\$ 961,970
Contributions - employee	197,310	187,908	163,930	153,448
Net investment income	2,763,894	4,992,272	2,106,069	(4,006,663)
Benefit payments, including refunds of member contributions	(1,600,387)	(1,624,514)	(984,456)	(786,604)
Refunds	-	-	-	(18,306)
Administrative expense	(78,725)	(65,108)	(54,304)	(73,866)
Other	-	-	(8,447)	-
Net change in plan fiduciary net position	<u>2,508,137</u>	<u>4,516,784</u>	<u>2,152,255</u>	<u>(3,770,021)</u>
Plan fiduciary net position - beginning	28,932,309	24,415,525	22,263,270	26,033,291
Plan fiduciary net position - ending (b)	<u>\$ 31,440,446</u>	<u>\$ 28,932,309</u>	<u>\$ 24,415,525</u>	<u>\$ 22,263,270</u>
City's net pension liability (asset) - ending (a) - (b)	<u>\$ 334,978</u>	<u>\$ 634,881</u>	<u>\$ 3,158,022</u>	<u>\$ 3,458,526</u>
Plan fiduciary net position as a percentage of the total pension liability	98.95%	97.85%	88.55%	86.55%
Covered payroll	\$ 3,946,192	\$ 3,632,673	\$ 3,262,012	\$ 3,068,954
City's net pension liability (asset) as a percentage of covered payroll	8.49%	17.48%	96.81%	112.69%

Notes to Schedule:

CITY OF LAKE MARY FIREFIGHTERS' PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years

2021	2020	2019	2018	2017	2016
\$ 819,268	\$ 759,939	\$ 674,747	\$ 679,044	\$ 748,823	\$ 705,489
1,590,395	1,485,894	1,380,937	1,299,727	1,314,284	1,246,237
-	6,572	-	-	232,790	-
81,119	(79,059)	201,627	(48,492)	(102,108)	(254,774)
(364,810)	-	-	21,320	(310,888)	193,914
22,167	13,937	8,652	(630,795)	(898,642)	(119,357)
(1,312)	-	(7,277)	-	(9,323)	(31,602)
(753,688)	(752,462)	(943,810)	3,776	-	(438,239)
1,393,139	1,434,821	1,314,876	1,324,580	974,936	1,301,668
22,278,163	20,843,342	19,528,466	18,203,886	17,228,950	15,927,282
\$ 23,671,302	\$ 22,278,163	\$ 20,843,342	\$ 19,528,466	\$ 18,203,886	\$ 17,228,950
\$ 1,092,745	\$ 998,131	\$ 866,252	\$ 797,096	\$ 855,027	\$ 758,955
150,617	145,991	137,515	220,192	207,761	124,011
4,040,185	2,132,171	824,687	1,192,068	1,623,631	1,283,870
(753,688)	(752,462)	(943,810)	(630,795)	(898,642)	(438,239)
(1,312)	-	(7,277)	-	(9,323)	(31,602)
(50,848)	(59,382)	(54,397)	(50,726)	(59,898)	(41,718)
-	-	-	-	-	-
4,477,699	2,464,449	822,970	1,527,835	1,718,556	1,655,277
21,555,592	19,091,143	18,268,173	16,740,338	15,021,782	13,366,505
\$ 26,033,291	\$ 21,555,592	\$ 19,091,143	\$ 18,268,173	\$ 16,740,338	\$ 15,021,782
\$ (2,361,989)	\$ 722,571	\$ 1,752,199	\$ 1,260,293	\$ 1,463,548	\$ 2,207,168
109.98%	96.76%	91.59%	93.55%	91.96%	87.19%
\$ 3,012,342	\$ 2,919,822	\$ 2,750,300	\$ 2,607,420	\$ 2,577,693	\$ 2,480,211
-78.41%	24.75%	63.71%	48.33%	56.78%	88.99%

Notes to Schedule:

Effective 10/1/17, the pre-retirement mortality assumption was changed to the same rates used for Special Risk Class members for the Florida Retirement System (FRS) in their actuarial valuation as of 7/1/16. This change was not reflected as of the 9/30/17 measurement date.

CITY OF LAKE MARY FIREFIGHTERS' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years

	Actuarially determined contribution	Contributions in relation to the actuarially determined contributions	Contribution deficiency (Excess)	Covered payroll	Contributions as a percentage of covered payroll
2025	\$ 1,140,844	\$ 1,140,844	\$ -	\$ 3,946,192	28.91%
2024	955,393	955,393	-	3,632,673	26.30%
2023	850,080	874,051	(23,971)	3,262,012	26.79%
2022	928,052	939,146	(11,094)	3,068,954	30.60%
2021	1,061,549	1,070,578	(9,029)	3,012,342	35.54%
2020	991,280	984,194	7,086	2,919,822	33.71%
2019	857,544	857,600	(56)	2,750,300	31.18%
2018	783,008	793,320	(10,312)	2,607,420	30.43%
2017	840,843	851,147	(10,304)	2,577,693	33.02%
2016	757,952	758,955	(1,003)	2,480,211	30.60%

Valuation Date - 10/1/23

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:

Actuarial cost method - Entry age normal

Amortization method - Level percentage of payroll, closed

Remaining amortization - 20 years

Asset valuation method - 5-year smoothed fair value

Inflation - 2.5% per year

Salary increases - 4.00% - 8.00% service-based table, including 2.50% inflation

Investment rate of return - 7%

Retirement age - Experience-based table of rates

Mortality - PUB-2010 Headcount Weighted Safety Table for males and females with mortality improvements projected to all future years after 2010 using Scale MP-2018. These are the same rates used for Special Risk class members in the July 1, 2022 Actuarial Valuation of the Florida Retirement System (FRS)

Termination rates - See table below. Rates do not apply to members eligible to retire and do not include separation on account of death or disability.

Marriage rates - Assume all are married.

Disability rates - See Table below. It is assumed that 75% of disablements and active member deaths are service related.

Termination and Disability Rate Table

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	4.5%	0.14%
25	3.0%	0.14%
30	2.3%	0.19%
35	1.5%	0.24%
40	0.8%	0.34%
45	0.5%	0.48%
50	0.1%	0.87%

CITY OF LAKE MARY FIREFIGHTERS' PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS
 Last Ten Fiscal Years

	Annual money-weighted rate of return, net of investment expense
2025	10.08%
2024	21.23%
2023	10.32%
2022	-15.80%
2021	19.68%
2020	11.61%
2019	4.96%
2018	7.10%
2017	11.55%
2016	10.10%

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Schedule of Changes in the City's Net OPEB Liability and Related Ratios

Last Ten Fiscal Years*

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability								
Service cost	\$ 120,676	\$ 125,916	\$ 82,479	\$ 114,061	\$ 87,963	\$ 70,305	\$ 49,541	\$ 48,663
Interest	72,504	87,116	82,261	43,426	37,852	39,207	38,629	17,856
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(452,583)	-	(3,037)	-	177,761	-	443,172
Changes of assumptions	(68,348)	331,283	(13,624)	(137,839)	(39,144)	373,244	5,760	(74,759)
Benefit Payments (2)	(105,000)	(84,507)	(89,182)	(69,126)	(67,586)	(65,494)	(52,957)	(44,920)
Other changes	-	-	-	-	-	78,635	246	142,228
Net change in total OPEB liability	19,832	7,225	61,934	(52,515)	19,075	673,658	41,219	532,230
Total OPEB liability, beginning (1)	1,838,304	1,831,079	1,769,145	1,821,660	1,802,585	1,128,927	1,087,708	555,478
Total OPEB liability, ending	\$ 1,858,136	\$ 1,838,304	\$ 1,831,079	\$ 1,769,145	\$ 1,821,660	\$ 1,802,585	\$ 1,128,927	\$ 1,087,708

Plan fiduciary net position as a percentage of total OPEB liability

0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

Covered-employee payroll

\$ 12,753,164 \$ 12,263,972 \$ 11,530,724 \$ 11,089,513 \$ 10,234,767 \$ 10,234,767 \$ 8,983,813 \$ 8,983,813

Net OPEB liability as a percentage of covered-employee payroll

14.57% 14.99% 15.88% 15.95% 17.80% 17.61% 12.57% 12.11%

Notes to Schedule:

- (1) Fiscal Year 2018 beginning results calculated using a 3.35% Discount Rate index as of 9/30/2018.
- (2) Includes the Implicit Rate Subsidy.
- (3) no assets accumulated in a trust.

* Prior years' data unavailable

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Combining and Individual Fund Statements and Schedules



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Non-Major Governmental Funds

SPECIAL REVENUE FUNDS

POLICE EDUCATION FUND - This fund is used to account for the \$2.00 additional assessment on each traffic citation that is restricted for criminal justice education and training in accordance with Chapter 938.15, Florida Statutes.

IMPACT FEES FUNDS - These funds are used to account for impact fees levied on new development and are restricted for use in funding capital facilities and equipment that are directly related to new growth. Such capital expenditures must benefit the governmental activity for which collected, as indicated in the name of each fund; Police, Fire, Public Works, and Recreation.

LAW ENFORCEMENT TRUST FUNDS - STATE & FEDERAL - These funds are used to account for revenue and expenditures to be used for School Resource Officers, crime prevention, drug education programs or other law enforcement purposes in accordance with Chapter 932.7055 Florida Statutes.

POLICE AND FIRE PREMIUM TAX TRUST FUND - This special revenue fund is used to account for State contributions included as a part of insurance premiums paid by businesses within City limits, to be used solely for the benefit of police and fire pension plans.

LAKE MARY CEMETERY FUND - This fund is used to account for cemetery activities.

City of Lake Mary, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue				
	Police Education Fund	Police Impact Fees	Fire Impact Fees	Public Works Impact Fees	Recreation Impact Fees
Assets					
Cash and cash equivalents	\$ 103,722	\$ 71,033	\$ 128,181	\$ 60,099	\$ 65,929
Investments	59,728	45,131	14,218	6,168	490
Interest receivable	130	93	114	53	53
Total assets	\$ 163,580	\$ 116,257	\$ 142,513	\$ 66,320	\$ 66,472
Liabilities					
Accounts payable	-	-	-	-	-
Total liabilities	-	-	-	-	-
Fund Balances					
Restricted:					
Public works	\$ -	\$ -	\$ -	\$ 66,320	\$ -
Public safety	163,580	116,257	142,513	-	-
Parks and recreation	-	-	-	-	66,472
Other physical environment	-	-	-	-	-
Total fund balances	163,580	116,257	142,513	66,320	66,472
Total liabilities and fund balances	\$ 163,580	\$ 116,257	\$ 142,513	\$ 66,320	\$ 66,472

Special Revenue

Law Enforcement Trust Fund - State	Law Enforcement Trust Fund - Federal	Police & Fire Premium Tax Trust	Lake Mary Cemetery	Total Nonmajor Governmental Funds
\$ 187,757	\$ 29,283	\$ -	\$ 238,800	\$ 884,804
21,218	1,454	-	82	148,489
167	-	-	192	802
<u>\$ 209,142</u>	<u>\$ 30,737</u>	<u>\$ -</u>	<u>\$ 239,074</u>	<u>\$ 1,034,095</u>
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 66,320
209,142	30,737	-	-	662,229
-	-	-	-	66,472
-	-	-	239,074	239,074
<u>209,142</u>	<u>30,737</u>	<u>-</u>	<u>239,074</u>	<u>1,034,095</u>
<u>\$ 209,142</u>	<u>\$ 30,737</u>	<u>\$ -</u>	<u>\$ 239,074</u>	<u>\$ 1,034,095</u>

City of Lake Mary, Florida
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2025

	Special Revenue				
	Police Education Fund	Police Impact Fees	Fire Impact Fees	Public Works Impact Fees	Recreation Impact Fees
Revenues					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Impact fees/assessments	-	12,997	18,416	2,497	11,456
Fines and forfeitures	7,491	-	-	-	-
Investment income	5,700	3,847	4,672	2,271	5,276
Total revenues	<u>13,191</u>	<u>16,844</u>	<u>23,088</u>	<u>4,768</u>	<u>16,732</u>
Expenditures					
Current:					
Public safety	8,633	-	-	-	-
Other physical environment	-	-	-	-	-
Capital outlay:					
Parks and recreation	-	-	-	-	200,000
Total expenditures	<u>8,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,558</u>	<u>16,844</u>	<u>23,088</u>	<u>4,768</u>	<u>(183,268)</u>
Net change in fund balances	4,558	16,844	23,088	4,768	(183,268)
Fund balances - beginning	159,022	99,413	119,425	61,552	249,740
Fund balances - ending	<u>\$ 163,580</u>	<u>\$ 116,257</u>	<u>\$ 142,513</u>	<u>\$ 66,320</u>	<u>\$ 66,472</u>

Special Revenue				
Law Enforcement Trust Fund - State	Law Enforcement Trust Fund - Federal	Police & Fire Premium Tax Trust	Lake Mary Cemetery	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 664,451	\$ -	\$ 664,451
-	-	-	82,017	82,017
-	-	-	-	45,366
23,153	-	-	-	30,644
6,861	1,007	-	860	30,494
<u>30,014</u>	<u>1,007</u>	<u>664,451</u>	<u>82,877</u>	<u>852,972</u>
-	-	664,451	-	673,084
-	-	-	5,258	5,258
-	-	-	-	200,000
<u>-</u>	<u>-</u>	<u>664,451</u>	<u>5,258</u>	<u>878,342</u>
30,014	1,007	-	77,619	(25,370)
30,014	1,007	-	77,619	(25,370)
179,128	29,730	-	161,455	1,059,465
<u>\$ 209,142</u>	<u>\$ 30,737</u>	<u>\$ -</u>	<u>\$ 239,074</u>	<u>\$ 1,034,095</u>

City of Lake Mary, Florida
 Police Education Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 7,500	\$ 7,500	\$ 7,491	\$ (9)
Investment income	3,600	3,600	5,700	2,100
Total revenues	<u>11,100</u>	<u>11,100</u>	<u>13,191</u>	<u>2,091</u>
Expenditures				
Current:				
Public safety	10,000	10,000	8,633	1,367
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>8,633</u>	<u>1,367</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>1,100</u>	<u>1,100</u>	<u>4,558</u>	<u>3,458</u>
Net change in fund balances	1,100	1,100	4,558	3,458
Fund balances - beginning	159,022	159,022	159,022	-
Fund balances - ending	<u>\$ 160,122</u>	<u>\$ 160,122</u>	<u>\$ 163,580</u>	<u>\$ 3,458</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

City of Lake Mary, Florida
 Police Impact Fees Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Impact fees/assessments	\$ 25,000	\$ 25,000	\$ 12,997	\$ (12,003)
Investment income	2,800	2,800	3,847	1,047
Total revenues	<u>27,800</u>	<u>27,800</u>	<u>16,844</u>	<u>(10,956)</u>
Expenditures				
Capital outlay:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>27,800</u>	<u>27,800</u>	<u>16,844</u>	<u>(10,956)</u>
Net change in fund balances	<u>27,800</u>	<u>27,800</u>	<u>16,844</u>	<u>(10,956)</u>
Fund balances - beginning	99,413	99,413	99,413	-
Fund balances - ending	<u>\$ 127,213</u>	<u>\$ 127,213</u>	<u>\$ 116,257</u>	<u>\$ (10,956)</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

City of Lake Mary, Florida
 Fire Impact Fees Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Impact fees/assessments	\$ 15,000	\$ 15,000	\$ 18,416	\$ 3,416
Investment income	3,000	3,000	4,672	1,672
Total revenues	18,000	18,000	23,088	5,088
Expenditures				
Capital outlay:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures*	18,000	18,000	23,088	5,088
Net change in fund balances	18,000	18,000	23,088	5,088
Fund balances - beginning	119,425	119,425	119,425	-
Fund balances - ending	\$ 137,425	\$ 137,425	\$ 142,513	\$ 5,088

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

City of Lake Mary, Florida
Public Works Impact Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Impact fees/assessments	\$ 2,000	\$ 2,000	\$ 2,497	\$ 497
Investment income	1,500	1,500	2,271	771
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>4,768</u>	<u>1,268</u>
Expenditures				
Capital outlay:				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>3,500</u>	<u>3,500</u>	<u>4,768</u>	<u>1,268</u>
Net change in fund balances	<u>3,500</u>	<u>3,500</u>	<u>4,768</u>	<u>1,268</u>
Fund balances - beginning	61,552	61,552	61,552	-
Fund balances - ending	<u>\$ 65,052</u>	<u>\$ 65,052</u>	<u>\$ 66,320</u>	<u>\$ 1,268</u>

* The net change in fund balances was included in the budget as an increase of fund balance.

City of Lake Mary, Florida
 Recreation Impact Fees Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Impact fees/assessments	\$ 20,000	\$ 20,000	\$ 11,456	\$ (8,544)
Investment income	5,600	5,600	5,276	(324)
Total revenues	<u>25,600</u>	<u>25,600</u>	<u>16,732</u>	<u>(8,868)</u>
Expenditures				
Capital outlay:				
Parks and recreation	200,000	200,000	200,000	-
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>(174,400)</u>	<u>(174,400)</u>	<u>(183,268)</u>	<u>(8,868)</u>
Net change in fund balances	<u>(174,400)</u>	<u>(174,400)</u>	<u>(183,268)</u>	<u>(8,868)</u>
Fund balances - beginning	249,740	249,740	249,740	-
Fund balances - ending	<u>\$ 75,340</u>	<u>\$ 75,340</u>	<u>\$ 66,472</u>	<u>\$ (8,868)</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

City of Lake Mary, Florida
 Law Enforcement Trust Fund - State
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 23,153	\$ 23,153
Investment income	-	-	6,861	6,861
Total revenues	-	-	30,014	30,014
Expenditures				
Current:				
Public safety	1,600	1,600	-	1,600
Total expenditures	1,600	1,600	-	1,600
Excess (deficiency) of revenues over (under) expenditures*	(1,600)	(1,600)	30,014	31,614
Net change in fund balances	(1,600)	(1,600)	30,014	31,614
Fund balances - beginning	179,128	179,128	179,128	-
Fund balances - ending	\$ 177,528	\$ 177,528	\$ 209,142	\$ 31,614

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

City of Lake Mary, Florida
 Law Enforcement Trust Fund - Federal
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ 1,007	\$ 1,007
Total revenues	<u>-</u>	<u>-</u>	<u>1,007</u>	<u>1,007</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>-</u>	<u>-</u>	<u>1,007</u>	<u>1,007</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>1,007</u>	<u>1,007</u>
Fund balances - beginning	29,730	29,730	29,730	-
Fund balances - ending	<u>\$ 29,730</u>	<u>\$ 29,730</u>	<u>\$ 30,737</u>	<u>\$ 1,007</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

City of Lake Mary, Florida
 Lake Mary Cemetery Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 5,000	\$ 5,000	\$ 82,017	\$ 77,017
Investment income	3,500	3,500	860	(2,640)
Total revenues	<u>8,500</u>	<u>8,500</u>	<u>82,877</u>	<u>74,377</u>
Expenditures				
Current:				
Other physical environment	9,600	9,600	5,258	4,342
Total expenditures	<u>9,600</u>	<u>9,600</u>	<u>5,258</u>	<u>4,342</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>(1,100)</u>	<u>(1,100)</u>	<u>77,619</u>	<u>78,719</u>
Net change in fund balances	<u>(1,100)</u>	<u>(1,100)</u>	<u>77,619</u>	<u>78,719</u>
Fund balances - beginning	161,455	161,455	161,455	-
Fund balances - ending	<u>\$ 160,355</u>	<u>\$ 160,355</u>	<u>\$ 239,074</u>	<u>\$ 78,719</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

City of Lake Mary, Florida
Combining Statements of Fiduciary Net Position
September 30, 2025

	<u>Police Pension Trust</u>	<u>Fire Pension Trust</u>	<u>Total Employee Pension Funds</u>
Assets			
Cash and cash equivalents	\$ 1,741,929	\$ 1,347,264	\$ 3,089,193
Receivables:			
Interest receivable	68,229	49,940	118,169
Total receivables	<u>68,229</u>	<u>49,940</u>	<u>118,169</u>
Investments, at fair value:			
Domestic corporate & govt bonds	9,505,456	11,007,034	20,512,490
Domestic stocks	23,930,091	16,558,325	40,488,416
Real estate	1,223,523	2,500,268	3,723,791
Total investments	<u>34,659,070</u>	<u>30,065,627</u>	<u>64,724,697</u>
Total assets	<u>36,469,228</u>	<u>31,462,831</u>	<u>67,932,059</u>
Liabilities			
Accounts payable	50,920	22,385	73,305
Due to other funds	-	58,684	58,684
Total liabilities	<u>50,920</u>	<u>81,069</u>	<u>131,989</u>
 Net Position Restricted for Pensions	 <u>\$ 36,418,308</u>	 <u>\$ 31,381,762</u>	 <u>\$ 67,800,070</u>

City of Lake Mary, Florida
Combining Statements of Changes in Fiduciary Net Position
For the Year Ended September 30, 2025

	Police Pension Trust	Fire Pension Trust	Total Employee Pension Funds
Additions			
Contributions:			
City	\$ 646,498	\$ 885,891	\$ 1,532,389
State	324,297	340,154	664,451
Employee	224,865	197,310	422,175
Total contributions	<u>1,195,660</u>	<u>1,423,355</u>	<u>2,619,015</u>
Investment Earnings:			
Net increase in fair value of investments	2,681,100	2,240,041	4,921,141
Interest	774,727	618,847	1,393,574
Less: investment expense	(146,576)	(94,994)	(241,570)
Net investment earnings	<u>3,309,251</u>	<u>2,763,894</u>	<u>6,073,145</u>
Total additions	<u>4,504,911</u>	<u>4,187,249</u>	<u>8,692,160</u>
Deductions			
Benefit payments	1,284,506	1,307,301	2,591,807
Refunds of contributions	92,716	293,086	385,802
Administrative expenses	69,559	78,725	148,284
Total deductions	<u>1,446,781</u>	<u>1,679,112</u>	<u>3,125,893</u>
Change in net position	3,058,130	2,508,137	5,566,267
Net position - beginning	33,360,178	28,873,625	62,233,803
Net position - ending	<u>\$ 36,418,308</u>	<u>\$ 31,381,762</u>	<u>\$ 67,800,070</u>



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Statistical Section



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Statistical Section

This part of the City of Lake Mary'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 government's overall health.

<u>Contents</u>	<u>Page</u>
Financial Trends	90
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	99
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	104
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
There are no limitations placed upon the amount of debt the City of Lake Mary may issue by either the City Charter or the City's Code of Ordinances or by Florida Statutes.	
The City of Lake Mary has no general obligation bonds outstanding.	
Demographic and Economic Information	107
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	109
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	
Supplemental Information	114
These schedules contain trend data for pension funds, and building permit fees collection/expense schedule, which are viewed by management as required information.	

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

City of Lake Mary, Florida
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities				
Net investment in capital assets	\$ 42,226	\$ 41,987	\$ 41,150	\$ 40,467
Restricted	1,099	1,567	1,313	3,075
Unrestricted	<u>16,613</u>	<u>16,916</u>	<u>19,221</u>	<u>22,057</u>
Total governmental activities net position	<u>\$ 59,938</u>	<u>\$ 60,470</u>	<u>\$ 61,684</u>	<u>\$ 65,599</u>
Business-type activities				
Net investment in capital assets	\$ 18,672	\$ 18,119	\$ 17,636	\$ 18,598
Restricted	1,037	1,817	1,861	1,967
Unrestricted	<u>14,177</u>	<u>14,257</u>	<u>14,469</u>	<u>14,216</u>
Total business-type activities net position	<u>\$ 33,886</u>	<u>\$ 34,193</u>	<u>\$ 33,966</u>	<u>\$ 34,781</u>
Primary government				
Net investment in capital assets	\$ 60,898	\$ 60,106	\$ 58,786	\$ 59,065
Restricted	2,136	3,384	3,174	5,042
Unrestricted	<u>30,790</u>	<u>31,173</u>	<u>33,690</u>	<u>36,273</u>
Total primary government net position	<u>\$ 93,824</u>	<u>\$ 94,663</u>	<u>\$ 95,650</u>	<u>\$ 100,380</u>

Fiscal Year					
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 42,045	\$ 41,239	\$ 39,128	\$ 39,782	\$ 44,055	\$ 45,409
4,049	6,517	9,501	12,203	15,724	18,072
<u>19,424</u>	<u>21,672</u>	<u>23,152</u>	<u>24,698</u>	<u>23,567</u>	<u>25,336</u>
<u>\$ 65,518</u>	<u>\$ 69,428</u>	<u>\$ 71,781</u>	<u>\$ 76,683</u>	<u>\$ 83,346</u>	<u>\$ 88,817</u>
\$ 18,143	\$ 50,599	\$ 49,477	\$ 48,496	\$ 49,122	\$ 49,376
2,359	1,505	1,692	1,829	1,921	2,050
<u>14,379</u>	<u>15,795</u>	<u>15,657</u>	<u>16,096</u>	<u>17,382</u>	<u>17,128</u>
<u>\$ 34,881</u>	<u>\$ 67,899</u>	<u>\$ 66,826</u>	<u>\$ 66,421</u>	<u>\$ 68,425</u>	<u>\$ 68,554</u>
\$ 60,188	\$ 91,838	\$ 88,605	\$ 88,278	\$ 93,177	\$ 94,785
6,408	8,022	11,193	14,032	17,645	20,122
<u>33,803</u>	<u>37,467</u>	<u>38,809</u>	<u>40,794</u>	<u>40,949</u>	<u>42,464</u>
<u>\$ 100,399</u>	<u>\$ 137,327</u>	<u>\$ 138,607</u>	<u>\$ 143,104</u>	<u>\$ 151,771</u>	<u>\$ 157,371</u>

City of Lake Mary, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 3,529	\$ 4,174	\$ 4,633	\$ 4,675	\$ 5,130	\$ 4,354	\$ 4,775	\$ 5,340	\$ 6,459	\$ 5,986
Public works	2,733	1,954	3,289	1,712	3,195	2,456	2,947	2,438	1,645	2,643
Public safety	11,841	12,537	11,814	12,666	12,991	12,472	15,221	16,728	16,242	17,010
Parks and recreation	2,924	3,182	3,091	3,270	3,220	3,237	3,416	3,652	3,961	4,295
Other physical environment	11	8	6	8	8	7	8	7	6	6
Interest & other fiscal charges on long-term debt	94	82	79	84	115	-	-	-	11	9
Total governmental activities	21,132	21,937	22,912	22,415	24,659	22,526	26,367	28,165	28,324	29,949
Business-type activities:										
Water & Sewer	3,863	4,672	5,149	4,797	5,507	5,450	6,560	6,808	7,350	7,807
Stormwater	452	463	473	505	526	492	430	450	407	536
Total business-type activities	4,315	5,135	5,622	5,302	6,033	5,942	6,990	7,258	7,757	8,343
Total expenses	\$ 25,447	\$ 27,072	\$ 28,534	\$ 27,717	\$ 30,692	\$ 28,468	\$ 33,357	\$ 35,423	\$ 36,081	\$ 38,292
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 298	\$ 276	\$ 323	\$ 394	\$ 290	\$ 356	\$ 389	\$ 336	\$ 398	\$ 264
Public works	9	13	6	9	10	5	11	2	1	2
Public safety	2,801	3,382	3,651	4,034	3,221	3,177	4,882	4,370	2,781	3,006
Parks and recreation	906	896	920	927	604	776	1,040	1,075	1,062	1,043
Other physical environment	2	13	10	12	15	42	33	28	24	82
Operating grants and contributions	795	761	951	1,533	841	1,656	934	835	1,037	1,085
Capital grants and contributions	1,090	934	1,033	1,036	987	1,304	1,567	3,023	4,589	4,168
Total governmental activities	5,901	6,275	6,894	7,945	5,968	7,316	8,856	9,669	9,892	9,650

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues										
Business-type activities:										
Charges for services										
Water & Sewer	4,752	5,359	5,938	6,211	6,430	6,333	6,593	6,816	7,158	7,658
Stormwater	414	413	415	414	435	469	453	461	480	471
Operating grants and contributions	99	31	-	-	-	-	120	-	-	-
Capital grants and contributions	44	779	112	225	393	33,476	188	243	1,424	1,155
Total business-type activities	5,309	6,582	6,465	6,850	7,258	40,278	7,354	7,520	9,042	9,284
Total program revenues	\$ 11,210	\$ 12,857	\$ 13,359	\$ 14,795	\$ 13,226	\$ 47,594	\$ 16,210	\$ 17,189	\$ 18,934	\$ 18,934
Net (expense)/revenue										
Governmental activities	\$ (15,231)	\$ (15,662)	\$ (16,018)	\$ (14,470)	\$ (18,691)	\$ (15,210)	\$ (17,511)	\$ (18,496)	\$ (18,432)	\$ (20,299)
Business-type activities	994	1,447	843	1,548	1,225	34,336	364	262	1,285	941
Total net expense	\$ (14,237)	\$ (14,215)	\$ (15,175)	\$ (12,922)	\$ (17,466)	\$ 19,126	\$ (17,147)	\$ (18,234)	\$ (17,147)	\$ (19,358)
General Revenues										
Governmental activities:										
Taxes										
Property taxes	\$ 6,867	\$ 7,225	\$ 7,812	\$ 8,367	\$ 9,109	\$ 9,682	\$ 9,997	\$ 11,176	\$ 11,963	\$ 12,685
Franchise fees	2,226	2,292	2,353	2,507	2,377	2,464	2,676	2,948	2,949	3,158
Utility taxes	3,658	3,653	3,759	3,884	3,806	3,726	3,772	3,971	4,235	4,473
Unrestricted intergovernmental revenues	1,299	1,416	1,400	1,529	1,451	1,684	1,944	2,012	1,835	1,790
Unrestricted investment earnings (loss)	98	149	228	716	417	65	(163)	1,682	2,204	1,721
Miscellaneous revenues	130	182	555	128	71	60	136	138	91	94
Gain on sale of asset	-	36	29	88	29	88	153	33	157	99
Transfers in/(out)	1,149	1,240	1,200	1,166	1,350	1,350	1,350	1,438	1,350	1,750
Total general revenues, transfers and special item	15,427	16,193	17,336	18,385	18,610	19,119	19,865	23,398	24,784	25,770
Business-type activities:										
Investment earnings (loss)	60	100	145	433	225	32	(88)	771	953	713
Gain/(Loss) on sale of capital	1	-	-	-	-	-	-	-	-	-
Transfers in/(out)	(1,149)	(1,240)	(1,200)	(1,166)	(1,350)	(1,350)	(1,350)	(1,438)	(1,350)	(1,750)
Total business-type activities	(1,088)	(1,140)	(1,055)	(733)	(1,125)	(1,318)	(1,438)	(667)	(397)	(1,037)
Total primary government	\$ 14,339	\$ 15,053	\$ 16,281	\$ 17,652	\$ 17,485	\$ 17,801	\$ 18,427	\$ 22,731	\$ 24,387	\$ 24,733
Change in Net Position										
Governmental activities	\$ 196	\$ 531	\$ 1,318	\$ 3,915	\$ (81)	\$ 3,909	\$ 2,354	\$ 4,902	\$ 6,352	\$ 5,471
Business-type activities	(94)	307	(212)	815	100	33,018	(1,074)	(405)	888	(96)
Total change in net position	\$ 102	\$ 838	\$ 1,106	\$ 4,730	\$ 19	\$ 36,927	\$ 1,280	\$ 4,497	\$ 7,240	\$ 5,375



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City of Lake Mary, Florida
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Fees</u>	<u>Utility Tax</u>	<u>Total</u>
2016	6,867	2,226	3,658	12,751
2017	7,225	2,292	3,653	13,170
2018	7,811	2,353	3,758	13,922
2019	8,367	2,507	3,884	14,758
2020	9,109	2,377	3,806	15,292
2021	9,682	2,464	3,726	15,872
2022	9,997	2,676	3,772	16,445
2023	11,176	2,947	3,971	18,094
2024	11,963	2,949	4,235	19,147
2025	12,685	3,158	4,473	20,316

Taxes included in Unrestricted Intergovernmental Revenues

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>State Revenue Sharing</u>	<u>Other</u>	<u>Total</u>
2016	1,009	289	1	1,299
2017	1,080	316	20	1,416
2018	1,142	339	4	1,485
2019	1,155	363	11	1,529
2020	1,096	333	22	1,451
2021	1,258	403	18	1,679
2022	1,406	487	14	1,907
2023	1,350	478	5	1,833
2024	1,298	468	19	1,785
2025	1,253	464	19	1,736

City of Lake Mary, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund				
Nonspendable:				
Inventory/prepays	\$ 13	\$ 9	\$ 29	\$ 9
Restricted:	-	-	-	1,741
Assigned to:				
Debt service	336	336	349	310
Health insurance benefits	249	-	-	-
Capital projects	970	932	1,100	973
Subsequent year expenditures	1,093	863	99	58
Unassigned:	<u>13,237</u>	<u>14,313</u>	<u>17,005</u>	<u>17,999</u>
Total general fund	<u>\$ 15,898</u>	<u>\$ 16,453</u>	<u>\$ 18,582</u>	<u>\$ 21,090</u>
All other governmental funds				
Nonspendable:				
Inventory/Prepays	-	-	-	-
Restricted for:				
Public works	27	40	126	27
Public safety	316	409	424	497
Parks and recreation	237	155	106	134
Other physical environment	22	30	38	45
Other capital projects	257	1,184	1,111	2,102
Committed to:				
Debt service	295	297	308	310
Other capital projects	<u>842</u>	<u>384</u>	<u>201</u>	<u>973</u>
Total all other governmental funds	<u>\$ 1,996</u>	<u>\$ 2,499</u>	<u>\$ 2,314</u>	<u>\$ 4,088</u>

Fiscal Year					
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 10	\$ 2	\$ 20	\$ 6	\$ 7	\$ 13
1,713	3,028	5,048	6,789	6,690	6,522
-	-	-	-	-	-
-	-	-	-	-	-
125	645	765	763	1,165	1,748
-	-	-	-	-	-
<u>17,985</u>	<u>18,599</u>	<u>19,805</u>	<u>22,449</u>	<u>24,440</u>	<u>25,833</u>
<u>\$ 19,833</u>	<u>\$ 22,274</u>	<u>\$ 25,638</u>	<u>\$ 30,007</u>	<u>\$ 32,302</u>	<u>\$ 34,116</u>
-	-	-	-	-	-
38	44	54	58	62	66
568	613	818	520	587	662
167	187	208	226	250	67
56	93	119	141	161	239
1,507	2,551	2,591	3,383	3,789	4,958
-	-	-	-	-	-
<u>990</u>	<u>444</u>	<u>663</u>	<u>726</u>	<u>778</u>	<u>1,274</u>
<u>\$ 3,326</u>	<u>\$ 3,932</u>	<u>\$ 4,453</u>	<u>\$ 5,054</u>	<u>\$ 5,627</u>	<u>\$ 7,266</u>

City of Lake Mary, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues				
Taxes				
Property	\$ 6,867	\$ 7,225	\$ 7,811	\$ 8,367
Franchise fees	2,226	2,292	2,353	2,507
Utility taxes	3,658	3,653	3,758	3,884
Licenses and Permits	1,960	2,549	2,584	2,831
Intergovernmental revenues	3,051	3,124	3,433	4,110
Charges for services	1,730	1,697	2,008	2,154
Impact fees/assessments	198	232	156	189
Fines and forfeitures	117	88	152	191
Investment earnings	85	131	209	659
Miscellaneous	129	185	556	128
Total revenues	<u>20,021</u>	<u>21,176</u>	<u>23,020</u>	<u>25,020</u>
Expenditures				
General government	3,649	4,021	4,513	4,650
Public works	2,002	1,269	2,599	1,008
Public safety	11,279	11,912	12,048	12,361
Parks and recreation	2,476	2,718	2,681	2,896
Other physical environment	7	5	3	5
Capital outlay	727	810	675	637
Debt service				
Principal	532	254	259	265
Interest	92	80	77	82
Total expenditures	<u>20,764</u>	<u>21,069</u>	<u>22,855</u>	<u>21,904</u>
Excess of revenues over (under) expenditures	(743)	107	165	3,116
Other financing sources (uses)				
Subscription Issued	-	-	-	-
Transfers in	2,263	2,228	3,101	3,075
Transfers out	(1,489)	(1,278)	(1,322)	(1,909)
Total other financing sources (uses)	<u>774</u>	<u>950</u>	<u>1,779</u>	<u>1,166</u>
Net change in fund balances	<u>\$ 31</u>	<u>\$ 1,057</u>	<u>\$ 1,944</u>	<u>\$ 4,282</u>
Debt service as a percentage of noncapital expenditures	3.11%	1.65%	1.51%	1.63%

Fiscal Year					
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 9,109	\$ 9,683	\$ 9,997	\$ 11,176	\$ 11,963	\$ 12,686
2,377	2,465	2,676	2,948	2,949	3,158
3,806	3,726	3,772	3,971	4,235	4,473
2,294	2,122	3,654	3,389	1,506	1,552
3,290	4,661	4,457	4,933	7,046	7,061
1,529	1,955	2,254	2,201	2,477	2,642
200	126	197	66	61	78
106	137	238	145	210	106
383	56	(141)	1,501	1,990	1,551
73	60	136	138	92	94
<u>23,167</u>	<u>24,991</u>	<u>27,240</u>	<u>30,468</u>	<u>32,529</u>	<u>33,401</u>
4,987	4,346	4,634	5,202	5,956	5,096
2,422	1,429	2,248	1,765	1,094	1,347
12,865	13,819	14,234	15,074	16,045	17,307
2,798	2,885	3,024	3,330	3,585	3,813
5	5	7	6	5	5
695	811	458	1,471	4,776	4,008
2,663	-	-	-	110	112
101	-	-	-	12	9
<u>26,536</u>	<u>23,295</u>	<u>24,605</u>	<u>26,848</u>	<u>31,583</u>	<u>31,697</u>
(3,369)	1,696	2,635	3,620	946	1,704
-	-	-	-	572	-
4,721	1,595	1,895	1,984	2,000	2,750
<u>(3,371)</u>	<u>(245)</u>	<u>(645)</u>	<u>(634)</u>	<u>(650)</u>	<u>(1,000)</u>
<u>1,350</u>	<u>1,350</u>	<u>1,250</u>	<u>1,350</u>	<u>1,350</u>	<u>1,750</u>
<u>\$ (2,019)</u>	<u>\$ 3,046</u>	<u>\$ 3,885</u>	<u>\$ 4,970</u>	<u>\$ 2,296</u>	<u>\$ 3,454</u>
10.70%	-	-	-	0.46%	0.44%

City of Lake Mary, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30,	Real Property					
	Total Residential and Commercial Real Property	Residential Property	% Residential	Commercial Property	% Commercial	Personal Property
2016	1,758,058	837,237	47.62%	920,821	52.38%	225,238
2017	1,883,482	874,480	46.43%	1,009,002	53.57%	203,864
2018	2,034,005	952,550	46.83%	1,081,455	53.17%	210,076
2019	2,194,085	1,021,506	46.56%	1,172,578	53.44%	223,373
2020	2,402,448	1,092,920	45.49%	1,309,527	54.51%	236,580
2021	2,567,665	1,167,576	45.47%	1,400,089	54.53%	237,557
2022	2,653,938	1,224,939	46.16%	1,428,999	53.84%	234,228
2023	2,976,558	1,345,736	45.21%	1,630,821	54.79%	243,097
2024	3,187,788	1,448,709	45.45%	1,739,079	54.55%	270,937
2025	3,406,680	1,560,892	45.82%	1,847,083	54.22%	262,920

Source: Seminole County Property Appraiser's Office

<u>Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
276,099	1,983,960	3.5895	2,452,454	80.90%
281,616	2,088,057	3.5895	2,594,859	80.47%
296,208	2,244,781	3.5895	2,800,133	80.17%
308,922	2,418,182	3.5895	3,015,482	80.19%
329,160	2,639,740	3.5895	3,290,356	80.23%
360,060	2,806,017	3.5895	3,485,508	80.51%
367,085	2,888,968	3.5895	3,628,046	79.63%
381,251	3,220,502	3.5895	4,252,916	75.72%
400,516	3,459,595	3.5895	4,662,825	74.20%
430,022	3,670,463	3.5895	4,977,469	73.74%

City of Lake Mary, Florida
Property Tax Rates
Direct and Overlapping¹ Governments
Last Ten Fiscal Years ²

Fiscal Year	City of Lake Mary Operating Millage ³	Overlapping Rates							Total Direct & Overlapping Rates
		Seminole County			School District			St. John's Water Management District	
		Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
2016	3.5895	4.8751	0.0000	4.8751	7.8490	0.0000	7.8490	0.3023	16.6159
2017	3.5895	4.8751	0.0000	4.8751	7.5570	0.0000	7.5570	0.2885	16.3101
2018	3.5895	4.8751	0.0000	4.8751	6.5690	0.0000	6.5690	0.2724	15.3060
2019	3.5895	4.8751	0.0000	4.8751	6.3130	0.0000	6.3130	0.2562	15.0338
2020	3.5895	4.8751	0.0000	4.8751	5.9340	0.0000	5.9340	0.2287	14.6273
2021	3.5895	4.8751	0.0000	4.8751	5.8250	0.0000	5.8250	0.2189	14.5085
2022	3.5895	4.8751	0.0000	4.8751	5.4600	0.0000	5.4600	0.1974	14.1220
2023	3.5895	4.8751	0.0000	4.8751	5.3780	0.0000	5.3780	0.1793	14.0219
2024	3.5895	4.8751	0.0000	4.8751	5.2790	0.0000	5.2790	0.1793	13.9229
2025	3.5895	5.3751	0.0000	5.3751	5.2490	0.0000	5.2490	0.1793	14.3929

Source: Seminole County Tax Collectors Office

¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Lake Mary.

² Taxes levied for the current fiscal year are based on the prior year taxable value.

³ Lake Mary's direct rate is for operating millage. There is no debt service millage.

City of Lake Mary, Florida
Principal Property Taxpayers
September 30, 2025
(amounts expressed in thousands)

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Primera Towers (FL) JV	\$ 102,784	1	2.80%	-	-	-
MAA Alloy, LLC	97,198	2	2.65%	-	-	-
IMT Capital VI Lake Mary LLC	92,834	3	2.53%	-	-	-
Heathrow Portfolio Properties, LLC	78,757	4	2.15%	-	-	-
RAR2-252 WHEELHOUSE LLC	65,881	5	1.79%	-	-	-
715 CAMARAGUE PLACE (FL) LLC	59,537	6	1.62%	-	-	-
Timacuan Fee Owner, LLC	58,550	7	1.59%	-	-	-
Verizon Corporate Resources	45,969	8	1.25%	37,773	3	1.91%
Sonata Senior Living Lake Mary LLC	42,815	9	1.17%	-	-	-
Duke Energy Florida	41,764	10	1.14%	-	-	-
Banyan Street/GAP Primera	-	-	-	58,112	1	2.93%
DRA CLP Heathrow (formerly part of Crescent Resources)	-	-	-	56,407	2	2.85%
Bell Bentley Parl Apartments	-	-	-	30,498	4	1.54%
Colonial Realty LP	-	-	-	29,524	5	1.49%
A T & T Mobility LLC	-	-	-	28,197	6	1.42%
Golfview Apartments	-	-	-	26,839	7	1.35%
Heathrow Hotel Owners LLC (Marriott Hotel)	-	-	-	25,626	8	1.29%
BRE/COH FL (formerly Duke-Weeks Realty)	-	-	-	25,123	9	1.27%
Central Florida Educators	-	-	-	23,952	10	1.21%
Totals	\$ 686,089		18.69%	\$ 342,051		17.26%

Source: Seminole County Property Appraiser (www.scpafl.org)

City of Lake Mary, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	7,116	6,866	96.49%	9	6,875	96.61%
2017	7,514	7,216	96.03%	2	7,218	96.06%
2018	8,121	7,809	96.16%	50	7,859	96.77%
2019	8,700	8,416	96.74%	15	8,431	96.91%
2020	9,499	9,094	95.74%	45	9,139	96.21%
2021	10,115	9,637	95.27%	2	9,639	95.29%
2022	10,376	9,995	96.33%	-	9,995	96.33%
2023	11,548	11,176	96.78%	-	11,176	96.78%
2024	13,178	11,963	90.78%	-	11,963	90.78%
2025	13,744	12,568	91.44%	118	12,686	92.30%

City of Lake Mary, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year Ended September 30,	Governmental Activities		Total Primary Government	Percentage of Personal Income ²	Per Capita
	Refunding Revenue Notes ^{3,4}	Subscription Liability			
2016	3,441	-	3,441	0.55%	213
2017	3,187	-	3,187	0.48%	194
2018	2,928	-	2,928	0.42%	175
2019	2,663	-	2,663	0.37%	153
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-
2024	-	463	463	0.40%	27
2025	-	350	350	0.26%	20

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

- 1 Enterprise Funds have no outstanding Debt.
- 2 See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- 3 Refunding Revenue bonds were refunded in 2002 and 2003 which included a new issue of \$4 million and again in 2007 which included a new issue of \$5 million.
- 4 Refunding Revenue bonds were paid off in 2020.

City of Lake Mary, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2025
(amounts expressed in thousands)

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Seminole County General Obligation Debt ³	\$ -	6.67%	\$ -
Subtotal, overlapping debt			
Direct Debt:			
Subscription liability ²	350	100%	350
 Total direct and overlapping debt	 <u><u>\$ 350</u></u>		 <u><u>\$ 350</u></u>

Sources:

Seminole County Property Appraiser's Office
Seminole County Finance Department
Seminole County School Board

¹ Ratio of assessed valuation of taxable property in overlapping unit to that within the City of Lake Mary.

² City of Lake Mary does not currently have any General Obligation Debt.

³ Seminole County paid off all General Obligation Debt during FY 2013.

**City of Lake Mary, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years**

General Government							
Fiscal Year Ended Sept 30,	Public Service Taxes	Half-Cent Sales Tax	Electric Franchise Fees	Total Revenue Available for Debt Service	Maximum Annual Debt Service	Coverage	Coverage without Franchise Fees
2016	3,658,443	1,009,414	2,225,932	6,893,789	n/a	n/a	n/a
2017	3,653,348	1,079,903	2,291,757	7,025,008	n/a	n/a	n/a
2018	3,758,514	1,142,132	2,352,535	7,253,181	n/a	n/a	n/a
2019	3,884,349	1,155,380	2,507,390	7,547,119	n/a	n/a	n/a
2020	3,806,352	1,096,343	2,377,003	7,279,698	n/a	n/a	n/a
2021	3,725,586	1,258,169	2,464,211	7,447,966	n/a	n/a	n/a
2022	3,771,849	1,406,319	2,676,485	7,854,653	n/a	n/a	n/a
2023	3,971,339	1,349,968	2,948,122	8,269,429	n/a	n/a	n/a
2024	4,235,142	1,297,984	2,948,122	8,481,248	n/a	n/a	n/a
2025	4,473,042	1,252,803	3,158,257	8,884,102	n/a	n/a	n/a

City of Lake Mary, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income¹</u>	<u>Median Age¹</u>	<u>Education Level in Years of Formal Schooling¹</u>	<u>School Enrollment²</u>	<u>Unemployment Rate³</u>
2016	16,119	629,141	39,031	45	14.24	2,259	4.5%
2017	16,447	665,692	40,475	40.9	14.24	2,228	3.2%
2018	16,746	691,350	41,285	39.2	14.24	2,209	2.7%
2019	17,449	721,454	41,346	39.7	14.4	2,274	2.8%
2020	17,633	756,085	42,879	45.7	14.71	2,033	6.4%
2021	17,125	799,755	46,701	44.9	14.76	2,090	4.8%
2022	16,978	839,138	49,425	44.9	16	2,180	2.7%
2023	17,366	944,693	54,399	41.9	16	2,219	3.1%
2024	17,423	1,052,715	60,421	43.1	16	2,141	3.4%
2025	17,516	1,045,372	59,681	43.8	16	2,069	4.3%

Sources:

- 1 Metro Orlando Economic Development Commission (estimates), and UF Bureau of Economic and Business Research
- 2 Lake Mary Elementary; Lake Mary Preparatory School added 2003; Crystal Lake Elementary added 2006;
- 3 Florida Department of Economic Opportunity, Local Area Unemployment Statistics Program

**City of Lake Mary, Florida
Principal Employers
Current Year and Nine Years Ago**

Employer	2025 ¹			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Concentrix	2,000	1	5.71%	-	-	-
Deloitte Consulting LLP	1,991	2	5.69%	-	-	-
Mitsubishi Power Americas	1,723	3	4.92%	-	-	-
Seminole State College of Florida	1,339	4	3.83%	-	-	-
Liberty Mutual Group	1,325	5	3.79%	-	-	-
Bank of America	1,240	6	3.54%	-	-	-
Verizon Corporate Resources Group	1,143	7	3.27%	900	2	2.57%
JP Morgan Chase	1,112	8	3.18%	-	-	-
The American Automobile Association (AAA)	873	9	2.49%	-	-	-
BNY Mellon Pershing	800	10	2.29%	-	-	-
Chase Card Services	-	-	-	1,900	1	5.43%
HF Management Services	-	-	-	697	3	1.99%
Sears Roebuck CO	-	-	-	524	4	1.50%
Duke Energy	-	-	-	399	5	1.14%
Farmers Group	-	-	-	394	6	1.13%
SunGard Public Sector	-	-	-	364	7	1.04%
Gander Mountain	-	-	-	348	8	0.99%
Express Scripts	-	-	-	300	9	0.86%
Scholastic Book Fairs	-	-	-	288	10	0.82%
Total	13,546		38.70%	6,114		17.47%

Source: Orlando Business Journal, Dun and Bradstreet, Business Locations

Note 1: The City of Lake Mary has an estimated daytime population of over 35,000 with approximately **1,952** business tax receipts issued as of 9/30/2025



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City of Lake Mary, Florida
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Full-time Equivalent Employees as of September 30,

Function	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Government	28	29	30	32	32	33	33	34	34	35
Public Safety:										
Police										
Sworn Officers	43	44	45	46	47	48	48	48	49	50
Non sworn officers	3	3	3	3	3	3	3	3	3	3
Civilians	13	13	5	5	5	5	5	5	5	5
Fire										
Firefighters and officers	39	39	39	42	42	43	43	44	44	44
Community Risk Reduction	4	4	4	4	4	3	3	3	3	3
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works	21	22	23	24	24	22	22	24	24	24
Parks and Recreation	30	30	31	31	31	31	35	36	36	40
Total	<u>182</u>	<u>185</u>	<u>181</u>	<u>188</u>	<u>189</u>	<u>189</u>	<u>193</u>	<u>198</u>	<u>199</u>	<u>205</u>

**City of Lake Mary, Florida
Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal Year			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police				
Auto Accidents	764	753	826	893
Physical arrests	524	409	403	281
Criminal Investigations Conducted	457	438	422	233
Total Calls for Service	80,802	89,976	118,859	119,016
911 Calls Received				
Evidence Processed (pieces)				
Fire & Life Safety				
Public Education Programs	179	152	151	177
Number of emergency calls answered	4,620	3,938	3,071	4,867
Medical Transports	1,959	2,141	2,034	2,038
Highways and streets				
Streets paved (miles)	8.8	1.6	5.0	1.7
Streets resurfaced (tons/asphalt)	8,635.2	1,293.8	7,889.6	1,576.6
Sidewalks/bike paths built or repaired (feet)	689	533	701	695
Culture and recreation				
Tennis membership	164	164	204	160
Events Center rentals	308	280	296	299
Water				
New connections	45	34	58	32
Number of customers	5,241	5,336	5,289	5,309
Water main breaks	230	282	80	79
Average daily consumption (millions of gallons)	3.24	3.29	3.11	3.25
Meter reads	62,803	64,032	63,518	63,758
General Government				
Total Permits Issued	2,018	1,320	2,476	2,206
Construction inspections	5,804	5,406	8,709	8,101
Employment applications received	902	873	626	538
Personnel actions processed	417	408	399	370
Legal Notices published	29	26	41	36
Business Tax Receipts issued	1,983	2,016	2,138	2,185
Accidents & Injuries reviewed	65	68	54	71
Land Use amendments & rezonings	15	11	14	7
License/Permit Reviews	962	894	1,077	936
Employee paychecks issued	5,433	5,354	5,007	5,210
Checks deposited	33,256	31,338	30,103	29,844
A/P Checks issued	2,972	3,002	2,961	2,962
Purchase orders/EPO's processed	591	332	403	403
Purchasing Card Transactions	3,519	3,742	3,874	3,900

Source: City of Lake Mary Departmental Monthly Reports

Fiscal Year						
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
674	609	606	725	689	703	
133	114	167	174	218	147	
344	418	405	329	332	287	
147,684	149,753	122,156	98,962	91,078	77,166	
34	66	102	114	104	134	
4,810	5,339	6,639	6,728	6,763	5,959	
1,974	2,152	2,442	2,485	2,526	2,592	
-	-	8.9	0.8	3.9	-	
10,116.4	1,748.0	8,235.0	676.0	2,644.0	-	
609	659	534	491	2,319	1,822	
212	215	259	177	185	180	
175	198	303	300	277	263	
31	25	19	17	11		
5,304	5,233	5,331	5,272	5,278	5,261	
65	84	98	115	116	143	
3.21	3.41	3.48	3.71	3.72	3.99	
56,038	76,212	74,322	73,861	74,194		
2,890	2,971	1,766	1,960	1,753	1,644	
8,537	5,325	4,165	5,173	5,035	3,611	
561	378	358	301	229	349	
355	303	327	319	333	281	
31	57	69	67	64	32	
2,574	2,269	2,324	2,343	2,250	1,920	
53	43	38	33	39	39	
9	11	12	14	8	7	
754	788	948	1,128	1,323	1,376	
5,105	5,054	5,032	4,915	5,229	5,025	
21,006	20,331	18,894	17,684	16,432	14,701	
2,908	2,864	2,879	2,760	2,973	2,943	
400	379	398	461	479	507	
3,348	3,607	3,388	3,337	3,624	3,755	

**City of Lake Mary, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public safety				
Police:				
Stations	1	1	1	1
Patrol units	51	51	51	54
Fire stations	2	2	2	2
Highways and streets				
Streets - paved (miles)	66.05	66.05	66.05	66.05
Streets - unpaved (miles)	2.46	2.46	2.46	2.46
Street lights	1,135	1,135	1,135	1,135
Traffic Signals	13	14	14	14
Culture and recreation				
Park acreage	72	72	72	72
Parks	11	11	11	11
Tennis courts	7	7	7	7
Pickleball courts	-	-	-	-
Community centers	3	3	3	3
Historical Museum	1	1	1	1
Water				
Water mains (miles)	104.2	104.2	104.2	104.2
Fire hydrants	547	548	548	548
Maximum daily capacity (millions of gallons)	12.96	12.96	12.96	12.96
Sewer				
Sanitary sewers (miles)	32.53	32.53	32.53	32.53
Storm sewers (miles)	54.67	54.67	54.67	54.67

Fiscal Year						
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
1	1	1	1	1	1	1
54	54	57	57	57	57	59
2	2	2	2	2	2	2
66.05	66.05	66.05	66.05	66.05	66.05	66.05
2.46	2.46	2.46	2.46	2.46	2.46	2.46
1,135	1,135	1,135	1,135	1,135	1,135	1,135
14	14	14	14	14	14	14
72	72	81	81	81	81	82
11	11	12	12	12	12	13
7	7	7	7	7	7	7
-	-	-	-	-	-	5
3	3	3	3	3	3	3
1	1	1	1	1	1	1
104.2	104.8	104.8	104.8	104.8	104.8	104.8
548	554	554	554	554	554	554
12.96	12.96	12.96	12.96	12.96	12.96	12.96
32.53	33.06	33.06	33.06	33.06	33.06	33.06
54.67	54.67	54.67	54.67	55.52	55.52	55.52

City of Lake Mary
Schedule of Revenues by Source and Expense by Type
Police Officers Pension Fund
Last Ten Fiscal Years

Year	Revenues by Source		Expenses by Type				City Contribution as a Percent of Payroll
	Investment Income Net	Contributions	Benefits	Refunds	Investment Related Expenses	Admin. Expenses	
2016	1,699,762	929,727	561,058	13,938	115,345	37,977	22.0%
2017	1,522,770	923,151	611,052	-	122,082	50,923	22.2%
2018	1,784,206	949,157	747,148	10,557	143,154	53,223	22.5%
2019	769,928	873,594	781,411	5,735	135,323	52,749	17.8%
2020	1,894,038	900,092	1,084,727	5,723	119,069	52,854	17.0%
2021	5,715,418	946,656	930,463	-	130,145	57,236	17.0%
2022	(4,477,010)	914,669	1,024,208	1,076	135,852	61,597	20.6%
2023	2,984,414	979,421	1,154,172	28,304	135,627	62,546	19.6%
2024	5,928,749	1,057,986	1,244,276	200,087	136,930	64,994	19.8%
2025	3,455,828	1,195,660	1,284,506	92,716	146,576	69,559	19.5%

City of Lake Mary
Schedule of Revenues by Source and Expense by Type
Firefighters Pension Fund
Last Ten Fiscal Years

Year	Revenues by Source		Expenses by Type				City Contribution as a Percent of Payroll
	Investment Income Net	Contributions	Benefits	Refunds	Investment Related Expenses	Admin. Expenses	
2016	1,354,582	881,963	438,239	31,602	70,712	41,718	24.2%
2017	1,702,754	1,052,484	898,642	10,440	79,123	59,898	26.3%
2018	1,276,270	1,006,976	630,795	6,239	84,202	50,726	23.6%
2019	908,387	1,003,711	930,424	14,687	83,700	54,397	24.8%
2020	2,202,137	1,151,208	752,462	-	69,966	59,382	27.3%
2021	4,132,167	1,234,333	753,688	1,312	91,982	50,848	29.0%
2022	(3,933,251)	1,104,323	786,604	18,306	73,412	73,866	30.6%
2023	2,201,813	1,069,422	892,548	91,908	95,744	54,304	26.8%
2024	5,088,877	1,214,134	1,015,758	608,756	96,605	65,108	26.3%
2025	2,858,888	1,423,355	1,307,301	293,086	94,994	78,725	28.9%

City of Lake Mary
Schedule of Building Revenues by Source and Expense by Type
Building Department
Last Ten Fiscal Years

	Fiscal Year			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues				
Permit Fees				
Building Permits	\$ 1,494,458	\$ 1,858,541	\$ 1,957,333	\$ 2,122,462
Electrical Permits	81,153	120,991	98,793	99,616
Plumbing Permits	31,440	49,820	35,221	28,834
Mechanical Permits	53,552	61,414	65,666	107,733
Misc Building Fees	37,120	68,182	55,886	71,711
Total revenues	<u>1,697,723</u>	<u>2,158,948</u>	<u>2,212,899</u>	<u>2,430,356</u>
Expenditures				
Building Salaries & Benefits	320,963	406,782	445,026	486,773
Operating Expenditures	51,848	55,259	74,762	66,876
Capital Expenditures	-	-	-	-
Allocation of Indirect Costs & Bldg Deprec.	564,373	581,304	570,477	527,266
Total expenditures	<u>937,184</u>	<u>1,043,345</u>	<u>1,090,265</u>	<u>1,080,915</u>
Excess of revenues over (under) expenditures	<u>\$ 760,539</u>	<u>\$ 1,115,603</u>	<u>\$ 1,122,634</u>	<u>\$ 1,349,441</u>

This reconciliation is prepared as a management tool to verify compliance with FS 553.80 (7).

Fiscal Year					
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 1,651,389	\$ 1,549,279	\$ 3,112,769	\$ 2,188,868	\$ 1,033,405	\$ 1,204,858
92,150	99,056	79,371	287,885	708,706	63,010
41,557	28,588	19,128	138,489	21,294	19,909
41,361	44,907	45,924	312,694	56,980	56,934
38,583	28,138	31,241	115,062	86,919	27,992
<u>1,865,040</u>	<u>1,749,968</u>	<u>3,288,433</u>	<u>3,042,998</u>	<u>1,907,304</u>	<u>1,372,703</u>
511,130	492,414	506,584	506,583	585,845	655,514
75,204	129,918	121,033	185,517	226,854	154,061
-	30,265	19,475	11,789	-	155,000
<u>534,186</u>	<u>525,952</u>	<u>570,164</u>	<u>597,720</u>	<u>597,720</u>	<u>576,365</u>
<u>1,120,520</u>	<u>1,178,549</u>	<u>1,217,256</u>	<u>1,301,609</u>	<u>1,410,419</u>	<u>1,540,940</u>
<u>\$ 744,520</u>	<u>\$ 571,419</u>	<u>\$ 2,071,177</u>	<u>\$ 1,741,389</u>	<u>\$ 496,885</u>	<u>\$ (168,237)</u>
Estimated gain/(loss) total since 1996					7,167,331



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Other Reports



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**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**

Honorable Mayor and City Commission
City of Lake Mary, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Lake Mary, Florida* (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 19, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 significant deficiencies, or material weaknesses. Given those limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "McDermitt Davis".

Orlando, Florida
March 19, 2026

MANAGEMENT LETTER

Honorable Mayor and City Commission
City of Lake Mary, Florida

Report on the Financial Statements

We have audited the financial statements of *City of Lake Mary, Florida* as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 19, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and the Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 19, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the *City of Lake Mary, Florida* met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the *City of Lake Mary, Florida* 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 of Lake Mary, Florida*. It is management's responsibility to monitor the *City of Lake Mary, Florida*'s financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Programs

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

The City did not have a PACE program operate within the City.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the *City of Lake Mary, Florida*, a list of all program administrators and third-party administrators that administered the program.

Not applicable, no PACE programs.

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the *City of Lake Mary, Florida*, the full names and contact information of each such program administrator and third-party administrator.

Not applicable, no PACE programs.

Additional Matters

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

Purpose of this Letter

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



Orlando, Florida
March 19, 2026



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

Honorable Mayor and City Commission
City of Lake Mary, Florida

We have examined City of Lake Mary's, 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 and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

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

McDermitt Davis

Orlando, Florida
March 19, 2026



City of Lake Mary

Incorporated in 1973

March 19, 2026

AFFIDAVIT OF IMPACT FEE COMPLIANCE

Impact Fees are assessed in accordance with Title XV: Land Usage, Chapter 150.15 Impact Fees, of City of Lake Mary Code of Ordinances. Impact fee collections, expenditures and accounting are provided for in separate accounting funds and comply with Florida Statute 163.31801.

Brent Mason
Finance Director


State of Florida
County of Seminole

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this (date) 3/19/26 by (name of person acknowledging) Brent Mason who is personally known to me or who has produced (type of identification) DL as identification.



AMBER BRANTON
Notary Public
State of Florida
Comm# HH598563
Expires 10/27/2028



Notary Public - Signature

Amber Branton

Name Typed, printed or stamped

My Commission Expires: 10/27/28



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407-843-5406
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INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and City Commission
City of Lake Mary, Florida

We have examined City of Lake Mary's (the "City") compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2025 OMB Compliance Supplement (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended September 30, 2025. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA"); the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, City of Lake Mary complied, in all material respects, with the specified requirements referenced above during the year ended September 30, 2025.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on the City's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the City's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether the City complied, in all material respects with the specified requirements referenced above during the year ended September 30, 2025. Accordingly, this report is not suitable for any other purpose.

McDermitt Davis

Orlando, Florida
March 19, 2026



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