

**CITY OF OCALA, FLORIDA**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

For the fiscal year ended  
September 30, 2025

Prepared by:

**Finance Department**

Peter Brill, CGFO, MBA

**Director of Finance**



**CITY OF OCALA, FLORIDA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2025**

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March 27, 2026

To the Honorable Mayor, City Council Members and Citizens of Ocala, Florida,

We are pleased to present the City of Ocala's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2025. This report fulfills the requirements outlined in Florida Statutes, Chapter 166.241, and Florida Auditor General's Rules, Chapter 10.550. The structure and content of this report, including the accompanying financial statements and statistical data, follow guidelines set by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the State of Florida, and the Government Finance Officers Association.

The ACFR represents management's assertion about the City's finances. Management is responsible for the accuracy and reliability of the information presented. To ensure this, we have implemented a comprehensive internal control framework aimed at safeguarding the City's assets and ensuring reliable financial reporting. While these controls are designed to provide reasonable assurance against material misstatements, it is acknowledged that achieving absolute assurance is not feasible. Nevertheless, to the best of our knowledge, this financial report is complete and materially accurate.

Purvis, Gray & Company, an independent firm of certified public accountants, has audited the City's financial statements. Their goal was to ensure that the financial statements for the fiscal year ending September 30, 2025, were free from material misstatements. After reviewing the evidence, the auditors issued an unmodified opinion, confirming that the financial statements present a true and fair view, in accordance with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section within the ACFR.

The independent audit of the City's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

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

## **Profile of the City**

The City of Ocala, located in north-central Florida, is the largest and the most populous city in Marion County and serves as the county seat. The City of Ocala is approximately 67 miles northwest of Orlando and approximately 40 miles east of the Gulf of Mexico near the site of Ocali, a major Timucua village and chiefdom during the 16<sup>th</sup> century. The City takes its name from the historical village, the name of which is believed to mean “Big Hammock” in the Timucua language. The City of Ocala encompasses approximately 47 square miles of land and has a population that has been trending upwards for the last ten years. The City of Ocala’s current population estimate as of July 1, 2024, from [Census.gov/quickfacts](https://www.census.gov/quickfacts) was 70,251.

The City of Ocala was incorporated in 1846 and operates under a council-manager form of government. The City Council consists of six elected officials, including the Mayor and five Council members, who enact ordinances and resolutions that govern the City. The Council appoints the City Manager, City Auditor, City Attorney, and the City Clerk. The City Charter states the City Manager shall be the Chief Administrative Officer of the City and shall be responsible to the Council for the administration of all City affairs placed in their charge by or under the Charter.

Since 2010, the Ocala Vision 2035 Plan has been a catalyst for concrete actions and policy shifts shaping the City’s development. Building on this foundation, the City engaged the community to envision its future beyond 2035. Vision 2050 provides a guide to ensure City initiatives and development align with the community’s long-term vision and will serve as a foundation for updating the City’s Comprehensive Plan and guiding other strategic plans and initiatives.

The City of Ocala provides its constituents with a wide variety of public services, including:

- ✓ Airport
- ✓ Community Development Services
- ✓ Cultural Affairs
- ✓ Electric Power
- ✓ Fiber Network
- ✓ Golf Course
- ✓ Growth Management
- ✓ Mass Transit
- ✓ Public Safety (Police & Fire Protection)
- ✓ Public Works
- ✓ Recreation and Parks
- ✓ Water and Wastewater

Additionally, the City of Ocala provides internal support services such as human resources, risk management, information technology, fleet, facilities, and financial support services which include but are not limited to accounting, financial reporting, budgeting, procurement, A/P, A/R, debt, cash and treasury management services that are vital to the city's operations.

In addition to these activities, the City exercises oversight responsibility for the Community Redevelopment Agency. Accordingly, these activities are included in the reporting entity and reflected in this report. Note 1 in the *Notes to Financial Statements* lists specific criteria used for establishing oversight responsibility.

The City maintains budgetary controls to ensure compliance with legal provisions outlined in the annual budget approved by the City Council. Annual budgets are legally adopted for all funds including the general funds, special revenue funds, enterprise funds, internal service funds, fiduciary funds, and debt service funds. Budgets are controlled at the department level, and total expenditures must not exceed appropriations for each budgeted fund without Council approval. Encumbrance accounting is used to reserve the encumbered portion of the appropriation. Appropriations expire at year-end, and any outstanding encumbrances are re-appropriated as part of the subsequent year's budget.

### **Local Economy**

The City of Ocala has become a hub for manufacturing, logistics, and distribution, and its healthcare sector is also a significant employer. Health services continue to be a key contributor to the local economic landscape. The City's economy is further bolstered by the World Equestrian Center, a major contributor to the multi-billion-dollar equine industry. Furthermore, the tourism industry has a significant impact on the local economy thanks to Silver Springs, Rainbow Springs, and the Ocala National Forest.

The City's strategic economic development investments made over the past five years have yielded significant results. As of September 30, 2025, the City administered twelve Economic Investment Program agreements, with city investments to be paid over several years based on company performance. The City estimates if all companies meet their goals, they will maintain approximately 3,738 jobs and make significant capital investments in the local economy.

The Ocala Marion County Business Park, which includes major companies such as Amazon, Chewy, AutoZone, Peak Development Partners, and FedEx, has grown to over 8 million square feet of distribution space. Averitt Express, Inc is nearing completion of a new 36,000 square foot facility. Moreover, the City approved the sale of non-aviation property adjacent to the Ocala International Airport, expected to add 2 million square feet of logistics and distribution space to the Ocala International Airport Business Park.

The City continues to administer various redevelopment agreements and lease agreements providing incentives for the redevelopment of catalytic opportunity sites identified in the Midtown Master Plan. The City continues to solicit and evaluate proposals for available catalytic opportunity sites. Small and medium-sized enterprises located within the four Community Redevelopment subareas can apply to grant programs that support certain improvements to building and properties.

The City is actively involved in the community by forming strategic partnerships to provide a business-friendly environment that supports growth. The City will continue to offer and assess economic incentives to further promote development opportunities within the city. By implementing an infill strategy of selling and donating City-owned surplus lots to

developers, these partnerships will add needed affordable housing units that will provide new tax revenue.

The U.S. Environmental Protection Agency (EPA) Brownfield awarded a \$500,000 grant to the City of Ocala to carry out environmental assessments on properties within the City that may contain hazardous substances or petroleum in the soil or groundwater. Activities under this grant will target the elimination of blight and further redevelopment, thereby creating economic development throughout the community. The grant provides solutions for complex redevelopment challenges arising from recognized environmental conditions. As of September 30, 2025, a total of \$404,251 or 81% of the \$500,000 grant was spent. In the West Ocala Community Redevelopment Area, the grant is being used to finalize a Brownfields Revitalization Master Plan for the Reed Place brownfields site, and surrounding areas.

The U.S. Bureau of Labor Statistics indicates the Ocala Metropolitan Statistical Area (Ocala MSA) average annual unemployment rate increased from 4.0% in 2024 to 5.5% in 2025. The Ocala MSA average annual unemployment rate is higher than the State of Florida average of 3.9% and the United States national average of 4.4%.

### **Financial Planning and Capital Projects**

As part of the long-term financial planning process, the City developed a Capital Improvement Program (CIP) which includes a schedule of major capital improvements and their funding sources. The City Council adopts strategic plans to serve as a guide for the annual budget process, which includes performance measures to evaluate the efficiencies and effectiveness of programs and services. The plans are reviewed annually to ensure they remain relevant and responsive to the changing needs of the community.

Current and upcoming key projects are:

- Marion Hotel redevelopment
- AC Marriott Hotel
- Parking Garage #2
- Tuscawilla Park Improvement Project
- Skate Park Expansion
- Fire Station #8 construction
- NE 8th Avenue roadway improvements
- Citywide fiber network upgrades
- The Forge
- Expansion of the East Ocala CRA Commercial Property Improvement Grant Program

### **Financial Policies and Management Practices.**

The City of Ocala has adopted the following key management practices:

- **General Fund Reserve Policy** – The General Fund will maintain an operating reserve of at least 20% of planned budget expenditures.
- **Debt Management Policy** – This policy guides responsible debt issuance, ensuring the city maintains healthy credit ratings.

- **Capital Improvement Plan** – A five-year CIP is in place to plan for the city's long-term infrastructure needs.
- **Electric Rate Stabilization Reserve (ERSR)** – The city maintains a targeted reserve level of 15-25% of projected annual fuel costs for the electric utility. If the existing reserves plus the amount of an over recovery brings the ERSR funding level above the targeted maximum, the utility retains the option of issuing credit to customers or reducing the power cost adjustment rate.
- **Utility Fund Transfer** – Transfers to the General Fund are applied to the following utilities:
  - Electric
  - Water Resources
  - Fiber
  - Sanitation
- **Three-year Budget Model** – The City develops a three-year budget model to assist in making long-term financial decisions.


### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ocala for its annual comprehensive financial report for the fiscal year ended September 30, 2024. This was the 38<sup>th</sup> consecutive year the City has received this prestigious award. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR). This report satisfies both GAAP and applicable legal requirements.

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

We wish to express our appreciation to all members of the Finance Department who assisted in the preparation of the ACFR. The Finance staff's dedication and efficiency contributed to the department's continued success. We extend our gratitude to the Mayor and the City Council for their unwavering support in maintaining the highest standards of financial professionalism in the City of Ocala.

Respectfully submitted,

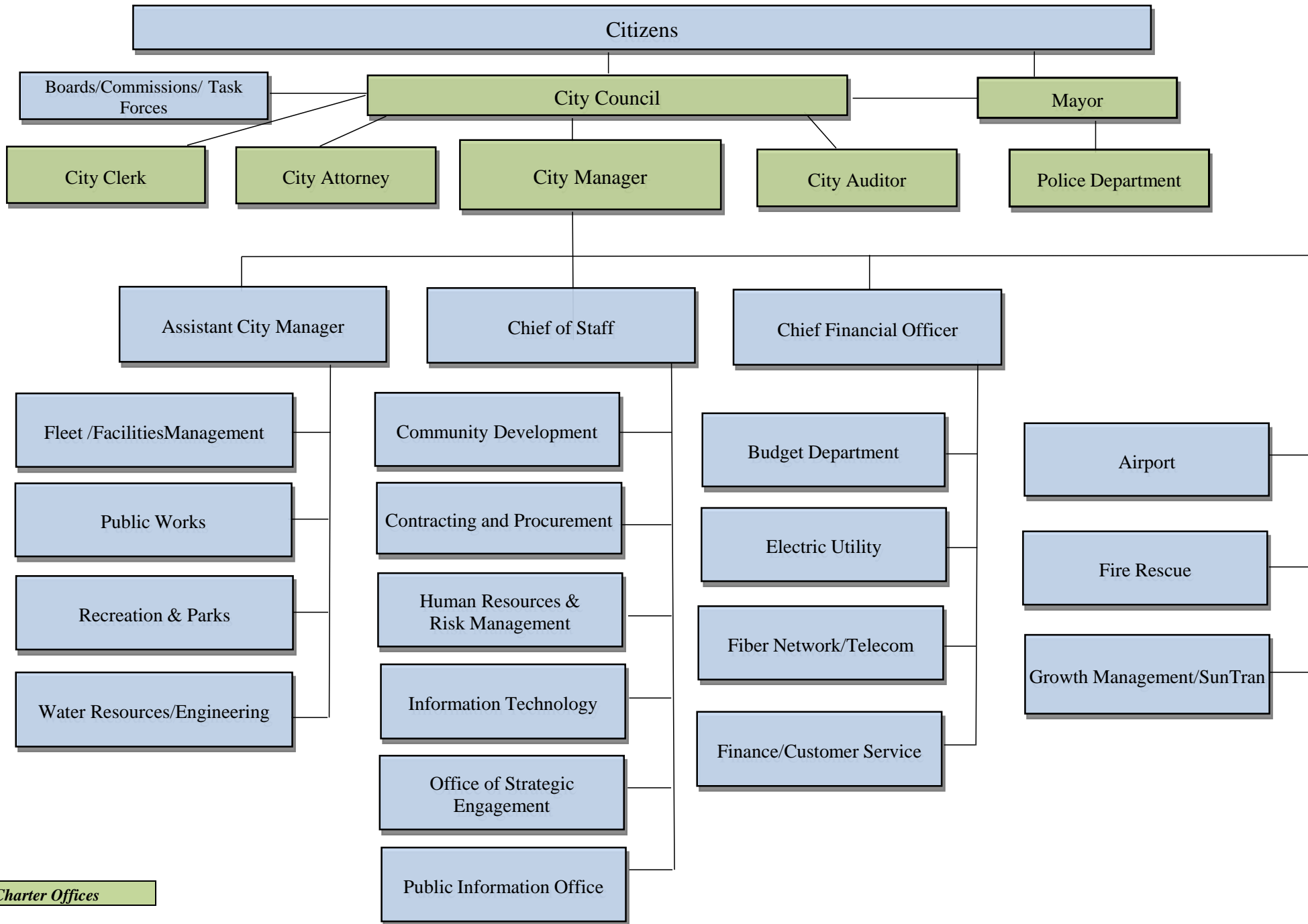


**Peter A. Lee, AICP**  
**City Manager**



**Peter Brill, CGFO, MBA**  
**Director of Finance**

# CITY OF OCALA - Organizational Chart



**Charter Offices**

Revised 10/18/24

**CITY OF OCALA, FLORIDA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2025**

**ELECTED OFFICIALS**

Ben Marciano, Mayor  
Kristen Dreyer, Council President  
Ire J. Bethea Sr., Pro Tem  
James P. Hilty Sr.  
Barry Mansfield  
Jay A. Musleh

**APPOINTED OFFICIALS**

City Manager  
City Attorney  
City Clerk  
Internal Auditor

Peter A. Lee  
William Sexton  
Angel Jacobs  
Randall Bridgeman

**EXECUTIVE STAFF**

Assistant City Manager  
Chief Financial Officer  
Chief of Staff, Support Services

Ken Whitehead  
Janice Mitchell  
Christopher Watt

**Finance Staff**

Director of Finance  
Accounting Manager  
Fiscal Operations Manager  
Fiscal Operations Manager  
Senior Accountant  
Senior Accountant  
Accountant I  
Senior Accounting Specialist  
Senior Accounting Specialist  
Payroll Manager  
Payroll Specialist II  
Payroll Specialist II  
Pension Manager  
Administrative Specialist III

Peter Brill  
Marcella Hughes  
Anthony Webber  
Cathy Larson  
Jessica Brown  
Melissa Lamb  
Blanca Lagares  
Sandy Parson  
Tiffany McNeil  
Melissa Demetropoulos  
Theresa Jordan  
Mardi Mckiver  
Alicia Gaither  
Karen Czechowicz



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Ocala  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*Christopher P. Morill*

Executive Director/CEO

## INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the City Council  
City of Ocala  
Ocala, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

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

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As described in Note 12 to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

### CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

[purvisgray.com](http://purvisgray.com)

Members of American and Florida Institutes of Certified Public Accountants

The Honorable Members of the City Council  
City of Ocala  
Ocala, Florida

## INDEPENDENT AUDITOR'S REPORT

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

The Honorable Members of the City Council  
City of Ocala  
Ocala, Florida

## INDEPENDENT AUDITOR'S REPORT

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and certain pension and Other Postemployment Benefits trend information, 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 accompanying combining and individual non-major fund financial statements, non-major fund budgetary comparison schedules and Schedule of Expenditures of Federal Awards and State Projects, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governmental, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, non-major fund budgetary comparison schedules and the Schedule of Expenditures of Federal Awards and State Projects are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our 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.

The Honorable Members of the City Council  
City of Ocala  
Ocala, Florida

## INDEPENDENT AUDITOR'S REPORT

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

*Purvis Gray*

March 27, 2026  
Ocala, Florida

**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

As management of the City of Ocala (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 (FY) ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished on our letter of transmittal, which can be found on pages i-viii of this report.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City, exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$662,492,977 (net position), an increase of 14.83% from the prior year. Of this amount, \$421,812,345 represents investments in capital assets (net of related debt), \$140,114,394 in restricted net position and \$100,566,238 in unrestricted net position.
- Governmental revenues and transfers-in totaled \$194,627,256 compared to \$185,118,100 in FY 2024, which is a 5.1% increase from the prior year. Expenses totaled \$157,588,145 compared to \$150,444,849 in 2024, or a 4.8% increase from the prior year. This is mostly attributable to increased costs in Public Safety and General Government.
- At the close of the fiscal year, the City's governmental activities reported combined ending net position of \$251,858,528 as compared to the prior year \$214,819,418, an increase of \$37,039,110 or 17.2%. Of the fiscal year end net position, \$25,745,851 was unrestricted versus \$8,386,565 the prior fiscal year. This change from last fiscal year's balance was primarily due to changes in the City's pension activities during the current year.
- The business-type activities revenue totaled \$320,008,038 as compared to \$288,414,859 for a 11.0% increase over the prior year. Expenses and transfers out totaled \$271,480,906 as compared to \$251,883,779 in 2024, for a 7.8% increase from the prior year.
- The City is committed to providing the citizens of Ocala with the highest quality services while maintaining efficiency and cost effectiveness.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds and internal service funds.

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. This report also contains other supplementary information in addition to the basic financial statements that provide details about the City's internal service fund presented in a separate column in the basic financial statements.

**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

**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 government-wide financial statements can be found on pages 21-23 of this report.

The *statement of net position* presents financial information on the City's assets, liabilities, and deferred inflows/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 related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

Both 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, culture and recreation, economic environment, physical environment and transportation. The business-type activities of the City include operation of an electric utility, solid waste disposal system, water and sewer utilities, golf course, airport, public transportation and fiber network.

The Community Redevelopment Agency (CRA) is a blended component unit that for all practical purposes is treated as part of the primary government. The data from this component unit is presented in the financial statements as a nonmajor fund.

**Fund financial statements.** A *fund* is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds 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 evaluating a government's near-term financing requirements. The basic governmental fund financial statements can be found on pages 24-27 of this report.

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

The City maintains ten 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, which is considered to be a major fund. Data from the other nine governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these non-major governmental funds is provided in the *combining statements* in the other supplemental information section of this report.

**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

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

**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 maintains seven enterprise funds to account for the following operations: electric, water and sewer, sanitation, golf course, airport, fiber and transit. The *Internal service fund* is an accounting device used to accumulate and allocate costs internally among the City's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *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 all of the City's proprietary funds. Conversely, the internal service fund is combined into a single presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 28-32 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because their resources 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 33-34 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-103 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 105-129 of this report.

The combining statements and budgetary comparison schedules regarding non-major governmental funds and non-major business-type funds are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 132-153 of this report.

**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position.** As noted earlier, the Statement of Net Position looks at the City as a whole and may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$662,492,977 at the close of the most recent fiscal year.

The City's net position for the past two fiscal years is summarized, as follows:

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

	<b>Governmental Activities</b>		<b>Business -type Activities</b>		<b>Total Primary Government</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Current and other assets	\$ 235,307,013	\$ 211,602,212	\$ 238,685,269	\$ 204,021,562	\$ 473,992,282	\$ 415,623,774
Capital assets (net)	174,389,945	170,725,984	336,501,092	329,054,070	510,891,037	499,780,054
<b>Total Assets</b>	<b>409,696,958</b>	<b>382,328,196</b>	<b>575,186,361</b>	<b>533,075,632</b>	<b>984,883,319</b>	<b>915,403,828</b>
Total deferred outflows of resources	39,940,888	49,707,894	9,369,444	14,888,094	49,310,332	64,595,988
Long-term liabilities outstanding	163,377,485	186,002,337	105,365,628	122,812,357	268,743,113	308,814,694
Other liabilities	18,973,003	25,661,487	36,685,034	33,511,338	55,658,037	59,172,825
<b>Total Liabilities</b>	<b>182,350,488</b>	<b>211,663,824</b>	<b>142,050,662</b>	<b>156,323,695</b>	<b>324,401,150</b>	<b>367,987,519</b>
Total deferred inflows of resources	15,428,830	5,552,848	31,870,694	29,532,714	47,299,524	35,085,562
<b>Net Position:</b>						
Net investment in capital assets	159,641,504	153,346,706	262,170,841	246,708,251	421,812,345	400,054,957
Restricted	66,471,173	53,086,147	73,643,221	61,987,037	140,114,394	115,073,184
Unrestricted	25,745,851	8,386,565	74,820,387	53,412,029	100,566,238	61,798,594
<b>Total Net Position</b>	<b>\$ 251,858,528</b>	<b>\$ 214,819,418</b>	<b>\$ 410,634,449</b>	<b>\$ 362,107,317</b>	<b>\$ 662,492,977</b>	<b>\$ 576,926,735</b>

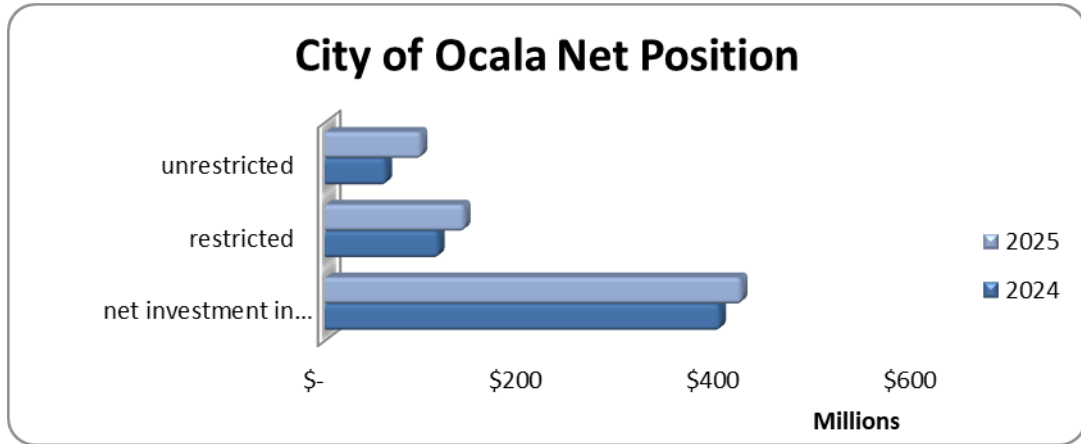
The largest portion of the City's net position \$421,812,345 (63.7% of total net position) reflects its investment in capital assets (land, building, improvements, utility improvements and extensions, intangibles, machinery and equipment, infrastructure and construction in progress), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to 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 needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Deferred outflows decreased by \$9,767,006 for governmental activities and \$5,518,650 for business-type activities due to the effects of recording pension activities during the year. Deferred inflows increased by \$9,875,982 for governmental activities and \$2,337,980 for business-type activities due to those same effects from pension activities. Long term liabilities decreased by \$22,624,852 for governmental activities and \$17,446,729 for business-type activities from scheduled debt service payments during the year and recording pension liability changes offset by additional compensated absences liability from implementation of the new GASB Statement No. 101, *Compensated Absences*. The new standard was effective for fiscal year 2025 and clarified the types of leave to be included in this liability along with other payroll-related expenses.

**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

An additional portion of the City's net position is restricted and represents resources that are subject to external restrictions on how they may be used. These resources have been set aside for capital projects, debt service payments and other contractual obligations. The City's restricted net position at the end of fiscal year 2025 has a balance of \$140,114,394 or 21.1% of total net position.

Unrestricted net position represents assets that may be used to meet the City's ongoing obligations to its citizens and creditors. For FY 2025, the City reported an unrestricted net position of \$100,566,238 or 15.2% of total net position.



**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$37,039,110 from the prior fiscal year for an ending balance of \$251,858,528. This increase was in line with the increase in the prior year. The increase in the overall net position is mostly the result of property taxes that increased by \$4,900,751, and other revenues increased by \$2,761,438 over the prior year from a legal settlement. Property taxes, which provided 31.2% of governmental revenues, increased by \$4,900,751 due to increased property values. In FY 2025, the City's millage rate was 6.6177 per \$1,000 of taxable property. This was the same rate for FY 2024. The increase is attributable to increased property values. Additionally, transportation expenses decreased by \$3,409,100 from the prior year for road projects that carried into the next year. This was offset by increases in public safety expenses of \$7,122,774 from additional public safety personnel and the effects of recording pension expense for additional funding of the police and fire pensions plans.

**Business-type Activities.** For the City's business-type activities, the results for the current fiscal year were positive as overall net position increased to an ending balance of \$410,634,449. The total net position increased by \$48,527,132 as compared to an increase of \$36,531,080 in the prior year. This increase in net position change is attributed to a \$33,496,725 increase in charges for services revenues for rate increases and increased electric and water usage. Expenses increased by \$19,597,587 from the prior year mostly in the electric system, and will be discussed further in the discussion of that fund's operation. All business-type activities experienced some increase in expenses from the prior year attributed to recording additional personnel costs from implementation of the new accounting standard for unused compensated absences.

**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

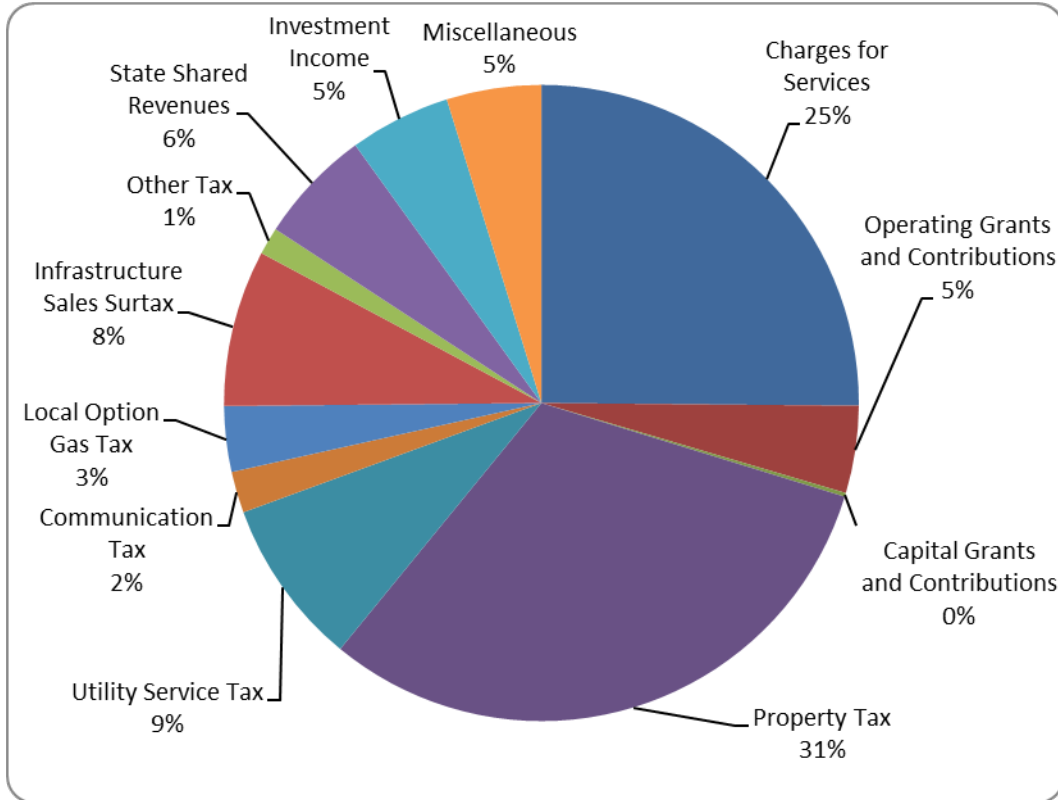
**Statement of Activities.** The City's net position for governmental activities increased by \$37,039,110 during the current fiscal year and business-type activity net position increased by \$48,527,132. The city's operations for the last two fiscal years are summarized as follows:

	Changes in Net Position For the Year Ended September 30					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Program revenues:						
Charges for services	\$ 41,917,907	\$ 40,508,093	\$ 295,765,196	\$ 262,268,471	\$ 337,683,103	\$ 302,776,564
Operating grants and contributions	7,396,731	9,231,907	6,087,621	5,825,875	13,484,352	15,057,782
Capital grants and contributions	320,813	359,132	12,774,230	12,524,153	13,095,043	12,883,285
General revenues:						
Property taxes	51,967,282	47,066,531	-	-	51,967,282	47,066,531
Other taxes	38,809,878	36,745,440	-	-	38,809,878	36,745,440
State shared revenues	9,724,245	9,477,576	-	-	9,724,245	9,477,576
Other	16,625,844	13,864,406	5,380,991	7,796,360	22,006,835	21,660,766
Total Revenues	<u>166,762,700</u>	<u>157,253,085</u>	<u>320,008,038</u>	<u>288,414,859</u>	<u>486,770,738</u>	<u>445,667,944</u>
Program expenses:						
General government	18,194,066	13,978,720	-	-	18,194,066	13,978,720
Public safety	91,171,141	84,048,367	-	-	91,171,141	84,048,367
Physical environment	7,009,060	6,974,339	-	-	7,009,060	6,974,339
Transportation	21,053,735	24,462,835	-	-	21,053,735	24,462,835
Economic Environment	4,418,185	5,273,468	-	-	4,418,185	5,273,468
Culture and recreation	12,909,090	12,663,415	-	-	12,909,090	12,663,415
Interest on long term debt	2,832,868	3,043,705	-	-	2,832,868	3,043,705
Electric	-	-	168,141,988	154,427,702	168,141,988	154,427,702
Water and sewer	-	-	41,686,541	38,086,943	41,686,541	38,086,943
Sanitation	-	-	14,428,201	13,838,634	14,428,201	13,838,634
Municipal golf courses	-	-	2,690,014	2,422,756	2,690,014	2,422,756
International airport	-	-	3,688,323	3,165,066	3,688,323	3,165,066
Fiber Network	-	-	7,455,735	7,186,686	7,455,735	7,186,686
Suntran	-	-	5,525,549	4,890,977	5,525,549	4,890,977
Total Expenses	<u>157,588,145</u>	<u>150,444,849</u>	<u>243,616,351</u>	<u>224,018,764</u>	<u>401,204,496</u>	<u>374,463,613</u>
Change in net position before transfers	9,174,555	6,808,236	76,391,687	64,396,095	85,566,242	71,204,331
Transfers	27,864,555	27,865,015	(27,864,555)	(27,865,015)	-	-
Increase (Decrease) in net position	\$ 37,039,110	\$ 34,673,251	\$ 48,527,132	\$ 36,531,080	\$ 85,566,242	\$ 71,204,331
Net position - beginning	214,819,418	180,146,167	362,107,317	325,576,237	576,926,735	505,722,404
Net position - ending	<u>\$ 251,858,528</u>	<u>\$ 214,819,418</u>	<u>\$ 410,634,449</u>	<u>\$ 362,107,317</u>	<u>\$ 662,492,977</u>	<u>\$ 576,926,735</u>

The City's overall net position increased \$85,566,242 from the prior fiscal year. At the end of the current fiscal year, the City was able to report positive balances in all reported categories of net position, for its governmental and business-type activities. In the prior fiscal year, positive net position balances were reported in all categories as well reflecting continued economic stability of the City.

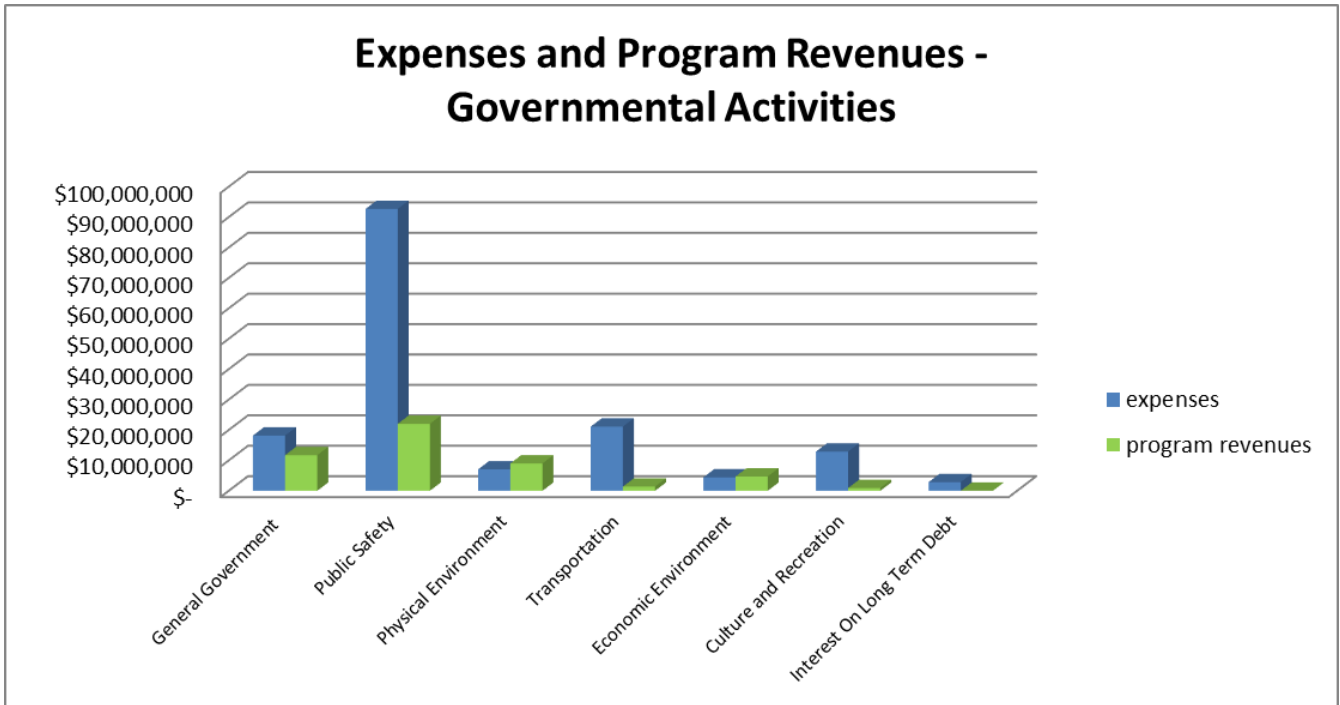
**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

**Revenues by Source – Governmental Activities**



**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

As evidenced by the graph below, most of the governmental activities are not supported by program revenues.

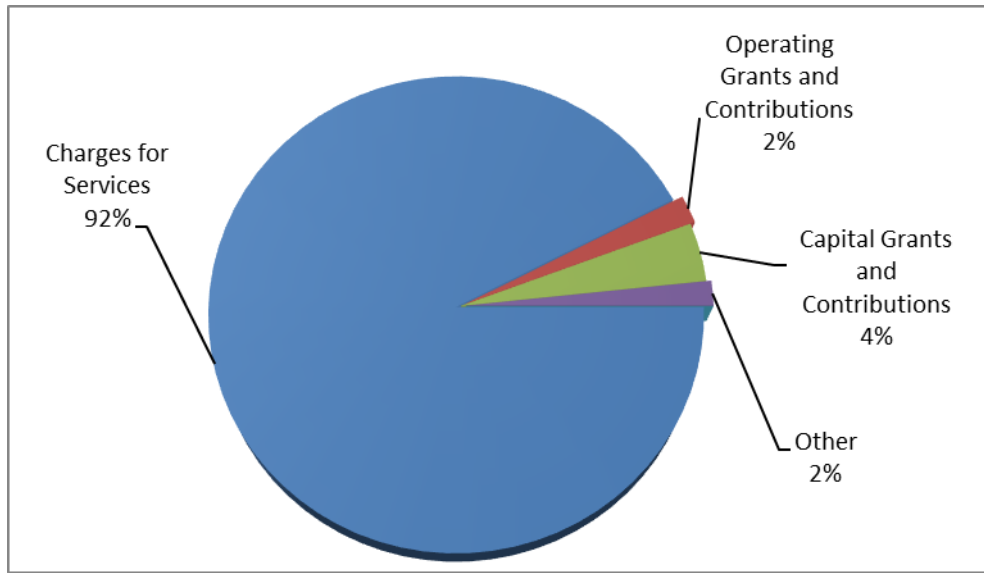


**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

**Business-type Activities.** Please note that all expenses include depreciation expense, which contributes to the net position. Management, in concert with City Council, continuously monitors the progress of policies aimed at achieving a net revenue position for funds.

The Charges for Services category accounts for 92.4% of the revenue generated in the enterprise funds as seen below. Rates should be established to ensure operating expenses are covered.

**Revenues by Source – Business-type Activities**



Program revenues derived from user fees and charges is designed to recoup the cost of providing services. The change in net position in the enterprise funds increased from \$36,531,080, in FY 2024 to \$48,527,132, in FY 2025.

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The Electric and Water and Sewer proprietary funds are reported as major funds. All the other proprietary funds are reported as non-major funds.

Summarized operating results for the major Proprietary Funds are below. These numbers do not include any transfers or non-operating revenues or expenses.

	Electric		Water and Sewer	
	2025	2024	2025	2024
Operating Revenues	\$ 208,232,670	\$ 183,776,059	\$ 54,739,435	\$ 47,617,526
Operating Expenses	166,766,938	153,099,577	39,945,600	36,197,337
Operating Income (Loss)	<u>\$ 41,465,732</u>	<u>\$ 30,676,482</u>	<u>\$ 14,793,835</u>	<u>\$ 11,420,189</u>

**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

Key elements of the City's major business-type activities for FY 2025 are as follows:

The Electric Fund operating income increased \$10,789,250 from the prior year. Operating revenues increased by \$24,456,611 while operating expenses increased by \$13,667,361. Electric operating revenues increased due to a rise in electric customer accounts and a rate increase. Electric operating expenses increased due to costs of purchases and distribution of electricity and higher personnel costs.

The Water and Sewer Fund operating income remained consistent with the prior year, with an increase of \$3,373,646. Operating revenues increased by \$7,121,909 due to an increase in water customer accounts and a rate increase. Expenses increased by \$3,748,263 due to increased water and sewer treatment costs and higher personnel costs.

The unrestricted portion of net position for the business-type activities compared to the prior year is as follows:

<b>Fund</b>	<b>Unrestricted Net Position 2025</b>	<b>Unrestricted Net Position 2024</b>
Electric	\$ 29,248,833	\$ 14,657,794
Water and Sewer	25,316,818	19,664,244
Nonmajor Enterprise	20,254,736	19,089,991
<b>Total</b>	<b>\$ 74,820,387</b>	<b>\$ 53,412,029</b>

Unrestricted net position are the funds available to cover future costs of the operations. This balance is available for general operational use, unexpected expenses, or future reserves.

**FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

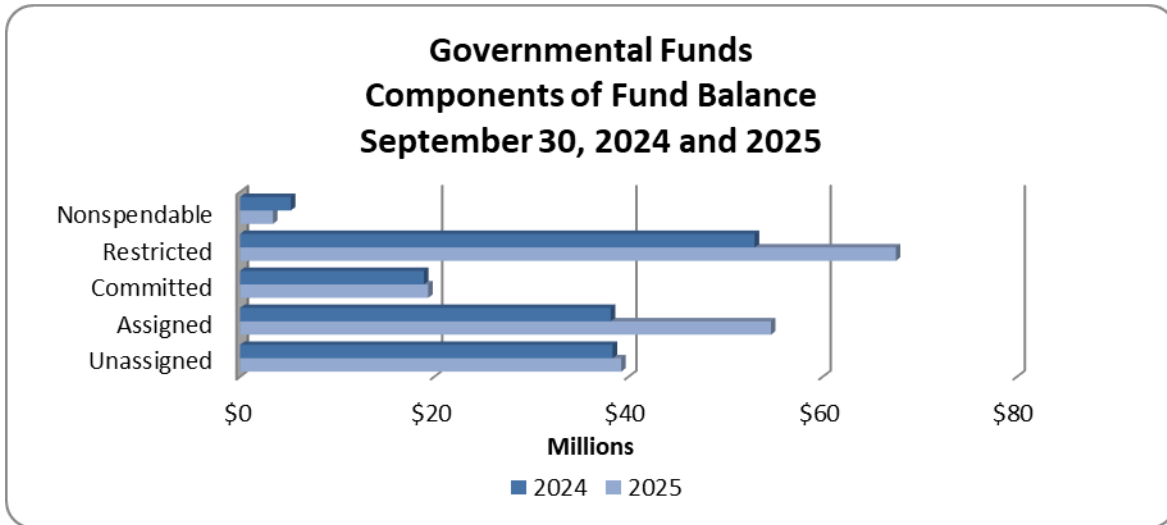
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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's financing requirements. 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 the fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for purposes by the City's Council.

On September 30, 2025, the City's governmental funds reported combined fund balances of \$183,506,041, an increase of \$29,787,404 or 19.4% in comparison with the prior year. Approximately 21.6% of the total fund balance or \$39,663,365, constitutes unassigned fund balance, which is available for spending at the government's discretion. The total fund balance is made up as follows:

<b>Governmental Fund Balance</b>		
Fund Balances	Amount	% of Total
Nonspendable	3,388,440	1.8%
Restricted	66,407,689	36.2%
Committed	19,380,573	10.6%
Assigned	54,665,974	29.8%
Unassigned	39,663,365	21.6%
<b>Total</b>	<b>\$ 183,506,041</b>	<b>100.0%</b>

**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**



The General Fund is the chief operating fund of the City. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. Unassigned fund balance of \$39,740,556 represents 30.2% of total general fund expenditures, while total fund balance of \$101,779,401 represents 77.5% of that amount.

The net change in fund balance of the General Fund was \$12,222,591 compared to the net change of \$19,780,898 in FY24. This was primarily due to a \$5,862,507 increase in Public Safety spending related to salary increases and additional benefit costs. The remaining \$1,695,800 is due to salary increases in General Government.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original General Fund budgeted expenditures, not including reserves, totaled \$134,043,947. Various budget amendments were approved by City Council. During the year, appropriations increased \$22,631,752 from the original to the final budget in the General Fund. Fiscal Year 2025, revenues were \$18,015,162 more than budgeted. This variance was caused by investment income greater than budgeted by \$3,814,706 and miscellaneous revenue greater than budgeted by \$7,354,840. These revenues included funds from a legal settlement and improved market conditions for the City’s investments. Actual expenditures were \$25,271,568 less than budgeted. Reductions in capital outlay of \$11,553,194, general government of \$3,146,913, and transportation of \$4,326,271 contributed the most to this reduction. These cost reductions were primarily a result of construction and other replacement and improvement projects carried over into the next year.

The General Fund FY25 adopted budget increased over the final budget for the following reasons:

- Ocala Fire Rescue Grant - \$100,000
- Ocala Police Department Grants - \$463,876
- Grant carryforward - \$5,279,234
- Miscellaneous Grants - \$401,344
- Carryforward contracts, CIP and operating - \$12,001,785

Additional budget to actual information on the City’s General Fund can be found on page 105.

**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025, totaled \$510,891,037 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, intangibles, equipment, infrastructure, and construction in progress. The City's investment in capital assets increased by \$11,110,983 from FY 2024.

**CAPITAL ASSETS  
(NET OF DEPRECIATION)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 30,322,146	\$ 29,857,514	\$ 20,422,764	\$ 20,421,314	\$ 50,744,910	\$ 50,278,828
Intangible (Easement, ROW)	1,880,701	1,945,359	2,746,397	2,746,647	4,627,098	4,692,006
Buildings and Improvements	66,934,664	61,066,547	260,628,726	253,718,800	327,563,390	314,785,347
Equipment	24,649,422	22,869,136	26,944,019	24,115,798	51,593,441	46,984,934
Intangible (Software)	566,796	966,265	70,446	151,880	637,242	1,118,145
Infrastructure	39,313,312	44,338,088	-	-	39,313,312	44,338,088
Collections	721,228	634,309	1,000	1,000	722,228	635,309
Intangibles Right to Use	1,403,603	2,184,176	60,307	413,943	1,463,910	2,598,119
Construction in Progress	8,598,073	6,864,590	25,627,433	27,484,688	34,225,506	34,349,278
<b>Total</b>	<b>\$ 174,389,945</b>	<b>\$ 170,725,984</b>	<b>\$ 336,501,092</b>	<b>\$ 329,054,070</b>	<b>\$ 510,891,037</b>	<b>\$ 499,780,054</b>

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

**Governmental Activities:**

- SW/NW 44<sup>th</sup> Ave Extension – Phase 2 \$739,660
- SW 44<sup>th</sup> Ave Widening – Phase 1 \$7,865,909

**Business-type Activities:**

- SE 17<sup>th</sup> St Force Main Replacement \$4,489,701
- Lift Station #91 Upgrade \$3,092,673

Additional information on the City's capital assets can be found in the Notes to Financial Statements on pages 64-65.

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$144,250,000. That was a decrease of \$12,630,000 or -8.1% from outstanding long-term debt of \$156,880,000 at the end of FY 2024. Electric and Water & Sewer debt is paid with operating revenues. The capital improvements debt is serviced by the pledge of non-ad valorem revenues such as gas taxes, sales tax revenues and State revenue sharing.

Additional information on the City's long-term debt can be found in the Notes to Financial Statements on pages 93-98 of this report.

**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

**Outstanding Debt**

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Capital Improvement bonds	\$ 13,880,000	\$ 15,395,000	\$ -	\$ -	\$ 13,880,000	\$ 15,395,000
Utility system bonds	-	-	76,255,000	84,380,000	76,255,000	84,380,000
Bank Loan	54,115,000	57,105,000	-	-	54,115,000	57,105,000
<b>Total</b>	<b>\$ 67,995,000</b>	<b>\$ 72,500,000</b>	<b>\$ 76,255,000</b>	<b>\$ 84,380,000</b>	<b>\$ 144,250,000</b>	<b>\$ 156,880,000</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The following were some of the significant factors considered in preparing the City's Fiscal Year 2025-26 budget:

- The Fiscal Year 2025-26 budget was prepared as the City continues to carefully plan using conservative fiscal oversight. This disciplined approach resulted in high-quality municipal services, investment in public facilities, and maintaining appropriate reserves to provide resiliency during uncertain economic times, which are proving to be the norm in the current economic environment.
- The City's leadership, the City Council and Mayor, recognizes its critical role in establishing the appropriate tenor and investment required for economic transformation of the local economy. The City's strategic plan has five goals: economic hub, fiscal sustainability, engaged workforce, operational excellence, and quality of place. These goals serve as drivers for directing the City's limited resources.
- Ocala's economy improved with a 10.17% increase in real property valuations. The City has aggressively, but strategically, continued sowing the seeds for tomorrow's economic recovery. The City's investments in economic development made over the past three to four years are beginning to yield meaningful results. The Fiscal Year 2025-26 budget continues strategic funding for economic development projects while preserving flexibility for pursuing additional economic opportunities.
- Through strong financial policies, as adopted by the City Council, the City presented stakeholders a balanced budget that addresses the priority, needs, and maintains or enhances service levels.
- The balanced budget was possible due to an increase in property valuations and transfers to cover the cost-of-service delivery. The General Fund Budget for Fiscal Year 2025-26 totals \$188,100,612.
- The Citywide Comprehensive Fiscal Year 2025-26 Budget totals \$1,152,885,830.
- The Fiscal Year 2025-26 Budget was prepared by utilizing available resources in the most efficient manner to ensure that the City can provide services that have been established as priorities for the current fiscal year. The City continues to monitor growth pressures in annual pension contribution costs and inflationary pressures associated with day-to-day operations and capital expenses. Each department reviewed its operations and recommended strategies to reduce expenditures without significantly impacting services. These efficiencies to date include the reorganization of some departments and/or divisions, consolidation of service functions, re-assignment of staff to critical tasks, and better utilization of technology. Each department will continue to focus on all areas of their operation to reduce costs while maintaining operational efficiency.

During the current fiscal year, the unassigned fund balance in the General Fund was \$39,740,556.

**CITY OF OCALA, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

**REQUESTS FOR INFORMATION**

This financial report is designed to present users with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 201 SE 3rd Street, Ocala, Florida 34471, or telephone (352) 629-2489.

**CITY OF OCALA, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2025**

<b>Assets</b>	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
Cash and investments	\$ 241,016	\$ 111,989	\$ 353,005
Equity In pooled cash and investment fund	217,625,508	174,834,514	392,460,022
Receivables-net of allowance for uncollectibles	2,246,838	34,405,724	36,652,562
Accrued interest receivable	784,813	482,290	1,267,103
Internal balances	708,370	(708,370)	-
Due from other governments	10,780,167	7,425,971	18,206,138
Lease receivable	831,861	433,760	1,265,621
Prepays	1,923,597	754,648	2,678,245
Inventories	164,843	20,944,743	21,109,586
Capital assets not being depreciated	40,800,920	48,797,594	89,598,514
Capital assets, being depreciated, net	133,589,025	287,703,498	421,292,523
<b>Total assets</b>	<b>409,696,958</b>	<b>575,186,361</b>	<b>984,883,319</b>
<b>Deferred outflows of resources</b>			
Deferred outflows pension related	33,793,241	4,561,417	38,354,658
Deferred outflows from debt refunding	825,122	2,404,550	3,229,672
Deferred outflows from OPEB	5,322,525	2,403,477	7,726,002
<b>Total deferred outflows of resources</b>	<b>39,940,888</b>	<b>9,369,444</b>	<b>49,310,332</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	12,962,169	18,966,512	31,928,681
Contract retainage	327,114	292,326	619,440
Accrued interest payable	1,285,684	1,273,546	2,559,230
Unearned revenue	3,307,322	4,524,218	7,831,540
Due to other governments	191,920	1,344,213	1,536,133
Escrow and deposits	898,794	-	898,794
Other liabilities	-	10,284,219	10,284,219
Noncurrent liabilities:			
Due within one year	11,648,177	10,091,484	21,739,661
Due in more than one year	151,729,308	95,274,144	247,003,452
<b>Total liabilities</b>	<b>182,350,488</b>	<b>142,050,662</b>	<b>324,401,150</b>
<b>Deferred inflows of resources</b>			
Deferred inflows leases related	831,861	433,760	1,265,621
Deferred inflows from debt refunding	-	128,799	128,799
Deferred inflows pension related	11,387,262	2,761,535	14,148,797
Deferred inflows from OPEB	3,209,707	1,414,294	4,624,001
Regulatory liability-rate stabilization	-	27,132,306	27,132,306
<b>Total deferred inflows of resources</b>	<b>15,428,830</b>	<b>31,870,694</b>	<b>47,299,524</b>
<b>Net Position</b>			
Net invested in capital assets	159,641,504	262,170,841	421,812,345
Restricted for:			
Transportation	8,089,959	-	8,089,959
Capital projects	38,522,507	65,323,649	103,846,156
Debt service	4,650,000	8,319,572	12,969,572
Development district improvements	10,132,276	-	10,132,276
Public safety	2,570,648	-	2,570,648
Grants	2,505,783	-	2,505,783
Unrestricted	25,745,851	74,820,387	100,566,238
<b>Total net position</b>	<b>\$ 251,858,528</b>	<b>\$ 410,634,449</b>	<b>\$ 662,492,977</b>

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

**CITY OF OCALA, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	18,194,066	11,116,063	276,214	311,145
Public safety	91,171,141	21,085,340	912,987	-
Physical environment	7,009,060	8,728,987	247,862	9,668
Transportation	21,053,735	119,277	1,244,867	-
Economic environment	4,418,185	-	4,693,889	-
Culture and recreation	12,909,090	868,240	20,912	-
Interest on long term debt	2,832,868	-	-	-
<b>Total governmental activities</b>	<b>157,588,145</b>	<b>41,917,907</b>	<b>7,396,731</b>	<b>320,813</b>
<b>Business-type activities:</b>				
Electric	168,141,988	208,232,670	1,046,517	5,358,851
Water and sewer	41,686,541	54,739,435	176,130	4,822,375
Sanitation	14,428,201	17,179,022	-	183,729
Municipal golf courses	2,690,014	2,107,210	-	-
International airport	3,688,323	2,364,632	-	2,409,275
Fiber Network	7,455,735	10,903,535	106,708	-
Suntran	5,525,549	238,692	4,758,266	-
<b>Total business-type activities</b>	<b>243,616,351</b>	<b>295,765,196</b>	<b>6,087,621</b>	<b>12,774,230</b>
<b>Total Primary Government</b>	<b>\$ 401,204,496</b>	<b>\$ 337,683,103</b>	<b>\$ 13,484,352</b>	<b>\$ 13,095,043</b>

**General Revenues:**

Property tax  
Utility service tax  
Communication tax  
Local option gas tax  
Infrastructure sales tax  
Other tax  
State shared revenues  
Investment income (loss)  
Gain on sale of capital assets  
Miscellaneous

**Transfers:**

Transfers

**Total general revenues and transfers**

**Change In net position**

**Net position - October 1**

**Net position - September 30**

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

<b>Net (Expense) Revenue and Change In Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (6,490,644)	\$ -	\$ (6,490,644)
(69,172,814)	-	(69,172,814)
1,977,457	-	1,977,457
(19,689,591)	-	(19,689,591)
275,704	-	275,704
(12,019,938)	-	(12,019,938)
(2,832,868)	-	(2,832,868)
<u>(107,952,694)</u>	<u>-</u>	<u>(107,952,694)</u>
-	46,496,050	46,496,050
-	18,051,399	18,051,399
-	2,934,550	2,934,550
-	(582,804)	(582,804)
-	1,085,584	1,085,584
-	3,554,508	3,554,508
-	(528,591)	(528,591)
<u>-</u>	<u>71,010,696</u>	<u>71,010,696</u>
<u>\$ (107,952,694)</u>	<u>\$ 71,010,696</u>	<u>\$ (36,941,998)</u>
51,967,282	-	51,967,282
14,155,534	-	14,155,534
3,504,652	-	3,504,652
5,552,255	-	5,552,255
13,280,995	-	13,280,995
2,316,442	-	2,316,442
9,724,245	-	9,724,245
8,650,351	5,375,722	14,026,073
-	5,269	5,269
7,975,493	-	7,975,493
<u>27,864,555</u>	<u>(27,864,555)</u>	<u>-</u>
<u>144,991,804</u>	<u>(22,483,564)</u>	<u>122,508,240</u>
37,039,110	48,527,132	85,566,242
214,819,418	362,107,317	576,926,735
<u>\$ 251,858,528</u>	<u>\$ 410,634,449</u>	<u>\$ 662,492,977</u>

**CITY OF OCALA, FLORIDA  
BALANCE SHEET  
ALL GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2025**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and investments	\$ 241,016	\$ -	\$ 241,016
Equity In pooled cash and investment fund	97,127,890	86,861,614	183,989,504
Receivables-net of			
allowance for uncollectibles	419,974	900,693	1,320,667
Accrued interest receivable	356,740	304,334	661,074
Due from other funds	5,008,370	-	5,008,370
Due from other governments	7,982,608	2,797,559	10,780,167
Prepays	1,920,209	3,388	1,923,597
Inventories	164,843	-	164,843
Leases receivable	831,861	-	831,861
Advances to other funds	1,300,000	-	1,300,000
Accrued unbilled revenues	926,171	-	926,171
<b>Total assets</b>	<u>116,279,682</u>	<u>90,867,588</u>	<u>207,147,270</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	8,923,579	2,212,992	11,136,571
Unearned revenue	2,928,243	379,079	3,307,322
Retainage on contracts	72,566	254,548	327,114
Escrow and deposits	269,807	628,987	898,794
Due to other governments	191,920	-	191,920
Due to other funds	-	400,000	400,000
Advances from other funds	-	5,200,000	5,200,000
<b>Total liabilities</b>	<u>12,386,115</u>	<u>9,075,606</u>	<u>21,461,721</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows from future revenues	1,282,305	65,342	1,347,647
Deferred inflows lease related	831,861	-	831,861
<b>Total deferred inflows of resources</b>	<u>2,114,166</u>	<u>65,342</u>	<u>2,179,508</u>
<b>Fund Balances:</b>			
Nonspendable	3,385,052	3,388	3,388,440
Restricted	3,383,266	63,024,423	66,407,689
Committed	604,553	18,776,020	19,380,573
Assigned	54,665,974	-	54,665,974
Unassigned (Deficit)	39,740,556	(77,191)	39,663,365
<b>Total fund balances</b>	<u>101,779,401</u>	<u>81,726,640</u>	<u>183,506,041</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 116,279,682</u>	<u>\$ 90,867,588</u>	<u>\$ 207,147,270</u>

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

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

Total fund balances of governmental funds	\$ 183,506,041
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$552,812,170 and the accumulated depreciation/amortization is \$378,422,225	174,389,945
The pension liability is a liability for the government-wide statement of net position. A pension liability is not considered to represent a financial liability and, therefore, is not reported in the governmental funds.	
Net Pension Liability of pension plans	(64,751,294)
Deferred outflows of resources related to pensions	33,793,241
Deferred inflows of resources related to pensions	(11,387,262)
The internal service funds are used by management to charge the costs of fleet, facilities, information technology and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	22,805,541
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as deferred inflows of unavailable revenue and receivable in the funds.	1,347,647
Long term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long term are reported in the Statement of Net Position. Long term liabilities at year end consist of:	
Bonds payable	(67,995,000)
Leases payable	(359,744)
Unamortized (gain)loss on refunding (to be amortized as interest expense).	825,122
SBITA payable	(1,006,705)
Accrued interest payable	(1,285,684)
Compensated absences	(7,710,119)
OPEB liability payable	(12,426,019)
Deferred inflows related to OPEB	(3,209,707)
Deferred outflows related to OPEB	5,322,525
Net position of governmental activities	\$ 251,858,528

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

**CITY OF OCALA, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

<b>Revenues</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Property tax	\$ 49,859,735	\$ 2,107,547	\$ 51,967,282
Utility service tax	14,155,534	-	14,155,534
Communication service tax	3,504,652	-	3,504,652
Local option gas tax	-	5,552,255	5,552,255
Infrastructure sales surtax	-	13,280,995	13,280,995
Other tax	2,316,442	-	2,316,442
State shared revenues	9,724,245	-	9,724,245
Other intergovernmental revenues	6,108,531	1,549,740	7,658,271
Permits, fees and assessments	20,415,432	45,847	20,461,279
Fines and forfeitures	1,067,202	-	1,067,202
Charges for services	11,173,627	8,827,823	20,001,450
Investment income (loss)	3,774,706	3,449,874	7,224,580
Miscellaneous	8,166,477	51,754	8,218,231
<b>Total revenues</b>	<u>130,266,583</u>	<u>34,865,835</u>	<u>165,132,418</u>
<b>Expenditures</b>			
Current:			
General government	16,811,274	4,736	16,816,010
Public safety	85,719,096	51,678	85,770,774
Physical environment	137,288	5,963,097	6,100,385
Transportation	6,266,534	3,866,081	10,132,615
Economic environment	3,083,075	1,489,586	4,572,661
Culture and recreation	12,343,112	-	12,343,112
Capital outlay	6,204,699	13,191,608	19,396,307
Debt service:			
Principal payments	775,453	4,505,000	5,280,453
Interest and fees	63,600	2,733,652	2,797,252
<b>Total expenditures</b>	<u>131,404,131</u>	<u>31,805,438</u>	<u>163,209,569</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,137,548)</u>	<u>3,060,397</u>	<u>1,922,849</u>
<b>Other financing sources (uses)</b>			
Transfers in	29,841,502	14,595,777	44,437,279
Transfers out	(16,481,363)	(91,361)	(16,572,724)
<b>Total other financing sources (uses)</b>	<u>13,360,139</u>	<u>14,504,416</u>	<u>27,864,555</u>
<b>Net change in fund balances</b>	<u>12,222,591</u>	<u>17,564,813</u>	<u>29,787,404</u>
<b>Fund balances - October 1</b>	<u>89,556,810</u>	<u>64,161,827</u>	<u>153,718,637</u>
<b>Fund balances - September 30</b>	<u>\$ 101,779,401</u>	<u>\$ 81,726,640</u>	<u>\$ 183,506,041</u>

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

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

Net change in fund balances - total governmental funds \$ 29,787,404

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

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

The details of the difference are as follows:

Capital outlay	19,396,307	
Less current year depreciation/amortization	(15,485,862)	
Loss on disposition of capital assets	<u>(557,629)</u>	3,663,961

The issuance of bonds and similar 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. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premium, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts of the items that make up these differences in treatment of long term debt and related items are:

Principal repayments:		
Bonds and certificates payable		4,505,000
Leases payable		48,464
SBITAs payable		726,989
Amortization of bond discount, premium, and deferred amounts on refundings		(117,875)

Some expenses reported in the statement of activities such as compensated absences, accrued interest and OPEB liability payable, do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Compensated absences		(2,904,307)
Accrued interest on long term debt		82,259
Changes in OPEB liability payable and related deferred outflows and inflows		10,798
Changes in pension liability payable and related deferred outflows and inflows		854,279

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (106,634)

The internal service funds are used by management to charge the costs of fleet, facilities, information technology and risk management to individual funds. The net income(expense) of the internal services funds is reported with governmental activities. 488,772

Change in net position of governmental activities \$ 37,039,110

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

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

**BUSINESS-TYPE ACTIVITIES**

	<b>Electric System Revenue</b>	<b>Water and Sewer</b>	<b>Nonmajor Enterprise</b>	<b>Totals</b>	<b>Internal Service Fund</b>
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and investments	\$ 2,600	\$ -	\$ 109,389	\$ 111,989	\$ -
Equity in pooled cash and investment fund	26,819,050	21,027,883	25,011,993	72,858,926	33,636,004
Restricted assets available for current liabilities	4,062,866	7,784,171	-	11,847,037	-
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts and notes	15,285,870	2,823,037	1,773,350	19,882,257	-
Accrued interest	214,761	98,989	95,055	408,805	123,739
Unbilled revenues	10,454,591	2,721,774	1,347,102	14,523,467	-
Due from other funds	150,000	150,000	-	300,000	-
Prepays	654,989	11,021	88,638	754,648	-
Lease receivable	-	69,939	-	69,939	-
Inventories	16,661,453	2,881,227	1,402,063	20,944,743	-
Due from other governments	1,448,127	3,017,569	2,960,275	7,425,971	-
<b>Total current assets</b>	<b>75,754,307</b>	<b>40,585,610</b>	<b>32,787,865</b>	<b>149,127,782</b>	<b>33,759,743</b>
<b>Noncurrent Assets:</b>					
Restricted Assets:					
Equity in pooled cash and investment fund:					
Construction accounts	21,762,830	17,318,103	-	39,080,933	-
Debt service accounts	3,747,302	5,845,816	-	9,593,118	-
Impact fee accounts	3,766,559	19,897,932	-	23,664,491	-
Rate stabilization	27,132,306	-	-	27,132,306	-
Renewal and replacement	-	2,504,740	-	2,504,740	-
Accrued interest receivable:					
Impact fee accounts	-	73,485	-	73,485	-
Less: Portion classified as current	(4,062,866)	(7,784,171)	-	(11,847,037)	-
Non restricted assets:					
Lease receivable	-	363,821	-	363,821	-
Interfund advances	1,950,000	1,950,000	-	3,900,000	-
Total non-current assets	54,296,131	40,169,726	-	94,465,857	-
Capital assets:					
Capital assets not being depreciated	16,964,548	21,344,314	10,488,732	48,797,594	-
Capital assets being depreciated, net	98,082,338	138,528,282	51,092,878	287,703,498	-
Total capital assets (net)	115,046,886	159,872,596	61,581,610	336,501,092	-
<b>Total noncurrent assets</b>	<b>169,343,017</b>	<b>200,042,322</b>	<b>61,581,610</b>	<b>430,966,949</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 245,097,324</b>	<b>\$ 240,627,932</b>	<b>\$ 94,369,475</b>	<b>\$ 580,094,731</b>	<b>\$ 33,759,743</b>
<b>Deferred outflows of resources:</b>					
Deferred amount on debt refunding	986,369	1,418,181	-	2,404,550	-
Deferred amount pension related	2,566,192	1,134,628	860,597	4,561,417	-
Deferred amount OPEB related	1,179,980	644,104	579,393	2,403,477	-
<b>Total deferred outflows of resources</b>	<b>\$ 4,732,541</b>	<b>\$ 3,196,913</b>	<b>\$ 1,439,990</b>	<b>\$ 9,369,444</b>	<b>\$ -</b>

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

(Continued)

**CITY OF OCALA, FLORIDA**  
**STATEMENT OF NET POSITION (Continued)**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2025**

	<b>BUSINESS-TYPE ACTIVITIES</b>				<b>GOVERNMENTAL</b>
	<b>Electric System Revenue</b>	<b>Water and Sewer</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>	<b>ACTIVITIES  Internal Service Fund</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Payable from unrestricted assets:					
Accounts payable and accrued liabilities	\$ 12,316,996	\$ 939,288	\$ 3,690,101	\$ 16,946,385	\$ 1,825,598
Due to other governments	1,314,125	-	30,088	1,344,213	-
Contract retainage	-	-	93,962	93,962	-
Claims payable	-	-	-	-	1,841,056
Compensated absences payable	813,838	367,466	278,294	1,459,598	-
OPEB obligation payable	124,003	68,019	61,921	253,943	-
Leases payable	-	-	22,943	22,943	-
Due to other funds	3,116,714	-	1,791,656	4,908,370	-
Customer deposits	10,167,386	-	116,833	10,284,219	-
Unearned revenue	2,801,603	80,305	1,642,310	4,524,218	-
<b>Total current liabilities payable from unrestricted assets</b>	<b>30,654,665</b>	<b>1,455,078</b>	<b>7,728,108</b>	<b>39,837,851</b>	<b>3,666,654</b>
Payable from restricted assets:					
Accounts payable and accrued liabilities	301,725	1,718,402	-	2,020,127	-
Contract retainage	-	198,364	-	198,364	-
Accrued interest payable	528,591	744,955	-	1,273,546	-
Revenue bonds payable within one year	3,232,550	5,122,450	-	8,355,000	-
<b>Total current liabilities payable from restricted assets</b>	<b>4,062,866</b>	<b>7,784,171</b>	<b>-</b>	<b>11,847,037</b>	<b>-</b>
<b>Total current liabilities</b>	<b>34,717,531</b>	<b>9,239,249</b>	<b>7,728,108</b>	<b>51,684,888</b>	<b>3,666,654</b>
<b>Noncurrent Liabilities:</b>					
Claims payable	-	-	-	-	7,287,548
Compensated absences payable	624,390	263,628	244,077	1,132,095	-
OPEB obligation payable	2,820,715	1,560,775	1,402,549	5,784,039	-
Leases payable	-	-	35,733	35,733	-
Net pension liability	11,489,329	5,079,922	3,853,026	20,422,277	-
Revenue bonds and notes payable after one year	28,248,750	39,651,250	-	67,900,000	-
<b>Total noncurrent liabilities</b>	<b>43,183,184</b>	<b>46,555,575</b>	<b>5,535,385</b>	<b>95,274,144</b>	<b>7,287,548</b>
<b>Total liabilities</b>	<b>\$ 77,900,715</b>	<b>\$ 55,794,824</b>	<b>\$ 13,263,493</b>	<b>\$ 146,959,032</b>	<b>\$ 10,954,202</b>
<b>Deferred Inflows of Resources:</b>					
Deferred inflows lease related	-	433,760	-	433,760	-
Deferred amount on debt refunding	-	128,799	-	128,799	-
Deferred inflows pension related	1,553,606	686,916	521,013	2,761,535	-
Deferred inflows OPEB related	694,350	378,693	341,251	1,414,294	-
Regulatory liability-rate stabilization	27,132,306	-	-	27,132,306	-
<b>Total deferred inflows of resources</b>	<b>29,380,262</b>	<b>1,628,168</b>	<b>862,264</b>	<b>31,870,694</b>	<b>-</b>
<b>Net Position</b>					
Net investment in capital assets	84,551,955	116,189,914	61,428,972	262,170,841	-
Restricted for debt service	3,218,711	5,100,861	-	8,319,572	-
Restricted for capital projects	25,529,389	39,794,260	-	65,323,649	-
Unrestricted	29,248,833	25,316,818	20,254,736	74,820,387	22,805,541
<b>Total net position</b>	<b>\$ 142,548,888</b>	<b>\$ 186,401,853</b>	<b>\$ 81,683,708</b>	<b>\$ 410,634,449</b>	<b>\$ 22,805,541</b>

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

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

	<b>BUSINESS-TYPE ACTIVITIES</b>				<b>GOVERNMENTAL</b>
	<b>Electric System Revenue</b>	<b>Water and Sewer</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>Operating Revenues:</b>					
Charges for services	\$ 203,172,222	\$ 54,578,325	\$ 32,450,203	\$ 290,200,750	\$ 21,323,414
Other	5,060,448	161,110	342,888	5,564,446	1,926,087
<b>Total operating revenues</b>	<b>208,232,670</b>	<b>54,739,435</b>	<b>32,793,091</b>	<b>295,765,196</b>	<b>23,249,501</b>
<b>Operating Expenses:</b>					
Purchase of electricity	118,992,199	-	-	118,992,199	-
Distribution	17,557,994	4,680,378	-	22,238,372	-
Operation and maintenance	6,288,263	-	16,568,830	22,857,093	-
Water and sewer treatment	-	12,450,213	-	12,450,213	-
Sewer collection	-	5,118,788	-	5,118,788	-
Internal service	-	-	-	-	24,186,500
Administration	13,685,012	6,387,396	12,073,753	32,146,161	-
Amortization-leases and SBITAs	334,370	-	57,650	392,020	-
Depreciation	9,909,100	11,308,825	5,084,881	26,302,806	-
<b>Total operating expenses</b>	<b>166,766,938</b>	<b>39,945,600</b>	<b>33,785,114</b>	<b>240,497,652</b>	<b>24,186,500</b>
<b>Operating income (loss)</b>	<b>41,465,732</b>	<b>14,793,835</b>	<b>(992,023)</b>	<b>55,267,544</b>	<b>(936,999)</b>
<b>Non-Operating Revenues (Expenses):</b>					
Investment income	2,458,151	1,850,900	1,066,671	5,375,722	1,425,771
Interest expense	(1,262,993)	(1,740,941)	(2,708)	(3,006,642)	-
Interest income leases	-	5,734	-	5,734	-
Gain (loss) on sale of capital asset	(112,057)	5,269	-	(106,788)	-
Other non-operating revenue (loss)	1,046,517	170,396	4,864,974	6,081,887	-
<b>Total non-operating revenues (expenses)</b>	<b>2,129,618</b>	<b>291,358</b>	<b>5,928,937</b>	<b>8,349,913</b>	<b>1,425,771</b>
<b>Income before capital contributions, grants and transfers</b>	<b>43,595,350</b>	<b>15,085,193</b>	<b>4,936,914</b>	<b>63,617,457</b>	<b>488,772</b>
<b>Capital contributions, grants, and impact fees</b>	<b>5,358,851</b>	<b>4,822,375</b>	<b>2,593,004</b>	<b>12,774,230</b>	<b>-</b>
<b>Transfers:</b>					
Transfers in	-	-	2,058,586	2,058,586	-
Transfers out	(20,053,287)	(6,122,248)	(3,747,606)	(29,923,141)	-
<b>Total transfers</b>	<b>(20,053,287)</b>	<b>(6,122,248)</b>	<b>(1,689,020)</b>	<b>(27,864,555)</b>	<b>-</b>
<b>Change in net position</b>	<b>28,900,914</b>	<b>13,785,320</b>	<b>5,840,898</b>	<b>48,527,132</b>	<b>488,772</b>
<b>Net position - October 1</b>	<b>\$ 113,647,974</b>	<b>\$ 172,616,533</b>	<b>\$ 75,842,810</b>	<b>\$ 362,107,317</b>	<b>\$ 22,316,769</b>
<b>Net position - September 30</b>	<b>\$ 142,548,888</b>	<b>\$ 186,401,853</b>	<b>\$ 81,683,708</b>	<b>\$ 410,634,449</b>	<b>\$ 22,805,541</b>

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

**CITY OF OCALA, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	Electric System Revenue	Water and Sewer	Nonmajor Enterprise	Total	Internal Service Fund
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 209,085,280	\$ 54,148,690	\$ 32,768,587	\$ 296,002,557	\$ 1,926,087
Cash paid to suppliers for goods and services	(113,234,822)	(19,774,476)	(18,257,691)	(151,266,989)	(572,291)
Cash received from other funds	-	-	-	-	18,025,079
Cash received from employees	-	-	-	-	3,298,335
Cash paid for insurance claims	-	-	-	-	(23,060,077)
Cash paid to employees for services	(46,325,583)	(9,385,022)	(8,715,604)	(64,426,209)	-
Net cash provided by (used in) operating activities	<u>49,524,875</u>	<u>24,989,192</u>	<u>5,795,292</u>	<u>80,309,359</u>	<u>(382,867)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Transfers in	-	-	2,058,586	2,058,586	-
Transfers out	(20,053,287)	(6,122,248)	(3,747,606)	(29,923,141)	-
Operating grants	100,092	170,396	4,274,021	4,544,509	-
Net cash provided by (used in) non-capital financing activities	<u>(19,953,195)</u>	<u>(5,951,852)</u>	<u>2,585,001</u>	<u>(23,320,046)</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Principal paid on long term debt	(3,479,930)	(4,978,950)	(69,177)	(8,528,057)	-
Interest paid on long term debt	(1,182,946)	(1,564,874)	(2,708)	(2,750,528)	-
Proceeds from sale of capital assets	7,874	13,749	1,544	23,167	-
Proceeds from leasing activities	-	5,732	-	5,732	-
Acquisition and construction of capital assets	(11,202,431)	(7,680,814)	(9,750,146)	(28,633,391)	-
Contributions and impact fees received from other governments, developers and individuals	12,768	3,896,773	2,124,936	6,034,477	-
Net cash (used in) capital and related financing activities	<u>(15,844,665)</u>	<u>(10,308,384)</u>	<u>(7,695,551)</u>	<u>(33,848,600)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>					
Investment income	2,519,364	1,845,069	1,067,270	5,431,703	1,432,282
Net cash provided by investing activities	<u>2,519,364</u>	<u>1,845,069</u>	<u>1,067,270</u>	<u>5,431,703</u>	<u>1,432,282</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	16,246,379	10,574,025	1,752,012	28,572,416	1,049,415
<b>Cash and cash equivalents, beginning</b>	<u>\$ 66,984,268</u>	<u>\$ 56,020,449</u>	<u>\$ 23,369,370</u>	<u>\$ 146,374,087</u>	<u>\$ 32,586,589</u>
<b>Cash and cash equivalents, ending</b>	<u>\$ 83,230,647</u>	<u>\$ 66,594,474</u>	<u>\$ 25,121,382</u>	<u>\$ 174,946,503</u>	<u>\$ 33,636,004</u>

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

(Continued)

**CITY OF OCALA, FLORIDA  
STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	Electric System Revenue	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Fund
<b>Reconciliation of Cash and Cash Equivalents to Balance Sheet:</b>					
Total current cash and investments per the balance sheet	\$ 26,821,650	\$ 21,027,883	\$ 25,121,382	\$ 72,970,915	\$ 33,636,004
Total noncurrent cash and investments per the balance sheet	56,408,997	45,566,591	-	101,975,588	-
Cash and cash equivalents, end of year	<u>83,230,647</u>	<u>66,594,474</u>	<u>25,121,382</u>	<u>174,946,503</u>	<u>33,636,004</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>					
Operating income (loss)	41,465,732	14,793,835	(992,023)	55,267,544	(936,999)
Adjustments to reconcile operating income (loss) to cash provided by operating activities:					
Depreciation & amortization	10,243,470	11,308,825	5,142,528	26,694,823	-
(Increase) decrease in assets and deferred outflow of resources:					
Accounts and notes receivable	(642,406)	(590,745)	41,585	(1,191,566)	-
Inventories	(2,629,724)	(22,231)	7,711	(2,644,244)	-
Other current assets	(197,093)	(369)	(26,287)	(223,749)	-
Deferred outflows pension	3,301,178	1,459,585	1,107,069	5,867,832	-
Deferred outflow OPEB	(382,590)	(202,402)	(167,846)	(752,838)	-
Increase (decrease) in liabilities and deferred inflow of resources:					
Accounts and contracts payable	319,505	(370,510)	1,533,960	1,482,955	554,132
Compensated absences payable	297,402	194,112	74,133	565,647	-
OPEB obligation payable	531,042	280,938	232,973	1,044,953	-
Due to other funds	150,000	150,000	437,580	737,580	-
Due to other governments	93,966	-	1,584	95,550	-
Net pension liability	(5,923,641)	(2,619,096)	(1,986,535)	(10,529,272)	-
Customer deposits	451,853	-	(13,217)	438,636	-
Deferred inflows pension	1,553,606	686,916	521,013	2,761,535	-
Deferred inflows OPEB	(150,588)	(79,666)	(66,064)	(296,318)	-
Unearned revenue	1,043,163	-	(52,872)	990,291	-
Net cash provided by (used in) operating activities	<u>\$ 49,524,875</u>	<u>\$ 24,989,192</u>	<u>\$ 5,795,292</u>	<u>\$ 80,309,359</u>	<u>\$ (382,867)</u>
<b>Noncash Capital and Related Financing Activities:</b>					
Plant and equipment contributed by developers	<u>\$ 5,346,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,346,083</u>	<u>\$ -</u>
Capital additions funded by accounts and contracts payable	<u>-</u>	<u>198,364</u>	<u>93,962</u>	<u>292,326</u>	<u>-</u>

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

**CITY OF OCALA, FLORIDA  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2025**

	<b>PENSION TRUST FUNDS</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 7,463,780
Receivables:	
Interest and dividends receivable	442,690
Accounts receivable	12,656,141
Total receivables	<u>13,098,831</u>
Investments, at fair value	
Bonds and notes	111,192,516
Common stock	46,925,742
Mutual funds: real estate	34,843,768
Mutual funds: equities	164,989,147
Emerging markets	14,839,449
Hedge fund (mutual fund)	13,625,440
Mutual funds (other)	26,186,253
Total investments	<u>412,602,315</u>
<b>Total assets</b>	<u><u>433,164,926</u></u>
<b>Liabilities</b>	
Accounts payable	622,670
<b>Total liabilities</b>	<u>622,670</u>
<b>Net Position</b>	
<b>Restricted for pensions</b>	<u><u>\$ 432,542,256</u></u>

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

**CITY OF OCALA, FLORIDA  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>PENSION TRUST FUNDS</b>
<b>Additions</b>	
Contributions:	
Employer	\$ 17,467,666
State	1,977,318
Employee	2,624,642
<b>Total contributions</b>	<u>22,069,626</u>
Investment income:	
Investment gain (loss)	40,079,025
Less: Investment management fees	<u>(1,396,029)</u>
Net investment gain	<u>38,682,996</u>
<b>Total additions</b>	<u>60,752,622</u>
<b>Deductions</b>	
Pension payments	29,068,011
Refunds to employees	232,426
Administration	596,423
<b>Total deductions</b>	<u>29,896,860</u>
<b>Change in net position</b>	30,855,762
<b>Net position - beginning</b>	<u>401,686,494</u>
<b>Net position - ending</b>	<u>\$ 432,542,256</u>

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

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Ocala (the “City”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these policies are described below.

**A. Reporting Entity**

The City of Ocala, Florida (the “City”) operates under a council-manager form of government, including a six-member City Council comprised of a mayor (elected at large) and five district Councilmen and provides the following services as authorized by its charter: public safety, public works, public utilities, culture, recreation, and community development. The City of Ocala, Florida was created pursuant to the Laws of Florida, Chapter 67-1782.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable and, as such, be includable within the City’s financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and (1) can impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Management determined that the Community Redevelopment Agency is the only organization that should be included in the City’s financial statements as a component unit.

**Blended Component Unit**

The Community Redevelopment Agency (CRA) was created pursuant to Chapter 163.356, Florida Statutes, City Ordinance 2009, and City Resolutions 88-37, 88-52 and 89-44. The City Council approved revised Ordinance 2016-2, resolutions 2016-1 and 2016-4 establishing two additional CRA subareas. The City Council serves as the CRA Board, and the City has operational responsibility for all the CRAs. The CRA’s services are provided exclusively to the City. Although legally separate, the CRAs are appropriately blended as governmental fund type component units into the primary government. The CRAs are presented as nonmajor governmental funds and present separate financial statements.

The Ocala Downtown Development District (DDD) was created under the laws of Florida, Chapter 67-1782, and Ordinance No. 266 of the City of Ocala. The City Council serves as the DDD Board and the City has operational responsibility. The DDD is considered a component unit for financial reporting purposes since management of the primary government has operational responsibility for the component unit and is included as a blended special revenue fund and issues separate financial statements.

The City includes advisory boards and commission within the City in its financial statements in circumstances where the City selects the governing authority, designates management, can influence operations, and has accountability for fiscal matters of the advisory boards and commissions. Therefore, it meets the reporting requirements under GASB 61.

**Related Organizations**

The following entity is not included in the accompanying financial statements:

Ocala Housing Authority (OHA) – Although the City is responsible for appointing the OHA’s board, the City does not exercise the other prerequisites for inclusion as a component unit. The City’s accountability for this

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

organization does not extend beyond making these appointments. The OHA was established in 1973 and is funded primarily by the United States Department of Housing and Urban Development. The OHA service area is Marion County. The OHA currently provides financial assistance through its Housing Choice Voucher (HCV) Program (Section 8) for low-income families, seniors, and person with disabilities. The HCV program provides rental subsidies for eligible families, via direct monthly payments for private landlords who rent units throughout Marion County. A significant number of these units are in the unincorporated areas of the county.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Positions and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

**Governmental Funds** are those through which most governmental functions of the City are financed. The acquisition use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary or fiduciary funds) are accounted for through governmental funds. The following are the City's governmental fund types:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds

**Proprietary Funds** are used to account for the City's ongoing activities which are similar to those often found in the private business sector. The following are the City's proprietary fund types:

- Enterprise Funds
- Internal Service Funds

**Fiduciary Funds** are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's fiduciary fund type includes:

- Pension Trust Funds

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and pension trust funds within the fiduciary fund

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

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

financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the period. Measurable refers to the ability to quantify in monetary terms the amount of the revenue and receivable. Available means collectible in the current period or soon enough thereafter to be used to pay liabilities at the balance sheet date. 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as substantially all eligibility requirements imposed by the provider have been met. Transfers are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured principal and interest on long term-debt. As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Material revenues are considered susceptible to accrual because they are both measurable and available to finance expenditures of the current period. Interest and investment income earnings are recognized when earned and allocated monthly based on each fund's equity in the pool. Some governmental fund revenues are not considered susceptible to accrual because they are not both measurable and available to finance expenditures of the current period.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses.

Accounting standards set forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major governmental funds are combined in a single column in the fund financial statements and detailed in the combining statements section.

The City reports one major governmental fund:

**The General Fund** is the City's primary operating fund. It accounts for all financial resources traditionally associated with general governments except those required to be accounted for in another fund.

The City reports two major and five non-major proprietary funds:

**The Electric System Fund (major fund)** accounts for the construction, operation, and maintenance of the City-owned electric system as well as sales of electricity and other services to the general public. Electricity rates charged to customers are set by the City Council within the rate structure established (guidelines are approved) by the Florida Public Service Commission.

**The Water and Sewer System Fund (major fund)** accounts for the costs and recovery of costs in the form of user charges related to the production, treatment, and distribution of potable water, along with the collection, treatment, and disposal of sewage waste with the City. The maintenance and improvement of the utility plant required to provide these goods and services are financed primarily from user charges.

**The Sanitation Fund (non-major fund)** accounts for the operations and maintenance of the City's refuse collection system.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

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

**The Municipal Golf Course Fund (non-major fund)** accounts for the construction, operations, and maintenance of the City's golf course.

**The Ocala International Airport Fund (non-major fund)** accounts for the construction, operations and maintenance of the City's airport and the Foreign Trade Zone #217.

**The Ocala Fiber Network Fund (non-major fund)** accounts for the construction, operations, and maintenance of the City's broadband communications (fiber optics) network.

**The SunTran Fund (non-major fund)** accounts for the operations and maintenance of the regional mass transit system that began operations during 1999.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City's internal service fund related to general insurance records operating revenue from the charges to other funds for services. For the internal service fund related to health insurance, the principal operating revenues are employer and employee contributions. Operating expense for enterprise funds and internal service fund include the cost of sales and service, administrative expenses, depreciation on capital assets, and benefits paid. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Additionally, the City reports the following fund types:

**Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted for specified purposes.

**Debt Service Funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Internal Service Fund** accounts for the activities of the City's risk management. The City's risk management program includes amounts collected and the claims paid for workers' compensation, property, general liability, health, dental and prescription medicine self-insurance.

**Pension Trust Funds** account for the activities of the City's General Employees', Firefighters', and Police Officers' Retirement Systems, which accumulate resources for pension benefit payments to qualified retiring employees. They are excluded from the government-wide financial statements because they are fiduciary in nature and do not represent resources available to the government for operations.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance**

**1. Cash & Cash Equivalents**

The City has defined Cash and Cash Equivalents to include cash on hand, demand deposits and cash with fiscal agents. Investments with original maturities of three months or less are considered cash equivalents.

**2. Equity in Pooled Cash and Investments**

The City maintains a pooled cash investment fund which allows the various funds of the City to pool monies for investment purposes. The City maintains records to identify the equity of each fund investing in the pool as well as amounts borrowed from the pool. Investment earnings of the pool are recorded as earned and are allocated to the participating funds based on the respective fund's equity in the pool at the end of each month.

All investments are stated at fair value based on quoted market prices at the end of the fiscal year. Income from other investments owned by the individual funds is recorded in the respective funds as earned.

**3. Accounts Receivable**

Accounts receivables are recorded in the Governmental, Business-type, and Fiduciary funds. Where appropriate, an associated allowance for doubtful accounts has been established in the related fund. Utility receivables are shown net of the allowance for uncollectible accounts. For the most part, receivables and the related revenues are recognized when determined and billed – either for services rendered, grant entitlements, or reimbursements due, or otherwise measurable and available. Utility service receivables are recorded at year end for services rendered but unbilled.

**4. Due From/Due to Other Funds**

Amounts receivable from, or payable to, other funds are reflected in the accounts of the fund until liquidated, usually within one year. Any residual balances outstanding between government activities and business-type activities are reported in the government-wide statements as "internal balances".

**5. Prepaid Items and Inventory**

Certain payments to vendors for services that will benefit periods beyond September 30, 2025 are recorded as prepaid items using the purchases method and are recorded as prepaid items in both the government-wide and fund financial statements.

All City inventories, excluding golf, are maintained on a consumption basis of accounting where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Golf inventory is expensed as purchased and after year-end inventory is adjusted on balance sheet. Inventories held by the General Fund consist of maintenance supplies and fuel which are expensed as consumed. Inventories included in the Enterprise Funds consist of chemicals, fuels, food concessions, golf retail merchandise, and equipment and supplies held for maintenance use or for capital improvements and are stated at the lower of average cost or market. Obsolete and unusable items have been reduced to estimated salvage values.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)**

Allowances for obsolete or unusable items have been set at 7.5% of inventory values and are as follows:

	<u>Inventory</u>	<u>Allowance for Obsolete</u>	<u>Adjusted Inventory</u>
Governmental			
Fleet-bulk fuel	\$ 178,209	\$ (13,366)	\$ 164,843
<b>Total Governmental</b>	<b>\$ 178,209</b>	<b>\$ (13,366)</b>	<b>\$ 164,843</b>
Business-type			
Electric	18,012,382	(1,350,929)	16,661,453
Water & Sewer	3,114,794	(233,567)	2,881,227
Golf	102,749	(11,135)	91,614
Fiber	1,416,702	(106,253)	1,310,449
<b>Total Business-type</b>	<b>\$ 22,646,627</b>	<b>\$ (1,701,884)</b>	<b>\$ 20,944,743</b>

**6. Restricted Assets**

Certain proceeds of the City's revenue bonds (enterprise funds), as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or other legal agreements. The revenue bond debt service funds are used to segregate resources accumulated for debt service payments over the next twelve months. The renewal and replacement funds are used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use thereof to a future project of replacement equipment acquisition.

**7. 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 columns in the government-wide financial statements. Property, plant, and equipment with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs equal or exceed \$25,000 and possess estimated useful lives of more than one year.

Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1 D (20) below) or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and capital assets received in a service concession arrangement, are reported at acquisition value rather than fair value. For intangible right-to-use assets, the City records the lease or SBITA if the asset is greater than \$50,000. Other costs incurred for repairs and maintenance are expensed as incurred. Amortization of intangible assets including software costs is included with depreciation expense in the financial statements.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)**

Property, plant, equipment, and right to use assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

	<u># Of Years</u>
Buildings	15-40
Improvements Other than Buildings	20-30
Machinery and Equipment	5-15
Infrastructure	15-40
Right to Use Infrastructure	15-40
Right to Use Equipment	3-5
Right to Use Subscription Software	2-7

The City is recording all easements and rights of way that are determined to have limited useful lives at estimated fair market value on the date received.

**8. Self-Insurance Claims**

Liabilities for reported claims and incurred, but not reported claims are estimated based on an actuarial review of claims pending and historical experience.

**9. Compensated Absences**

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick 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 (Current note just says employee terminations, which this could change to that). The liability for compensated absences includes salary-related benefits, where applicable.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)**

***10. Interfund Activity***

During normal operations, the City has numerous transactions between funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due from and to other funds”. Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds”. Loans are reported as receivables and payable as appropriate and are subject to elimination upon consolidation. Interfund payables and receivables are non-interest bearing. Interfund advances are liquidated in accordance with the City Council’s resolution and may bear interest. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

***11. Long-Term Obligations***

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. Issuance of long-term debt and financing through leases are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

***12. Deferred Outflows 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Items that qualify for reporting in this category include deferred outflows on pension liabilities, OPEB liabilities and the deferred charge on refunding reported in the government-wide statement of net position and the statement of net position-proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

***13. Deferred Inflows of Resources***

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Items in this category include unavailable revenue, deferred pension, OPEB related, deferred debt refunding, rate stabilization and leases. The City has several types of items which arise under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from several sources: liens, forfeitures, and rental income. These amounts are deferred and recognized as an inflow of sources in the period that the amounts become available.

***14. Accrued Revenue***

Revenues of enterprise funds are accrued based on estimated unbilled services provided to customers at the end of the fiscal year.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)**

***15. Rate Stabilization/Regulatory Operations***

A Rate Stabilization account was created by the City which allows current income to be deferred to a future time to stabilize electric rates. Accounting standards allow for the deferral of revenues and expenses to future periods in which the revenues are earned or the expenses are recovered through the rate-making process, which is a resolution approved by City Council. Unearned revenues are recorded as a Deferred Inflow titled Regulatory Liability-Rate Stabilization and as a Restricted Asset-Rate Stabilization. The funds are used to “stabilize” the customers’ utility bills and will be recognized as revenue when used. The targeted maximum funding level is 25% of projected annual fuel costs, while the minimum funding level is 15%. At the end of the fiscal year, the rate stabilization fund balance was \$27,132,306 which, at an amount above 25% funding level, is in compliance with the minimum funding level.

***16. Power Cost Adjustment (PCA)***

The Power Cost Adjustment (PCA) represents the City’s utility rate mechanism to ensure: 1) that all power costs are recovered through utility billings revenue or through Council approved usage of Rate Stabilization funds or 2) that any excess utility billings revenues for power costs not incurred are returned to customers or used for other lawful purposes in accordance with the City’s rate tariff on file with the Public Service Commission. The balance in this account could be an asset (for “under”-collection of power costs) or a liability (for “over”-collection of power costs). During the fiscal year ended September 30, 2025, there was an overcollection of \$3,701,630. This amount was recognized as revenue in the Electric Utility fund to offset unanticipated bulk power cost increases.

***17. On-Behalf Payments for Fringe Benefits***

The City receives on-behalf payments from the State of Florida to be used for Police and Fire Pension Plan enhancements. On-behalf payments to the City totaled \$1,977,318 for fiscal year 2025. Such payments are recorded as other tax revenue and public safety expenditures in the GAAP basis government-wide and General Fund financial statements. Funds received are recorded as revenue in the General Fund and immediately transferred to the Police and Fire Pension Plan as an expense to the General Fund.

***18. Cost Allocations***

Certain expenses are incurred by the City’s Electric System Revenue Fund on behalf of the Water and Sewer and Sanitation funds. The Electric System Revenue Fund charges for these services based on the receiving fund’s original budgeted appropriations. The reimbursement for these services is recorded as an operating expense of the Water and Sewer and Sanitation funds and as a contra expense of the Electric Revenue Fund.

The City’s General Fund also incurs certain expenditures on behalf of the other funds for Fleet, Facilities, Information Technology, Customer Service, Communications, Risk Management, Health Insurance, and Workers Compensation. The General Fund is reimbursed for these expenditures based on actual cost allocations. The amounts reimbursed are recorded as reductions in expenditures of the General Fund. The related reimbursements are recorded as either an operating expense of the proprietary funds or as an expenditure of the governmental funds.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)**

**19. Fund Balance**

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Non-spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

Restricted

This fund balance has spending constraints that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted

*Committed* – This fund balance represents amounts that have internally imposed restrictions mandated by formal action of the government’s highest level of decision-making authority. The specific purposes are determined by a formal action (resolution) of the City Council, the City’s highest level of decision making. These amounts cannot be used for other purposes unless the same type of formal action is taken by the highest level of decision-making authority to reverse or modify the previously imposed restriction.

*Assigned* – This fund balance reports amounts that are constrained by the government’s intent that they will be used for specific purposes. This includes spendable fund balance amounts established by management of the City that are intended to be used for specific purposes that are neither considered restricted or committed. City Council adopted a Resolution that authorizes management of the City to assign fund balances.

*Unassigned* – This fund balance is the residual fund balance for the General Fund. It reflects the resources that are available for further appropriation and expenditure for general governmental purposes. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that can report a positive unassigned fund balance. If there is a negative fund balance in the Special Revenue, Capital Project, or Debt Service due to expenditures incurred exceeding the amounts restricted, committed, or assigned for specific purposes in these funds, then it is possible that those funds would report a negative unassigned fund balance.

Spending Order of Fund Balances

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

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)**

	GENERAL FUND	OTHER GOVTL FUNDS	TOTALS
<b><u>Nonspendable:</u></b>			
Inventory	\$ 164,843	\$ -	\$ 164,843
Prepays	1,920,209	3,388	1,923,597
Advances to other funds	1,300,000	-	1,300,000
<b>Total Nonspendable</b>	<b>3,385,052</b>	<b>3,388</b>	<b>3,388,440</b>
<b><u>Restricted</u></b>			
Transportation			
Parking Fees	138,396	-	138,396
Gas Tax Revenues from State	-	7,950,870	7,950,870
	138,396	7,950,870	8,089,266
Debt Service			
Capital Improvement Bonds 2007A	-	1,768,200	1,768,200
2022 Bank Loan - Litigation Settlement	-	4,167,484	4,167,484
	-	5,935,684	5,935,684
Capital Projects			
Capital Road Projects	-	38,522,507	38,522,507
	-	38,522,507	38,522,507
Public Safety			
Fire Impact Fees	1,430,429	-	1,430,429
Police Automation	270,940	-	270,940
Police Education & Training	206,675	-	206,675
Local Confiscations	57,594	-	57,594
Federal Confiscations	217,709	-	217,709
Other Public Safety Programs	387,301	-	387,301
	2,570,648	-	2,570,648
Development District Improvements			
Downtown Development Board	-	574,850	574,850
Community Redevelopment Trust	-	9,556,598	9,556,598
	-	10,131,448	10,131,448
Grants			
State Housing Imprvmt Project (SHIP)	-	483,914	483,914
Tree Mitigation	674,222	-	674,222
	674,222	483,914	1,158,136
<b>Total Restricted</b>	<b>\$ 3,383,266</b>	<b>\$ 63,024,423</b>	<b>\$ 66,407,689</b>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)**

	GENERAL FUND	OTHER GOVTL FUNDS	TOTALS
<b><u>Unrestricted</u></b>			
<b>Committed</b>			
Stormwater Utility	\$ -	\$ 17,152,913	\$ 17,152,913
Payroll	22,047	-	22,047
Economic Improvement Program	582,506	1,623,107	2,205,613
Total Committed	604,553	18,776,020	19,380,573
<b>Assigned</b>			
Subsequent year budget	37,125,185	-	37,125,185
Public safety - special investigations	70,526	-	70,526
Fire/Streets/Sidewalks	17,470,263	-	17,470,263
Total Assigned	54,665,974	-	54,665,974
<b>Unassigned</b>	39,740,556	(77,191)	39,663,365
<b>Total Unrestricted</b>	<b>95,011,083</b>	<b>18,698,829</b>	<b>113,709,912</b>
<b>Total Fund Balances</b>	<b>\$ 101,779,401</b>	<b>\$ 81,726,640</b>	<b>\$ 183,506,041</b>

**20. Leases and Subscription-based Information Technology Arrangements (SBITAs)**

Leases

Lessee: The City is a lessee for a non-cancellable lease of equipment and infrastructure. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct cost. Subsequently the lease asset is amortized on a straight-line basis over its useful life.

Lessor: The City is a lessor for a non-cancellable lease of land and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

SBITAs

The City uses subscription-based software throughout its operations. The City recognizes a SBITA liability and a corresponding intangible right-to-use asset in the financial statements.

At the commencement of a SBITA, the City measures the liability at the present value of payments expected to be made during the subscription term. Subsequently, the liability is reduced by the principal portion of the subscription payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability,

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)**

adjusted for subscription payments made at or before the commencement date, plus certain initial implementation costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

**E. Revenues, Expenditures, and Expenses**

Substantially all governmental funds revenues (including sales taxes, franchise fees, and licenses) are accrued. Property taxes are generally billed and collected within the same period in which the taxes are levied. In addition, revenue from the Federal and State reimbursement type grants for which eligibility requirements have been met have been accrued and recognized as revenues of the period. All other revenue items are measurable and available only when cash is received by the City. Operating revenues for proprietary operations generally result from providing services in connection with a proprietary fund's principal on-going operation (e.g., electric, water, sewer, sanitation).

The principal operating revenue of the proprietary funds is receipts from customers. Operating expenses are costs to provide the service, including salaries, contractual services, depreciation, and administrative expense. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Expenditures are recognized when the related fund liability is incurred except for the following:

- General obligation long-term debt principal and interest and compensated absences are reported, if any, only when due.
- Litigation
- Inventory costs, excluding the Golf Fund, are reported in the period when inventory items are consumed, rather than in the period purchased.

**1. Property Taxes**

The City is permitted under its charter to levy taxes up to \$10 per \$1,000 of assessed valuation for general government services other than the payment of principal and interest on general long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. Additional taxes assessed for the payment of general long-term debt issues of the City must be approved by the public. The tax rate assessed by the City for the year ended September 30, 2025 was \$6.6177 per \$1,000 of assessed property value. Current tax collections (inclusive of legally available early payment discounts) for the City were approximately 96.3% of the total tax levy. The property tax calendar provides for the tax revenue to be billed and collected within the applicable fiscal year.

Under Florida law, the assessment of all properties and the collection of all County, municipal, special district, and school board property taxes are provided by the County's Property Appraiser and Tax Collector, who are elected County officials. State Statutes provide for tax discounts for installment payments or full payments before certain dates. Installment prepayment dates and discounts of each installment (one-fourth of estimated taxes) are: June 30 – 6%, September 30 – 4.5%, December 31 – 3%, and March 31 – 0%, Full payment dates and discounts are: November 30 – 4%, December 31 – 3%, January 31 – 2%, February 28 – 1% and March 31 – 0%.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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

**E. Revenues, Expenditures, and Expenses (continued)**

The property tax calendar for revenues billed and received for fiscal year ended September 30, 2025 is shown as follows:

Lien Date	January 1, 2024
Certification of Taxable Value	July 1, 2024
Final public hearing to adopt proposed millage rate	September 11, 2024
Certification of final Taxable Value	October 16, 2024
Beginning of fiscal year for tax assessment	October 1, 2024
Tax bills rendered	November 1, 2024
Property Tax Payable:	
Maximum Discount by	November 30, 2024
Due Date	March 31, 2025
Delinquent on	April 1, 2025
Tax Certificates issued for delinquent taxes by	May 31, 2025

**2. Operating Subsidies, Grants, and Impact Fees**

Program and capital grants received by governmental funds are recorded in the applicable governmental fund as receivables and revenues at the time reimbursable costs are incurred and all significant grant restrictions are satisfied. Grant revenues received in advance of meeting all major grant restrictions are deferred.

Capital grants received by proprietary funds are also recorded as revenues and receivables when reimbursable project costs are incurred or as deferred credits if the grant money is received in advance of project expenditures. Subsidies and grants to proprietary funds, which finance either capital or current operations, are recorded as non-operating revenue when earned.

Water and Sewer impact fees are restricted. These fees represent a capacity charge for the proportionate share of the cost of expanding, over-sizing, separating, or constructing new additions to the Water or Sewer systems. The City is obligated to expend these funds only to provide expanded capacity to the systems.

Deposits received which reserve capacity in the City's future water or sewer systems are recorded as a liability upon receipt.

**3. Excess of Expenditures Over Appropriations in Individual Funds**

The City has no excess of expenditures over appropriations in the General Fund or major special revenue funds. The non-major governmental funds may reflect immaterial excesses of expenditures over appropriations (less than \$15,000). There were none at the end of this fiscal year.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Data**

An annual budget is prepared for all governmental and proprietary funds. The City Council annually adopts the budget through a Budget Resolution. Budgetary control is legally maintained at the fund level. The budget amounts presented in the accompanying financial statements for the governmental funds are as originally adopted, or as legally amended, by the City Council during the year ended September 30, 2025.

The City's Budget Resolution provides transfer authority to the City Manager to transfer budgeted amounts between departments within any fund; however, any budget amendments that alter the total expenditures of any fund must be approved by the City Council. During 2025, the City Council approved various supplemental budget appropriations to provide for unanticipated requirements of the period. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of each fiscal year. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgetary comparisons reflect only those activities for which legally adopted budgets are prepared. For the year ended September 30, 2025, no expenditures materially exceeded the budget at the fund level.

**B. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve a portion of the applicable budget appropriation, is utilized by the governmental funds of the City. Appropriations lapse at year end and outstanding encumbrances are re-appropriated as part of the subsequent year's budget. See Liabilities Note 10, Commitments and Contingent Liabilities, for a breakdown of significant encumbrances in total by each major fund and nonmajor fund.

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

**A. Pooling of Cash and Investments**

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust funds and certain other funds required to have separate bank accounts. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in pooled cash and investment fund". The investment policy specifies limits by instrument and issue (within instrument) and establishes a diversified investment strategy, minimum credit quality, and authorized institutions available. In addition, investments are held separately by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other City funds.

As of September 30, 2025, the carrying amount of the City's deposits was \$58,363,663, not including \$138,537 in cash drawers, petty cash, and \$6,632,422 held in the Common Fund bank account for fire service fee refunds. These deposits, consisting of interest and non-interest demand accounts, were entirely insured by federal deposit insurance or by collateral held by the City's agent pursuant to the Public Depository Security Act of the State of Florida. This Act requires that the City maintain deposits only in "qualified public depositories". All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss

**CITY OF OCALA, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

**A. Pooling of Cash and Investments (continued)**

caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer would implement procedures for payment of losses according to the validated claims of the City.

The City maintains a liquid pooled cash fund to meet its obligation needs. Funds not prohibited by bond covenants have pooled their cash balances to maximize investment earnings. The City's banking arrangement provides that the City's balances will be used to offset any monthly direct service charge with excess balances earning interest.

Cash equivalents consist of:

- 1) Amounts placed with the State Board of Administration (SBA) for participation in the Local Government Surplus Funds Trust Fund investment pool created by Section 218.405, Florida Statutes. The City's investment in the amount of \$27,124,740 is reported at net asset value. The Florida PRIME investment pool had weighted average days to maturity of 47 days as of September 30, 2025. Investments in the Florida PRIME are reported at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from Florida PRIME; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the fund's executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.
- 2) Amounts placed with the Florida Fixed Income Trust (FL-FIT) and Florida Surplus Asset Fund Trust (FL SAFE) are in commingled pools designed to provide a high level of current income consistent with low volatility of net asset value and provide positive holding period returns for time horizons of 1-3 years or greater. The investment policies for both adhere to current Florida Investment Statutes under Chapter 218.415. Investments in the FL-FIT totaled \$26,732,464 and FL SAFE totaled \$41,154,710 as of September 30, 2025. The FL SAFE investments are valued at stable net asset value (NAV) and currently meet all of the necessary criteria to elect to measure all of the investments in the fund at amortized cost in accordance with GASB Statement No. 79, and therefore, are not subject to the fair value hierarchy table under GASB Statement No. 72. Under the Trust Indenture, Trustees can temporarily suspend redemption rights or delay payment for redeemed shares during specific conditions, like wartime, national emergencies, or trading disruptions. This doesn't affect the participants' ownership or accrued interest. Suspension starts upon declaration by the Trustees and ends when they decide. Participants can withdraw redemption requests or get paid based on post-suspension net asset value.

**B. Restricted Assets**

The balances in the restricted assets for the enterprise funds as of September 30, 2025 were \$102,049,073. Details of these balances can be found on the City's Statement of Net Position on pages 28-29.

**C. Investments**

The City's investment guidelines, except for pension fund and deferred compensation are defined by City Ordinance and a written investment policy that is approved by the City Council. The investment policy specifies limits by instrument and issuer (within instrument) and establishes a diversified investment strategy, minimum credit quality, and authorized institutions available as counterparties. Implementation and direction of investment strategies, within policy limits, are established by an internal Investment Committee and managed by external money managers.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**C. Investments (Continued)**

The fair values of the City's fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of those instruments. Fair values of interest rate-sensitive instruments may also be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument, duration of the instrument and other general market conditions.

Derivatives

The City has no derivative investments in its portfolio at September 30, 2025. As noted below, the City has established investment policy guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are authorized, but limited in use only if the Chief Financial Officer has sufficient understanding or expertise.

General Investment Guidelines

On December 8, 1992, as amended September 5, 1995, and further amended on September 17, 2013, the City of Ocala adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits, issue limits, credit ratings requirements, and maturity limits to protect the City's cash and investment assets. The City maintains a common cash and investment pool for the use of all funds.

The City's investment policy allows for the following investments: Local Government Investment Pools, United States government securities, United States government agency securities, federal instrumentalities, interest bearing time certificates of deposit or saving accounts, repurchase agreements, commercial paper, bankers' acceptances, state and/or local government taxable and/or tax exempt debt, money market mutual funds, intergovernmental investment pools, corporate obligations or corporate notes, collateralized mortgage obligations (CMOs), mortgage-backed securities (MBS), asset-backed securities (ABS), Yankee securities, Eurodollar securities money market mutual funds, bond funds and any investment security authorized by Florida Statutes 218.415.

The City's investment policy also requires that investments be rated as follows: Corporate notes, State and local government debt, General obligation or revenue bonds rated BBB by Standard & Poor's (S&P) or Moody's Rating Services; Commercial paper rated at least Prime-2 by Moody's or A-3 by S&P; Mortgage and ABS rated AAA or equivalent by Moody's or S & P; Money market mutual funds comprised of only those investment instruments authorized in the policy. The City's policy does not require a minimum rating for U.S. Government securities, agencies, or federal instrumentalities.

Third Party Portfolio Managers

Under the City's investment policy, third party managers were set up in a well-diversified pool of three tiers.

Pool I (short-term investments) duration of 1 to 3 years,

Pool II (short intermediate investments) durations of 1 to 5 years,

Pool III (intermediate investments) durations of 1 to 10 years.

The City uses an independent advisor that provides performance measurement service, which (a) compares individual manager performances to their respective index monthly, (b) compares manager performance to their respective industry peer group quarterly, and (c) reviews portfolio compliance. Each manager has a goal of exceeding their respective benchmark, net of fees, over a market cycle. Each manager has an individual policy limitation that, when combined, does not exceed 10% for each sector. The effective duration of the portfolio shall not exceed 120%, nor be less than 50% of the target benchmark.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**C. Investments (Continued)**

The benchmarks for each portfolio were chosen to better reflect the investments held in the account. Pool I is measured against Bank of America Merrill Lynch 1-3 Year Unsubordinated U.S. Treasury/Agencies index, Pool II is benchmarked against Bank of America Merrill Lynch 1-5 Year Government/Corporate index, and Pool III is compared to the Bank of America Merrill Lynch 1-10 Year Domestic Master index.

<u>Security Type</u>	<u>Average Rating</u>	<u>Fair Value</u>	<u>Effective Duration (In Years)</u>
Carrying Value of Cash	n/a	\$ 65,134,622	n/a
Treasury Investment Portfolio	AA+	181,666,491	2.64
SBA Florida PRIME	AAAm	27,124,740	47 days
Florida Fixed Income Trust	AAAf/S1	26,732,464	62 days
Florida SAFE	AAAm	41,154,710	41 days
Truist Sweep	n/a	51,000,000	n/a
<b>Total</b>		<b>\$ 392,813,027</b>	<b>1.21</b>

The City utilizes “effective duration” as a measurement of interest rate risk and as of September 30, 2025, the Treasury investment portfolio had an overall effective duration of 1.21 years. The Treasury investment portfolio had the following investment types and effect duration presented in terms of years as of September 30, 2025.

<u>Security Type</u>	<u>Average Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity Years</u>
U.S. Treasury Bond / Note	AA+	\$ 81,830,276	2.47
Federal Agency Bond / Note	AA	11,929,838	1.53
Mortgage Backed Pass-through Security	AA+	21,100,455	6.55
Corporate Notes	A+	50,198,796	2.13
ABS / CMBS	AAA	14,291,395	0.75
GSE Collateralized Mortgage Obligations	AA	113,471	8.36
Municipal Bond / Note	AA+	586,445	4.90
Money Market Mutual Fund	A-1	1,615,815	-
<b>Total Treasury Portfolio-Pools I, II, and III</b>		<b>\$ 181,666,491</b>	<b>2.64</b>

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment’s fair value.

The City’s investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of bond reserves, construction funds, and other non-operating funds, “core funds”, shall have a term appropriate to the need for the funds and in accordance with debt covenants, but in no event, shall exceed seven years. No more than 50% of the City’s total investment portfolio shall be placed in securities maturing more than three years.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**C. Investments (Continued)**

**POOL I - Short-Term Investments:**

<u>Security Type</u>	<u>Average Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity Years</u>
U.S. Treasury Bond / Note	AA+	\$ 22,915,004	2.85
Federal Agency Bond / Note	AA+	491,237	9.33
Mortgage Backed Pass-through Security	AA+	2,377,372	2.70
Corporate Notes	A	16,349,140	2.81
Asset Backed Securities	AAA	11,371,216	4.26
GSE Collateralized Mortgage Obligations	AA+	113,471	8.36
Money Market Mutual Fund	A+	255,721	-
<b>Sub-total Pool I</b>		<b>\$ 53,873,161</b>	<b>3.19</b>

**POOL II - Short Intermediate Investments:**

<u>Security Type</u>	<u>Average Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity Years</u>
U.S. Treasury Bond / Note	AA	\$ 38,939,794	1.68
Federal Agency Bond / Note	AA	8,205,693	0.08
Corporate Notes	A	26,351,755	0.87
Money Market Mutual Fund	AAA	283,145	-
<b>Sub-total Pool II</b>		<b>\$ 73,780,387</b>	<b>1.20</b>

**POOL III - Intermediate Investments:**

<u>Security Type</u>	<u>Average Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity Years</u>
U.S Treasury Bond / Note	AA+	\$ 19,975,478	3.57
U.S. TIPS	AA+	3,232,908	4.04
Mortgage Backed Securities	AA+	18,723,083	7.04
Corporate Notes	A-	7,497,901	5.04
ABS	AAA	2,920,179	3.65
CMBS	AA+	586,445	4.90
Money Market Mutual Fund	A-1	1,076,949	-
<b>Sub-total Pool III</b>		<b>\$ 54,012,943</b>	<b>4.96</b>
<b>Total of Pools I, II, and III</b>		<b>\$ 181,666,491</b>	<b>2.64</b>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**C. Investments (Continued)**

Credit Risk

Credit risk is the risk that an issuer of a debt security will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating to each debt security by a nationally recognized credit rating agency. The City's investment policy limits investments to those described above.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City's investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, except for certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts, and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

As of September 30, 2025, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

Concentration of Credit Risk

It is the policy of the City of Ocala to diversify its investment portfolio. Assets held are diversified to control the risk of loss resulting from overconcentration of assets in a specific maturity, a specific issuer, a specific instrument, a class of instruments, or a dealer through whom these instruments are bought and sold.

The City's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the City's investment portfolio and must be observed by investment managers.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**C. Investments (Continued)**

	<u>Sector Allocations</u>		Individual Issue/ <u>Fund Limit</u>
	<u>Minimum</u>	<u>Maximum</u>	
U.S. Treasury & Federal Agencies	35%	None	None
Corporate Debt Obligations	None	50%	5%
Mortgage/Asset Backed Securities	None	30%	5%
Municipal Securities	None	20%	5%
Certificates of Deposit	None	20%	5%
Repurchase Agreements	None	25%	15%
Local Government Investment Pools	None	25%	25%
Participation in collateral or otherwise collateralized debt instruments (Issuer Level)	None	20%	5%
Participation in collateral or otherwise collateralized debt instruments (Security Level)	None	None	5%
Money Market Mutual/Trust	None	30%	15%
Yankee and Euro Dollars Securities	None	15%	3%

As of September 30, 2025, the City's investment portfolio was in compliance with all diversification requirements of the City's investment policy.

Foreign Currency Risk – The City is not exposed to this type of risk.

Fair Value Measurement – The City measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. GASB defines fair value as 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 framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- Level 1: Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the City can access;
- Level 2: Investments whose inputs – other than quoted market prices – are observable either directly or indirectly; and,
- Level 3: Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The City does not have any investments that are measured using Level 3 inputs.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**C. Investments (Continued)**

The following table summarizes the City's investments, excluding the pension funds, with the fair value hierarchy as of September 30, 2025:

	Fair Value	Level 1	Level 2
U.S Treasury Bond / Note	\$ 81,830,276	\$ 81,830,276	\$ -
Federal Agency Bond / Note	11,929,838	-	11,929,838
Mortgage Backed Pass-through Security	21,100,455	-	21,100,455
Corporate Notes	50,198,796	-	50,198,796
ABS / CMBS	14,291,395	-	14,291,395
GSE Collateralized Mortgage Obligations	113,471	-	113,471
Municipal Bond / Note	586,445	-	586,445
Total investments at fair value	<u>\$ 180,050,676</u>	<u>\$ 81,830,276</u>	<u>\$ 98,220,400</u>
Investments measured at net asset value (NAV)			
Money Market Mutual Fund	1,615,815		
Total	<u>\$ 181,666,491</u>		

Debt securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

**D. Pension Trust Funds – Cash and Investments**

The City maintains single-employer, Defined Benefit (DB) pension plans which cover its full-time certified law enforcement officers (the Police Officers' Retirement System); its full-time certified firefighters (the Firefighters' Retirement Plan); and some of the City's full-time employees (the General Employees' Retirement System).

The provisions of each of the Plans are established by City Ordinance. Effective October 1, 2013, the City's pension plan for General Employees was restructured. The City moved to a 401a Defined Contribution plan for non-vested and new employees, and 226 out of the 561 employees chose this option as their retirement plan.

The Florida Constitution requires local governments to make the actuarially determined contributions to their DB plans. The Florida Division of Retirement reviews and approves each local government's actuarial report to ensure its appropriateness for funding purposes. 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 State has ascertained that the local government has met their actuarial funding requirements for the most recently complete fiscal year.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**D. Pension Trust Funds – Cash and Investments (Continued)**

Pension plan contributions include provision for normal cost plus an amount sufficient to amortize the past service liability over a twenty-five-year period. These plans do not participate in the City’s equity in pooled cash and investment fund. The deposits and investments of each plan are held separately from those of other City funds.

Cash and Deposits

At September 30, 2025, the cash carrying amounts of the City’s pension plans’ deposits were as follows:

General Employees' Retirement System	\$	1,234,118
Police Officers' Retirement System		439,891
Firefighters' Retirement Plan		398,147
Total Pension Trust Funds	\$	2,072,156

These deposits, consisting of non-interest-bearing demand accounts, were entirely insured by federal depository insurance or by collateral held by the City’s agent pursuant to the Public Depository Security Act of the State of Florida. This Act requires that the City maintain deposits only in “qualified public depositories”. All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default occur, the State Treasurer would implement procedures for payment of losses according to the validated claims of the City.

Investment Guidelines

Each of the three City pension plans are governed by an independent board of directors who have adopted a comprehensive investment policy pursuant to Section 112.661, Florida Statutes that establish permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect their pension plan’s cash and investment assets. Each of the plans employs multiple investment managers to manage the various security types used by the plan. These managers along with the plan’s investment advisor attempt to attain the plan’s stated investment objective, which is to match a benchmark developed from appropriate published security indexes in the same proportions as those asset types occur in the portfolio, as well as to achieve, over the long run, the assumed interest rate used for the plan’s actuarial calculations.

Section 215.47, Florida Statutes, limits the types of investments a government pension plan can invest in unless specifically authorized in an investment policy. The investment policies for the three pension plans generally allow for cash and fixed-income instruments similar to those permitted for the City’s investment pool, i.e., Local Government Investment Pools, United States government securities, United States government agency securities federal instrumentalities, non-negotiable interest bearing time certificates of deposit or saving accounts, repurchase agreements, commercial paper, bankers’ acceptances, state and/or local government taxable and/or tax-exempt debt, money market mutual funds, intergovernmental investment pools, corporate obligations or corporate notes, mortgage-backed securities (MBS), asset-backed securities (ABS), and bond funds. The General Employees’ plan, Police Officers’ plan and the Firefighters’ plan are permitted to invest corporate bonds and asset, or mortgage-back securities rated at investment grade, BBB or better.

In addition, the investment policies of all three pension plans permit, within plan guidelines, investment in domestic and international equities. All three plans, either by policy requirement or prudent practice, diversify their domestic equity holdings between large and small capitalizations and between growth and value equity securities. The plans are also permitted to invest in pooled real estate vehicles, limited partnerships or other types of real estate investments as determined by the board in consultation with their investment adviser.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**D. Pension Trust Funds – Cash and Investments (Continued)**

As of September 30, 2025, the investments of the City’s pension plans are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Portfolio</u>	<u>Credit Rating</u>	<u>Duration (in Years)</u>
<u>General Employees Retirement System:</u>				
Bonds & Notes	\$ 41,681,798	21.6%	A	5.48
Common Stock	30,182,819	15.6%	n/a	n/a
Mutual Funds : Real Estate	22,814,832	11.8%	n/a	n/a
Mutual Funds: Equities	43,815,734	22.7%	n/a	n/a
Hedge Funds (Mutual Fund)	13,625,440	7.1%	n/a	n/a
Emerging Markets	14,839,449	7.7%	n/a	n/a
Master Limited Ptr	26,186,253	13.6%	n/a	n/a
Fund Total	<b>\$ 193,146,325</b>	100.0%		
<u>Police Officer Retirement System:</u>				
Bonds & Notes	\$ 39,457,459	36.7%	Aa2	4.38
Common Stock	16,742,923	15.6%	n/a	n/a
Mutual Funds: Real Estate	3,795,383	3.5%	n/a	n/a
Mutual Funds: Equities	47,386,211	44.1%	n/a	n/a
Fund Total	<b>\$ 107,381,976</b>	100.0%		
<u>Firefighter Retirement Plan:</u>				
Bonds & Notes	\$ 30,053,259	26.8%	AA-	3.98
Mutual Funds : Real Estate	8,233,553	7.3%	n/a	n/a
Mutual Funds: Equities	73,787,202	65.8%	n/a	n/a
Fund Total	<b>\$ 112,074,014</b>	100.0%		
<b>Total Pension Plan investments</b>	<b>\$ 412,602,315</b>			

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment’s fair value. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair market value to changes in market interest rates. The pension plan investment policies provide specific limits for investment maturities. One method of measuring interest rate risk is “effective duration”. As of September 30, 2025, the securities in the City’s pension plans had the effective durations presented above and complied with their respective investment policies.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**D. Pension Trust Funds – Cash and Investments (Continued)**

Credit Risk

Credit risk is the risk that an issuer of a debt security will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating to each debt security by a nationally recognized credit rating agency. Each of the plans provides guidelines for the credit ratings of specific types of investments. All the investment policies permit investment only in fully marketable securities rated at institutional investment grade quality or higher by Standard & Poor's or Moody's, with higher quality rating required for specific asset classes. As of September 30, 2025, the three pension plans had the credit exposures listed above as a percentage of total investments. All investments were in compliance with their respective investment policies.

Custodial Credit Risk

Investment securities are exposed to custodial credit risk if they are uninsured and are not registered in the name of the government and are held by either the counterpart or the counterparty's trust department or agent, but not in the government's name. The pension plans' investment policies, pursuant to Section 112.661(10), Florida Statutes, require that the plan's securities shall be held with a third-party custodian; and that all securities purchased by, and all collateral obtained by the plan should be properly designated as an asset of the plan. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. As of September 30, 2025, all identifiable investment securities of the pension plan portfolios are registered in the respective plan's name and are held by a third-party custodian as required.

Concentration of Credit Risk

It is the policy of the three City pension plans to diversify their investment portfolios. Assets held are diversified to control the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, a specific instrument, a class of instruments, or a dealer through whom these instruments are bought and sold. The plan's investment policies have established asset allocation and issuer limits, which are designed to reduce concentration of credit risk and must be observed by Investment Managers. In general, all three investment policies require that investment in the securities of a single issuer cannot exceed 5% of the market value of the portfolio. Compliance with the provisions of the investment policies which are designed to maintain appropriate diversification are monitored on an ongoing basis by the Investment Advisors employed by each plan.

Foreign Currency Risk

Foreign currency risk occurs when securities held in a portfolio are denominated in one or more foreign currencies with the attendant potential risk of loss arising from changes in the exchange rate. While all three of the City's pension plans invest a small portion of their portfolios in international equities, these securities are not denominated in foreign currencies, and thus the plans are not exposed to this risk. All three pension plans (General Employees, Firefighters, and Police) may have up to 25% of assets allocated to international equities according to the Florida Statutes 215.47, 175.071 and 185.06 respectively.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**D. Pension Trust Funds – Cash and Investments (Continued)**

Fair Value Measurement – The City measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. GASB defines fair value as 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 framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- Level 1: Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the City can access;
- Level 2: Investments whose inputs – other than quoted market prices – are observable either directly or indirectly; and,
- Level 3: Investments whose inputs are unobservable.

The following tables summarize the Pension Plan's investments within the fair value hierarchy at September 30, 2025:

<b>General Employees:</b>	Fair Value	Level 1	Level 2	Level 3
Bonds & Notes	\$ 41,681,798	\$ 11,242,513	\$ 30,439,285	\$ -
Common Stock	30,182,819	27,169,300	2,923,697	89,822
Mutual Funds : Real Estate	22,814,832	-	-	22,814,832
Mutual Funds: Equities	43,815,734	13,005,518	30,810,216	-
Hedge Funds (Mutual Fund)	13,625,440	-	10,310,802	3,314,638
Emerging Markets	14,839,449	-	-	14,839,449
Master Limited Partnership	26,186,253	-	2,034,129	24,152,124
Total investments at fair value	<u>\$ 193,146,325</u>	<u>\$ 51,417,331</u>	<u>\$ 76,518,129</u>	<u>\$ 65,210,865</u>

<b>Police:</b>	Fair Value	Level 1	Level 2	Level 3
Bonds & Notes	\$ 39,457,459	\$ 9,595,234	\$ 25,564,745	\$ 4,297,480
Common Stock	16,742,923	15,324,877	1,418,046	-
Mutual Funds: Real Estate	3,795,383	-	-	3,795,383
Mutual Funds: Equities	47,386,211	27,393,090	12,864,214	7,128,907
Total investments at fair value	<u>\$ 107,381,976</u>	<u>\$ 52,313,201</u>	<u>\$ 39,847,005</u>	<u>\$ 15,221,770</u>

<b>Fire:</b>	Fair Value	Level 1	Level 2	Level 3
Bonds & Notes	\$ 30,053,259	\$ 12,109,920	\$ 17,943,339	\$ -
Mutual Funds: Real Estate	8,233,553	-	3,728,917	4,504,636
Mutual Funds: Equities	73,787,202	24,819,807	48,967,395	-
Total investments at fair value	<u>\$ 112,074,014</u>	<u>\$ 36,929,727</u>	<u>\$ 70,639,651</u>	<u>\$ 4,504,636</u>

Debt securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. Debt securities categorized as Level 3 are valued based upon unobservable inputs using the Trader Entered Price methodology under ASC Topic 820 reporting.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 4 – RECEIVABLES AND INTERFUND ACTIVITY**

**A. Due from Other Governments**

The following amounts were due from other governments as of September 30, 2025:

	General Government	Business-Type	Totals
Federal Government	\$ 2,034,500	\$ 3,509,860	\$ 5,544,360
State Government	8,689,842	3,814,391	12,504,233
Local Government	55,825	101,720	157,545
<b>Total</b>	<b>\$ 10,780,167</b>	<b>\$ 7,425,971</b>	<b>\$ 18,206,138</b>

**B. Interfund Transactions**

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

Transfers to General Fund from:		
Electric System Revenue Fund	\$ 20,053,287	
Water and Sewer Fund	6,122,248	
Nonmajor Business type Funds	3,574,606	
Nonmajor Governmental Funds	91,361	
<b>Total transfers to General Fund</b>	<b>29,841,502</b>	
Transfers to nonmajor governmental funds from:		
Nonmajor Business type Funds	173,000	
Nonmajor Governmental Funds	-	
General Fund	14,422,777	
<b>Total transfers to nonmajor governmental funds</b>	<b>14,595,777</b>	
Transfers to non-major business type funds from:		
General Fund	2,058,586	
<b>Total transfers to nonmajor business-type funds</b>	<b>2,058,586</b>	
<b>Total transfers at the fund level</b>	<b>\$ 46,495,865</b>	

Interfund transfers are normally recurring and are approved by City Council during the budget process or by separate resolutions. The transfers from the Electric System and Water and Sewer enterprise funds to the General Fund are in support of general government operations. Other transfers are for debt service requirements, for City grant matches, and for capital projects for enterprise funds.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 4 – RECEIVABLES AND INTERFUND ACTIVITY (Continued)**

**B. Interfund Transactions (Continued)**

Interfund receivables and payables are the result of the allocation of unbilled receivables between utility funds and the elimination of negative equity in pooled cash accounts in funds where grant drawdowns have not yet been received as of the end of the fiscal year. These balances are expected to be liquidated within one year. Interfund advances, which are approved by City Council and usually bear interest, are for the funding of various projects which are too small for bond issuance and for the City’s grant matches on some grants.

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

<u>Fund</u>	<u>Interfund Advances Receivables</u>	<u>Interfund Advances Payables</u>
General Fund	\$ 1,300,000	\$ -
Enterprise funds:		
Water and Sewer Fund	1,950,000	-
Electric Fund	1,950,000	-
Nonmajor Governmental Funds	-	5,200,000
Total interfund receivables/payables	<u>\$ 5,200,000</u>	<u>\$ 5,200,000</u>

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 5,008,370	\$ -
Enterprise funds:		
Water and Sewer Fund	150,000	-
Electric Fund	150,000	3,116,714
Non-Major business-type funds	-	1,791,656
Non-Major governmental funds:	-	400,000
Total due to/from	<u>\$ 5,308,370</u>	<u>\$ 5,308,370</u>

The interfund receivables between the General, Water and Sewer, and Electric Funds represent loans made to the West Ocala Redevelopment (CRA) for the construction of the Ocala Community Center. The interfund receivable between the General Fund and Suntran Fund represents a short-term loan to fund temporary cash shortages for projects expended in advance of grant funds received.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 4 – RECEIVABLES AND INTERFUND ACTIVITY (Continued)**

**C. Receivables**

Receivables as of year-end for the City's individual major funds and nonmajor funds including the applicable allowances for uncollectible accounts are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Customers:			
Billed	\$ 901,271	\$ 18,775,348	\$ 19,676,619
Unbilled	1,377,832	14,523,467	15,901,299
Miscellaneous	67,189	3,028,415	3,095,604
Gross Receivables	2,346,292	36,327,230	38,673,522
Less: allowance for uncollectibles	(99,454)	(1,921,506)	(2,020,960)
Net receivables	<b>\$ 2,246,838</b>	<b>\$ 34,405,724</b>	<b>\$ 36,652,562</b>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 5 – CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land and improvements	\$ 29,857,514	\$ 666,992	\$ (202,360)	\$ -	\$ 30,322,146
Intangible (easement, rights of way)	1,945,359	-	(64,658)	-	1,880,701
Construction in progress	6,864,590	11,890,842	-	(10,157,359)	8,598,073
Total capital assets not being depreciated	<u>38,667,463</u>	<u>12,557,834</u>	<u>(267,018)</u>	<u>(10,157,359)</u>	<u>40,800,920</u>
Capital assets being depreciated					
Building and improvements	99,217,295	32,847	(238,761)	9,820,697	108,832,078
Right to use lease assets					
Right to use asset infrastructure	535,259	-	-	-	535,259
Right to use SBITA assets					
Right to use asset software	4,142,331	-	(1,492,595)	-	2,649,736
Collections and other capital assets	647,440	94,704	-	-	742,144
Equipment	72,592,011	7,001,098	(6,397,424)	336,662	73,532,347
Intangible (software)	6,376,363	10,359	(1,072,907)	-	5,313,815
Infrastructure (road & streets)	320,395,260	10,610	-	-	320,405,870
Total capital assets being depreciated	<u>503,905,959</u>	<u>7,149,618</u>	<u>(9,201,687)</u>	<u>10,157,359</u>	<u>512,011,249</u>
Less accumulated depreciation and amortization:					
Building and improvements	(38,150,748)	(3,865,052)	118,386	-	(41,897,414)
Right to use lease assets					
Right to use asset infrastructure	(166,004)	(53,839)	-	-	(219,843)
Right to use SBITA assets					
Right to use asset software	(2,327,410)	(726,734)	1,492,595	-	(1,561,549)
Collections and other capital assets	(13,131)	(7,785)	-	-	(20,916)
Equipment	(49,722,875)	(5,447,990)	6,287,940	-	(48,882,925)
Intangible (Software)	(5,410,098)	(349,076)	1,012,155	-	(4,747,019)
Infrastructure (roads & streets)	(276,057,172)	(5,035,386)	-	-	(281,092,558)
Total Accumulated depreciation	<u>(371,847,438)</u>	<u>(15,485,862)</u>	<u>8,911,076</u>	<u>-</u>	<u>(378,422,224)</u>
Total capital assets being depreciated-net	<u>132,058,521</u>	<u>(8,336,244)</u>	<u>(290,611)</u>	<u>10,157,359</u>	<u>133,589,025</u>
Governmental activities capital assets-net	<u>\$ 170,725,984</u>	<u>\$ 4,221,590</u>	<u>\$ (557,629)</u>	<u>\$ -</u>	<u>\$ 174,389,945</u>
<b>Business Type Activities:</b>					
Capital assets not being depreciated:					
Land and improvements	\$ 20,421,314	\$ 1,450	\$ -	\$ -	\$ 20,422,764
Intangible (easement, rights of way)	2,746,647	-	(250)	-	2,746,397
Collections & other capital assets	1,000	-	-	-	1,000
Construction in progress	27,484,688	15,551,877	-	(17,409,132)	25,627,433
Total capital assets not being depreciated	<u>50,653,649</u>	<u>15,553,327</u>	<u>(250)</u>	<u>(17,409,132)</u>	<u>48,797,594</u>
Capital assets being depreciated:					
Buildings	35,426,940	-	(19,240)	-	35,407,700
Right to use lease assets					
Right to use asset equipment	348,753	-	(241,725)	-	107,028
Right to use SBITA assets					
Right to use asset software	1,003,110	38,384	-	-	1,041,494
Improvements other than buildings	681,316,869	12,745,693	(150,105)	17,409,132	711,321,589
Equipment	43,876,913	5,934,400	(695,085)	-	49,116,228
Intangible (software)	5,661,824	-	(2,550,565)	-	3,111,259
Total capital asset being depreciated-net	<u>767,634,409</u>	<u>18,718,477</u>	<u>(3,656,720)</u>	<u>17,409,132</u>	<u>800,105,298</u>
Less accumulated depreciation and amortization:					
Buildings	(23,119,000)	(817,479)	11,009	-	(23,925,470)
Right to use lease assets					
Right to use asset equipment	(268,460)	(57,650)	241,725	-	(84,385)
Right to use SBITA assets					
Right to use asset software	(669,460)	(334,370)	-	-	(1,003,830)
Improvements other than buildings	(439,906,009)	(22,299,258)	30,174	-	(462,175,093)
Equipment	(19,761,115)	(3,104,636)	693,542	-	(22,172,209)
Intangible (software)	(5,509,944)	(81,433)	2,550,564	-	(3,040,813)
Total accumulated depreciation	<u>(489,233,988)</u>	<u>(26,694,826)</u>	<u>3,527,014</u>	<u>-</u>	<u>(512,401,800)</u>
Total Capital asset being depreciated-net	<u>278,400,421</u>	<u>(7,976,349)</u>	<u>(129,706)</u>	<u>17,409,132</u>	<u>287,703,498</u>
Business-type activities capital assets-net	<u>\$ 329,054,070</u>	<u>\$ 7,576,978</u>	<u>\$ (129,956)</u>	<u>\$ -</u>	<u>\$ 336,501,092</u>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 5 – CAPITAL ASSETS (Continued)**

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

	Depreciation/ Amortization Expense
Governmental activities:	
General government	\$ 1,363,241
Public safety	1,104,985
Physical environment	1,059,575
Transportation	10,853,076
Economic environment	121,094
Culture and recreation	983,891
Total depreciation expense - governmental activities	\$ 15,485,862
Business Type activities:	
Electric	\$ 10,243,470
Water and sewer	11,308,825
Non-major enterprise	5,142,531
Total depreciation expense - business-type activities	\$ 26,694,826

**NOTE 6 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Risk Management attempts to identify, define, and evaluate the areas of potential loss to the City to reduce their occurrences. Acknowledging that some loss is inevitable, routine, or predictable losses are self-insured, while other more unpredictable or catastrophic losses are transferred to insurance companies.

The City has established a self-insurance fund (an internal service fund) to account for the City's self-insured programs. This fund is used to account for the City's workers' compensation, general liability, automobile liability, disability income replacement and medical programs. The City uses a combination of self-insurance and private insurance to protect itself against risks which cannot be eliminated.

The City has general liability insurance with a \$200,000 retention per claimant and \$300,000 retention per occurrence with a \$1,000,000 per occurrence limit. The City has workers' compensation insurance with \$500,000 retention per occurrence with statutory limits per F.S 440. The disability income replacement and auto liability programs are fully self-insured. The City's employee health insurance program was fully self-insured through February 1994, after which it is fully insured except for the prescription program which was fully self-insured through December 1997. Beginning October 1, 2010, the City's employee health insurance program was partially self-insured, with a pooling limit of \$150,000. The City had no significant reductions in insurance coverage during the fiscal year ended September 30, 2025.

All departments of the City participate in the program. Payments are made by various funds to the Self Insurance Fund based on past experience of the amounts needed to pay current year claims. For the year ended September 30, 2025 the City obtained actuarially determined estimates of the total loss reserves for all self-insurance risks. The claims liability of \$9,128,604 reported in the fund at September 30, 2025 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued when insured events occur. In addition, there have been no settlements which exceeded the City's insurance coverage in any of the

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 6 – RISK MANAGEMENT (Continued)**

past three fiscal years. Changes in the Fund’s claim liability amounts during the past three fiscal years are as follows:

	Beginning-of- Fiscal-Year-Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2022-2023	\$ 8,062,559	\$ 2,403,733	\$ 1,665,014	\$ 8,801,278
2023-2024	8,801,278	2,741,072	2,566,692	8,975,658
2024-2025	8,975,658	4,368,985	4,216,039	9,128,604

**NOTE 7 – LEASES AND SOFTWARE SUBSCRIPTIONS (SBITAS) PAYABLE**

**A. Lessor Agreements - Governmental Activities**

In 2021, the City leased an antenna tower to T-Mobile South for the purposes of transmission and reception of radio communication signals. The tenant (T-Mobile South) has the right to extend the lease for five (5) additional and successive five-year terms. The lease initially expires April 10, 2026. Currently, the City receives \$2,947 monthly and the payments are subject to a two percent increase annually beginning January 1<sup>st</sup> of each year. The present value of the lease receivable and deferred inflow of resources as of September 30, 2025 was \$831,861. The agreement is summarized below:

Lessee	Initial Term	Contract Start Date	Contact End Date	Lease Receivable	Lease Revenue	Interest Revenue
T Mobile South	5yrs	04/10/21	04/10/51	\$ 831,861	\$ 11,462	\$ 25,145
<b>Total</b>				<b>\$ 831,861</b>	<b>\$ 11,462</b>	<b>\$ 25,145</b>

Future payments due to the City under this agreement as follows for the years ending September 30:

Year Ended September 30	Principal	Interest
2026	\$ 12,552	\$ 24,787
2027	13,691	24,395
2028	14,880	23,967
2029	16,121	23,503
2030	17,413	23,004
2031-2035	108,488	106,051
2036-2040	150,054	86,813
2041-2045	200,833	60,687
2046-2050	262,574	26,160
2051	35,255	355
<b>Total</b>	<b>\$ 831,861</b>	<b>\$ 399,722</b>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 7 - LEASES AND SOFTWARE SUBSCRIPTIONS (SBITAS) PAYABLE (Continued)**

**B. Lessor Agreements - Water & Sewer Fund**

The City currently has three agreements for the lease of its Water and Sewer assets. The City leases a water tower to AT&T Wireless for the tenant's purposes of transmission and reception of communication signals. The initial term is five years and will automatically renew for five additional years. The City currently receives monthly payments of \$3,252 which will increase at a rate of three percent each year.

The City leases property a/k/a WRF-3 Reuse Site/Horse Farm Spray Field to Quality by Design to conduct active farming operations on 190 acres of land and to use the City's reclaimed water to irrigate as required. The agreement was entered into on November 8, 2006 and is subject to three (3) five-year renewal options ending February 1, 2027. Payments are adjusted annually at a rate of three (3) percent.

The City leased property to Agri Land and Cattle for agricultural operations. The payment is \$62,000 annually and an implicit rate of three (3) percent was used to determine present value of the lease receivable. The agreement is renewable on a year-to-year basis.

As of September 30, 2025, the balance of deferred inflows of resources was \$433,760.

<b>Lessee</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Lease Receivable</b>	<b>Lease Revenue</b>	<b>Interest Revenue</b>
AT&T	10/31/20	10/31/25	\$ 3,443	\$ 40,330	\$ 764
Quality by Design, Inc.	11/08/06	02/01/27	11,325	7,925	470
Agri Land & Cattle Co.	09/07/23	09/07/32	418,992	57,500	4,500
<b>Totals</b>			<b>\$ 433,760</b>	<b>\$ 105,755</b>	<b>\$ 5,734</b>

Future payments due to the City under this agreement as follows for the years ending September 30:

<b>Year Ended September 30</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 69,939	\$ 4,158
2027	61,565	3,361
2028	59,248	2,752
2029	59,844	2,156
2030	60,445	1,555
2031-2032	122,719	1,281
<b>Total</b>	<b>\$ 433,760</b>	<b>\$ 15,263</b>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 7 - LEASES AND SOFTWARE SUBSCRIPTIONS (SBITAS) PAYABLE (Continued)**

**C. Lessee Agreements - Governmental Activities**

The City entered into an agreement with Concord Parking, LLC for space in the Concord Building for Cultural Arts offices. The lease with Concord Parking, LLC provides adequate office space and parking for the Cultural Arts staff within the Downtown/Central Business District. Based on this agreement, the City is paying \$4,479 monthly with annual adjustments of three (3) percent. The lease is for five years with renewal options of an additional five years. The value of the right-to-use asset at September 30, 2025 was \$535,259 and had accumulated amortization of \$219,843. The present value of the lease payable, \$359,744, is accounted for in the Governmental Activities Fund. The implicit rate used to determine present value was three (3) percent. The terms of the lease are summarized below:

<b>Lessor</b>	<b>Initial Term</b>	<b>Start Date</b>	<b>Contract End Date</b>	<b>Lease Payable</b>	<b>Lease Expense</b>	<b>Interest Expense</b>
Concord Parking	4 years	09/01/21	08/31/31	\$ 359,744	\$ 48,464	\$ 11,589
<b>Totals</b>				<b>\$ 359,744</b>	<b>\$ 48,464</b>	<b>\$ 11,589</b>

*Renewal term is five years.*

Future payments due from the City under this agreement as follows for the years ending September 30:

<b>Year Ended September 30</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 51,765	\$ 10,090
2027	55,221	8,490
2028	58,840	6,782
2029	62,623	4,968
2030	66,586	3,032
2031	64,709	979
Total	<u>\$ 359,744</u>	<u>\$ 34,341</u>

**D. Lessee Agreements - Ocala Fiber Network**

Ocala Fiber Network Fund has three (3) lease agreements in place for the utilization of vendor's fiber optic transport circuits to connect its fiber optic telecommunications network. The implicit interest rate for all agreements was three (3) percent.

The City has entered into a three-year lease agreement with one-year extension as lessee with Opticaltel for the utilization of fiber services. An initial liability of \$66,426 was recorded previously. The City is required to make monthly principal and interest payments of \$3,250. This lease terminated during the fiscal year.

In 2013, the City entered into a lease agreement with Level 3 Communications for the purpose of granting the use of certain dark fiber to the City. There are four renewal terms for five years each. The City has exercised its fourth renewal term. The fourth term for an additional five years will expire July 2028. The City is required to make monthly principal and interest payments of \$2,033 per month. The value of the right-to-use asset at the end of the current fiscal year was \$107,028 with accumulated amortization of \$84,385.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 7 - LEASES AND SOFTWARE SUBSCRIPTIONS (SBITAS) PAYABLE (Continued)**

**D. Lessee Agreements - Ocala Fiber Network (continued)**

In June 2021, entered into a lease agreement with Treasure Lake to utilize fiber connectivity. The agreement may be renewed for up to four (4) consecutive, one (1) year periods. A CPI-U adjustment may apply to each renewal period. The final expiration date was June 30, 2025. The City was required to make monthly principal and interest payments of \$2,026 per month. This lease terminated during the fiscal year.

Terms of the lease are summarized below:

<b>Lessor</b>	<b>Start Date</b>	<b>Contract End Date</b>	<b>Lease Payable</b>	<b>Lease Expense</b>	<b>Interest Expense</b>
Opticaltel	07/01/24	06/30/25	\$ -	\$ 28,897	\$ 360
Level 3 Communications	10/01/21	07/22/28	58,676	22,267	2,123
Treasure Lake	06/30/21	06/30/25	-	18,013	225
<b>Totals</b>			<b>\$ 58,676</b>	<b>\$ 69,177</b>	<b>\$ 2,708</b>

Future payments due from the City under this agreement as follows for the years ending September 30:

<b>Year Ended September 30</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 22,943	\$ 1,447
2027	23,642	748
2028	12,091	102
<b>Total</b>	<b>\$ 58,676</b>	<b>\$ 2,297</b>

**E. SBITA Agreements - Governmental Activities**

The City has entered into agreements with several providers for subscription use of its software with ending dates between October 2024 and March 2028. The City is required to make annual payments that amounted to \$1,559,087 in the current fiscal year. The value of the right-to-use asset at the end of the current fiscal year was \$2,649,736 with accumulated amortization of \$1,561,549.

Terms of the subscription are summarized below:

<b>Subscription</b>	<b>Start Date</b>	<b>Contract End Date</b>	<b>SBITA Payable</b>	<b>SBITA Expense</b>	<b>Interest Expense</b>
Avolve	03/15/22	03/15/28	\$ 268,375	\$ 128,354	\$ 8,051
Office 365 - SHI	05/01/24	04/24/27	508,639	493,824	15,259
Kronos	03/07/22	03/14/28	229,691	104,811	6,891
<b>Totals</b>			<b>\$ 1,006,705</b>	<b>\$ 726,989</b>	<b>\$ 30,201</b>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 7 - LEASES AND SOFTWARE SUBSCRIPTIONS (SBITAS) PAYABLE (Continued)**

**E. SBITA Agreements - Governmental Activities (Continued)**

Future payments due from the City under this agreement are as follows:

<u>Year Ended September 30</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 752,244	\$ 30,201
2027	254,461	7,635
<b>Total</b>	<b>\$ 1,006,705</b>	<b>\$ 37,836</b>

**F. SBITA Agreement – Electric Utility**

The City has entered into an agreement with Exceleton for subscription use of its software through August 2025. A three percent annual increase was included in the terms. The City was required to make monthly principal and interest payments of \$29,276 currently. This SBITA terminated during the fiscal year.

Terms of the subscription are summarized below:

<u>Subscription</u>	<u>Initial Term</u>	<u>Start Date</u>	<u>Contract End Date</u>	<u>SBITA Payable</u>	<u>SBITA Expense</u>	<u>Interest Expense</u>
Exceleton	3 years	09/01/22	08/31/25	\$ -	\$ 333,880	\$ 5,054
<b>Totals</b>				<b>\$ -</b>	<b>\$ 333,880</b>	<b>\$ 5,054</b>

**G. Regulated Lease Revenue - Ocala Airport**

The City has entered into agreements with twenty-three (23) tenants for the lease of real property (ground leases) located at Ocala International Airport. The leases include the right of ingress and egress across the Airport to be used in common with others having similar rights of passage. These leases are to tenants in the aviation industry and are regulated by the Federal Aviation Administration (FAA). Such leases require FAA approval, and the FAA requires similar lease rates for similarly situated aviation related leases and prohibits unfair discrimination against certain aviation types. These regulated leases are exempt from the accounting requirements in GASB Statement No. 87, *Leases*, and are not reported on the Airport Fund's Statement of Net Position.

The Airport also has four lease agreements with concessionaires for the privilege of operating a concession at the Airport. These include three rental car companies and one restaurant. The terms for each lease are three years.

In 2019, the City finished construction of a new airport terminal space. Under a lease agreement with Sheltair Ocala (tenant), the City received \$2 million from the tenant toward the cost of designing, planning, and constructing the new terminal. The monthly rent for the terminal is \$6,684. The upfront funds advanced were recorded as unearned revenue and repayment to Sheltair will be applied to future rents and recognized as revenue. The term of the lease will expire May 31, 2050.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 7 - LEASES AND SOFTWARE SUBSCRIPTIONS (SBITAS) PAYABLE (Continued)**

**G. Regulated Lease Revenue - Ocala Airport (Continued)**

Most of the lease terms are for thirty years with the last one expiring December 31, 2050 and the renewal terms are two terms at five years each. Other lease terms are five and ten years with no renewal terms. The rental rates are increased at a rate of three percent each year. The airport recognized \$260,235 of lease revenue from these agreements for the year ended September 30, 2025. A schedule of expected future minimum payments under these agreements are as follows:

<u>Year Ended September 30</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 117,404	\$ 56,547
2027	80,069	53,918
2028	63,699	51,717
2029	57,441	50,081
2030	56,677	48,457
2031-2035	347,944	214,630
2036-2040	446,260	157,803
2041-2045	471,746	90,211
2046-2050	364,529	28,539
2051-2053	26,843	579
<b>Totals</b>	<b><u>\$ 2,032,612</u></b>	<b><u>\$ 752,482</u></b>

**NOTE 8 – PENSION PLANS**

**A. General Employees Retirement System**

Plan Descriptions

The City maintains a single-employer defined benefit (2-tiers) pension plan. The original plan (tier 1) was adopted in 1944. A variable hybrid defined benefit (DBVH) pension plan (tier 2) was added for years of service after September 30, 2013. The original plan was amended through local ordinance on August 6, 2013, with an effective date of October 1, 2013, resulting in a benefit freeze on September 30, 2013. The City also added a 401a Defined Contribution Plan. The sole and exclusive administration of and responsibility for the proper operation of the System and for making effective provisions of this ordinance is hereby vested in a Board of Trustees. The Plan is maintained as a Pension Trust Fund and included as part of the City's reporting entity; hence separate financial statements are not issued. The provisions of each of the Plans are established by City Ordinance. Administrative costs are financed through investment earnings. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. This plan is closed to any new participants.

The Plan is administered by a five-member pension Board of Trustees which consists of three members appointed by the City Council, and two members of the Plan, who are elected by a majority of general employees who are members of the Plan. The City is obligated to fund all Plan costs based upon actuarial valuations. The City is also authorized to establish benefit levels and the Plan's Board of Trustees approves the actuarial assumptions used in the determination of the contribution levels. There are three actuarial assumptions that are defined by Ordinance 2013-48: Mortality Rate, Interest Rate and Amortization Method.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**A. General Employees Retirement System (Continued)**

As of September 30, 2013, there were 59 employees grandfathered into the defined benefit plan (tier 1) in existence prior to any changes by the ordinance. There were 226 employees that moved to the defined contribution plan and the remaining 276 employees moved into the DBVH plan (tier 2).

At September 30, 2025 the Plan's participants consisted of:

	2025	2024
Retirees and beneficiaries (Inactive members):		
Currently receiving benefits	827	812
DROP retirees	16	14
Disability retirees	4	3
Terminated employees entitled to benefits, but not yet receiving them	196	216
Active plan members	76	90
	1,119	1,135

Pension Benefits:

The Plan provides retirement, termination, disability, and death benefits. Benefits were frozen as of September 30, 2013, and Members began a new "DBVH and Contribution Program" on October 1, 2013. Any Member within five years of their Normal Retirement Date was grandfathered into the benefit provisions in effect as of September 30, 2013.

Normal Retirement:

*Date:* First of the month following the earlier of: 1) age 65 and the completion of 5 years of Credited Service, or 2) 30 years of Credited Service, regardless of age.

*Benefit:* Credited Service on and after October 1, 2013 for Grandfathered Members (tier 1): 2.55% of Average Final Compensation (AFC) times Credited Service plus \$100 supplement.

*Benefit for Credited Service on October 1, 2013 and after (tier 2):*

Minimum	1.00%
Maximum	2.55%
Current	1.00% as of 10/1/2017

Early Retirement:

*Date:* Earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

*Benefit:* Same as for Normal Retirement but reduced by 3% for each year that Early Retirement precedes Normal Retirement.

Vesting:

*Less than 5 years:* Refund of Member Contributions without interest

*5 years or more:* Vested accrued benefit (determined as for Normal Retirement) paid beginning at the otherwise Normal Retirement Date, or a refund of Member Contributions without interest.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**A. General Employees Retirement System (Continued)**

Disability Retirement:

*Eligibility:* After completion of 5 years of Credited Service, or from date of hire if service incurred.

*Benefit:* \$50, plus 1% of AFC times Credited Service. Minimum benefit is \$100 per month.

Death Benefits:

*Vested or Eligible to Retire:* Accrued benefit payable to beneficiary for 10 years.

*Non-Vested:* Refund of Member Contributions without interest.

Cost of Living Adjustment (COLA) (tier 1) (if employed prior to October 1, 2013):

All Retirees, including Normal, Early, Disability, DROP, and Vested Terminated participants, and their joint pensioners and beneficiaries (but excluding pre-retirement death beneficiaries) shall receive a 3% automatic lifetime COLA, beginning the first October 1 after one year of benefit payments.

Supplemental Benefit (tier 1) (if employed prior to October 1, 2013):

\$100 per month, payable for life, to all retirees (including disability retirees).

Contributions:

Remaining amount required to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes. The member contribution rate for those grandfathered into the original plan is 8.18% and those in the DBVH plan is set at 3%.

Investment Policy:

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

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>2025</u>	<u>2024</u>
Equity Securities	24.00%	24.00%
Non US Equity	18.00%	18.00%
Fixed Income Securities	25.00%	25.00%
Hedge Fund of Funds	6.00%	6.00%
Real Estate	12.00%	12.00%
Private Equity	5.00%	5.00%
Private Debt	5.00%	5.00%
Opportunistic	5.00%	5.00%
Total	<u>100.00%</u>	<u>100.00%</u>

Concentrations:

The Plan did not hold investments in any one organization that represent 5% or more of the Pension Plan’s fiduciary net position.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**A. General Employees Retirement System (Continued)**

Rate of Return:

For the year ended September 30, 2025 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 8.41%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Deferred Retirement Option Program (DROP)

*Eligibility:* Satisfaction of Normal Retirement requirement's (earlier of (1) Age 65 and 5 years of Credited Service, or (2) 30 years of Credited Service, regardless of age).

*Participation:* Not to exceed 96 months (60 months for members entering DROP after January 31, 2011).

*Rate of Return:* 6.5% or actual net rate of investment return (total return net of brokerage commissions and transaction costs) credited each fiscal quarter.

The DROP balance as of September 30, 2025 is \$2,395,272.

Annual Pension Cost

The contribution requirement for the General Employees' Retirement System for Fiscal Year 2025, established through an actuarial valuation performed as of October 1, 2023, was \$9,187,871 (127.80% of current covered payroll). Actual employee contributions to the General Employees Retirement System totaled \$359,470 (5.00% of current covered payroll); actual employer contributions to the General Employees' Retirement System were \$9,200,325 (127.97% of current covered payroll).

Net Pension Liability

The City has used the alternate measurement date of September 30, 2024 to record the net pension liability, deferred inflows and outflows of resources, and pension expense in its September 30, 2025 financial statements.

	Measurement Date	
	9/30/2025	9/30/2024
Total Pension Liability	\$ 242,028,870	\$ 239,733,320
Plan Fiduciary Net Position	(208,523,945)	(198,700,008)
Sponsor's Net Pension Liability	<u>\$ 33,504,925</u>	<u>\$ 41,033,312</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	86.16%	82.88%

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.

	2025	2024
Inflation	2.50%	2.50%
Salary Increase	(Service Based)	(Service Based)
Investment Rate of Return	6.50%	6.60%

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**A. General Employees Retirement System (Continued)**

Mortality Rate Healthy Active Lives:

Females: PubG.H-2010 (Above median) for employees.

Males: PubG.H-2010 for employees, set back one year.

Mortality Rate Healthy Retiree Lives

Females: PubG.H-2010 for healthy retirees.

Males: PubG.H-2010 for healthy retirees, set back one year.

Mortality Rate Beneficiary Lives:

Females: PubG.H-2010 for healthy retirees.

Males: PubG.H-2010 for healthy retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for disabled retirees, set forward four years.

All rates are projected generationally with Mortality Improvement Scale MP-2021.

Pension expense, Deferred Outflows and Deferred Inflows of Resources

For the year ended September 30, 2025, the City recognized pension expense of \$5,344,082. Contributions made after the measurement date in the amount of \$9,147,549, will be recognized as a reduction of net pension liability in the subsequent fiscal period. As of September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions based on a measurement date of September 30, 2024 from the following sources:

Deferred Outflows

Contributions subsequent to the measurement date	\$ 9,147,549
Total deferred outflows	<u>\$ 9,147,549</u>

Deferred Inflows

Difference between expected and actual earnings on investments	\$ 5,548,594
Total deferred inflows	<u>\$ 5,548,594</u>

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

2026	\$ (293,612)
2027	3,520,978
2028	(4,934,970)
2029	(3,840,990)
Thereafter	-
	<u>\$ (5,548,594)</u>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**A. General Employees Retirement System (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:

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>	
	2025	2024
Equity Securities	5.82%	5.00%
Developed Non US Equity	5.91%	5.00%
Emerging Non US Equity	7.06%	5.50%
Fixed Income Securities	1.81%	1.70%
Hedge Fund of Funds	2.77%	2.80%
Real Estate	3.34%	2.60%
Private Equity	9.20%	7.30%
Private Debt	5.82%	3.70%
Opportunistic	2.48%	2.50%

Discount Rate:

The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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.

<u>Measurement Date</u>	<u>1% Decrease 5.50%</u>	<u>Current Discount Rate 6.50%</u>	<u>1% Increase 7.50%</u>
Sponsor's Net Position Liability 09/30/25 Measurement Date	\$ 59,761,160	\$ 33,504,925	\$ 11,405,356
Sponsor's Net Position Liability 09/30/24 Measurement Date	\$ 67,862,084	\$ 41,033,312	\$ 18,565,323

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**A. General Employees Retirement System (Continued)**

Net Pension Liability

The following table shows the changes in net pension liability along with the breakdown detailing the changes since September 30, 2023.

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Beginning balances 9/30/23	\$ 237,325,855	\$ 175,136,681	\$ 62,189,174
Service Cost	742,626	-	742,626
Interest	15,434,854	-	15,434,854
Differences between Expected and Actual Experience	(801,518)	-	(801,518)
Change in assumptions	2,426,534	-	2,426,534
Contributions - Employer	-	8,020,524	(8,020,524)
Contributions- Employee	-	412,448	(412,448)
Net Investment Income	-	30,700,030	(30,700,030)
Benefit Payments	(15,395,031)	(15,395,031)	-
Administrative Expenses	-	(174,644)	174,644
Net Change	<u>2,407,465</u>	<u>23,563,327</u>	<u>(21,155,862)</u>
Ending Balance 09/30/24	<u>239,733,320</u>	<u>198,700,008</u>	<u>41,033,312</u>
Beginning balances 9/30/24	\$ 239,733,320	\$ 198,700,008	\$ 41,033,312
Service Cost	629,279	-	629,279
Interest	15,323,940	-	15,323,940
Differences between Expected and Actual Experience	2,376,014	-	2,376,014
Change in assumptions	329,666	-	329,666
Contributions - Employer	-	9,200,325	(9,200,325)
Contributions- Employee	-	359,470	(359,470)
Net Investment Income	-	16,834,566	(16,834,566)
Benefit Payments	(16,363,349)	(16,363,349)	-
Administrative Expenses	-	(207,075)	207,075
Net Change	<u>2,295,550</u>	<u>9,823,937</u>	<u>(7,528,387)</u>
Ending balance 9/30/25	<u>\$ 242,028,870</u>	<u>\$ 208,523,945</u>	<u>\$ 33,504,925</u>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**A. General Employees’ 401(a) Defined Contribution Plan**

On October 1, 2013, the City implemented a 401 (a) Defined Contribution Plan. Members are 100% vested after their six-month probationary period. The members have a mandatory contribution of 3% of their salary, while the City contributes 8%. Investments are made by the members. The City does not report the balances in this plan on its statements.

**B. Police Officers’ Retirement System**

Plan Descriptions

The City maintains a single-employer, defined benefit pension plan for the police officers known as the *Police Officers’ Retirement System*. This is a contributory defined benefit pension plan covering any person employed full-time in the Ocala Police Department who is certified as a law enforcement officer in compliance with the provisions of Chapter 943.14 of the Florida Statutes. Florida Statutes Chapter 185 allows contributions to the Plan by the State of Florida. The provisions of this plan are established by City Ordinance. All benefit provisions, including changes in contribution requirements can be amended by City Ordinance. Administrative costs are financed through investment earnings.

The plan is administered by a five-member Board of Trustees comprised of: two City residents appointed by the City Council, two Police Officers elected by the majority of covered members, and a fifth member elected by the other four and appointed by City Council (as a ministerial duty).

At September 30, 2025 the Plan’s participants consisted of:

	2025	2024
Retirees and beneficiaries (Inactive members):		
Currently receiving benefits	142	138
DROP retirees	12	15
Disability Retirees	5	5
Terminated employees entitled to benefits, but not yet receiving them	28	18
Active plan members	182	177
	369	353

Pension Benefits:

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

Normal Retirement:

*Date:* Earlier of 1) Age 52 and 10 years of Credited Service, or 2) 25 years of Credited Service regardless of age.

*Benefit:* 3.33% of Average Final Compensation multiplied by Credited Service. For members not within 5 years of normal retirement as of November 1, 2015, the benefit accrual is 3% of average final compensation for credited service after October 31, 2015.

Early Retirement:

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

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**B. Police Officers' Retirement System (Continued)**

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

Vesting (Termination):

*Less than 10 years of service:* Refund of Member Contributions without interest

*10 years or more:* Accrued benefit payable at otherwise Normal Retirement Date, or a refund of Member Contributions without interest.

Disability Retirement:

*Eligibility:*

Service Incurred – Covered from Date of Employment

Non-Service Incurred – 10 years of Credited Service.

*Benefit:* Benefit accrued to date of disability, but not less than 42% of Average Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).

Death Benefits:

*Vested:* Accrued benefit payable at Member's otherwise Early or Normal Retirement Date to beneficiary for 10 years.

*Non-Vested:* Refund of Member Contributions without interest to designated beneficiary.

Supplemental Benefit:

*Eligibility:* Normal and Early Retirees and their joint pensioners or beneficiaries, excluding vested terminated persons.

*Benefit:* \$10 per month, for each full year of Credited Service. For members not within 5 years of normal retirement as of November 1, 2015, credited service for the supplemental benefit ceases as of October 31, 2015.

Contributions:

Remaining amount required to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes. For Fiscal Year 2025, the City is required to contribute 30.46% and the members contribute 8.0% of their salaries or wages to the Police Officers' Retirement System.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**B. Police Officers’ Retirement System (Continued)**

Investment Policy:

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

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>2025</u>	<u>2024</u>
Domestic Equity	38.00%	37.50%
International Equity	14.00%	15.00%
Bonds	25.00%	25.00%
Convertibles	10.00%	10.00%
Private Real Estate	4.00%	7.50%
Infrastructure	5.00%	5.00%
Private Credit	4.00%	0.00%
Total	<u>100.00%</u>	<u>100.00%</u>

Concentrations:

The Plan did not hold investments in any one organization that represent 5% or more of the Pension Plan’s fiduciary net position.

Rate of Return:

For the year ended September 30, 2025 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.06%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Deferred Retirement Option Program (DROP):

*Eligibility:* Satisfaction of Normal Retirement requirements.

*Participation:* Not to exceed 60 months.

*Rate of Return:* At member’s election (may change method once during DROP participation either: a) 6.5% annual rate, or b) Net Investment Return (total return less brokerage commission, transaction costs and management fees) credited each fiscal quarter.

The DROP balance as of September 30, 2025 is \$2,670,009.

Annual Pension Cost

The contribution requirement for the Police Officers’ Retirement System for the 2025 fiscal year, established through an actuarial valuation performed as of October 1, 2023, was \$5,779,057 (36.36% of current covered payroll). Actual employee contributions to the Police Officers’ Retirement System totaled \$1,271,517 (8.00% of current covered payroll), actual City contributions were \$4,637,452 (29.18% of current covered payroll) plus state contributions deposited directly to the plan amounted to \$1,117,874 (7.03% of current covered payroll). Accumulated excess contributions in the Funding Standard (Contribution Surplus) Account were available to assist in funding the City’s contribution requirement for the year.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**B. Police Officers’ Retirement System (Continued)**

Net Pension Liability

The City has used the alternate measurement date of September 30, 2024 to record the net pension liability, deferred inflows and outflows of resources, and pension expense in its September 30, 2025 financial statements.

	Measurement Date	
	9/30/2025	9/30/2024
Total Pension Liability	\$ 134,787,470	\$ 125,594,479
Plan Fiduciary Net Position	(110,316,919)	(100,053,409)
Sponsor's Net Pension Liability	\$ 24,470,551	\$ 25,541,070
Plan Fiduciary Net Position as a percentage of Total Pension Liability	81.85%	79.66%

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.

	2025	2024
Inflation	2.50%	2.50%
Salary Increase	(Service Based)	(Service Based)
Investment Rate of Return	7.25%	7.25%

Mortality Rate Healthy Active Lives:

Females: PubS-2010 for employees.

Males: PubS-2010 for employees set forward one year.

Mortality Rate Healthy Retiree Lives

Females: PubS-2010 for healthy retirees.

Males: PubS-2010 for healthy retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Females: PubG.H-2010 for healthy retirees.

Males: PubG.H-2010 for healthy retirees, set back one year.

Mortality Rate Disabled Lives:

Females: PubG.H-2010 for disabled retirees, set forward one year.

Males: PubG.H-2010 for disabled retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2021.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**B. Police Officers’ Retirement System (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:

Asset Class	Long-Term Expected Real Rate of Return	
	2025	2024
Domestic Equity	7.80%	8.20%
International Equity	3.80%	3.30%
Bonds	1.80%	2.20%
Convertibles	6.30%	6.50%
Private Real Estate	5.40%	5.50%
Infrastructure	6.40%	6.50%
Private Credit	2.70%	0.00%

Pension expense, Deferred Outflows and Deferred Inflows of Resources

For the year ended September 30, 2025, the City recognized pension expense of \$6,240,939. Contributions made after the measurement date in the amount of \$5,646,972 will be recognized as a reduction of net pension liability in the subsequent fiscal period. As of September 30, 2025, based on a measurement date of September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows</u>	
Difference between expected and actual experience	\$ 5,749,232
Changes in assumptions	1,487,931
Contributions subsequent to the measurement date	5,646,972
Total deferred outflows	<u>\$ 12,884,135</u>
<u>Deferred Inflows</u>	
Difference between expected and actual experience	476,572
Difference between expected and actual earnings on investments	2,919,351
Total deferred inflows	<u>\$ 3,395,923</u>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**B. Police Officers’ Retirement System (Continued)**

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

2026	\$	2,416,259
2027		4,141,137
2028		(809,999)
2029		(1,906,157)
Thereafter		-
	<u>\$</u>	<u>3,841,240</u>

Discount Rate:

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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.

Measurement Date	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Sponsor’s Net Position Liability 09/30/25 Measurement Date	\$ 40,458,119	\$ 24,470,551	\$ 11,201,700
Sponsor’s Net Position Liability 09/30/24 Measurement Date	\$ 40,297,173	\$ 25,541,070	\$ 13,264,332

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**B. Police Officers’ Retirement System (Continued)**

Net Pension Liability

The following table shows the changes in net pension liability along with the breakdown detailing the changes since September 30, 2023.

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Beginning balances 9/30/23	\$ 119,659,470	\$ 83,675,003	\$ 35,984,467
Service Cost	2,501,108	-	2,501,108
Interest	8,605,453	-	8,605,453
Differences between Expected and Actual Experience	1,757,809	-	1,757,809
Contributions - Employer	-	3,918,084	(3,918,084)
Contributions - State	-	983,450	(983,450)
Contributions- Employee	-	1,201,059	(1,201,059)
Contributions - Buy Back	-	-	-
Net Investment Income	-	17,320,867	(17,320,867)
Benefit Payments	(6,929,361)	(6,929,361)	-
Administrative Expenses	-	(115,693)	115,693
Net Change	<u>5,935,009</u>	<u>16,378,406</u>	<u>(10,443,397)</u>
Ending balance 9/30/24	<u>125,594,479</u>	<u>100,053,409</u>	<u>25,541,070</u>
Beginning balances 9/30/24	\$ 125,594,479	\$ 100,053,409	\$ 25,541,070
Service Cost	2,559,658	-	2,559,658
Interest	9,041,559	-	9,041,559
Change in assumptions	1,448,002	-	1,448,002
Differences between Expected and Actual Experience	3,029,717	-	3,029,717
Contributions - Employer	-	4,637,452	(4,637,452)
Contributions - State	-	1,117,874	(1,117,874)
Contributions- Employee	-	1,271,519	(1,271,519)
Net Investment Income	-	10,235,226	(10,235,226)
Benefit Payments	(6,885,945)	(6,885,945)	-
Administrative Expenses	-	(112,616)	112,616
Net Change	<u>9,192,991</u>	<u>10,263,510</u>	<u>(1,070,519)</u>
Ending balance 9/30/25	<u>\$ 134,787,470</u>	<u>\$ 110,316,919</u>	<u>\$ 24,470,551</u>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**C. Firefighters' Retirement Plan**

Plan Descriptions

The City maintains a single-employer, defined benefit pension plan for the firefighters known as the *Firefighters' Retirement Plan*. This is a contributory defined benefit pension plan covering any person employed full-time in the Ocala Fire Department who is certified as a firefighter as a condition of employment in accordance with the provisions of Section 633.35 of the Florida Statutes. Florida Statutes Chapter 175 allows contributions to the Plan by the State of Florida. The provisions of this plan are established by City Ordinance. All benefit provisions, including changes in contribution requirements can be amended by City Ordinance. Administrative costs are financed through investment earnings.

The plan is administered by a five-member Board of Trustees comprised of: two City residents appointed by the City Council, two Firefighters elected by majority of covered members, and a fifth member elected by the other four and appointed by City Council (as a ministerial duty).

At September 30, 2025 the Plan's participants consisted of:

	2025	2024
Retirees and beneficiaries (Inactive members):		
Currently receiving benefits	88	84
DROP retirees	10	13
Disability retirees	10	10
Terminated employees entitled to benefits, but not yet receiving them	3	3
Active plan members	147	136
	258	246

Pension Benefits:

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

Normal Retirement:

*Date:* Earlier of 1) Age 55 and 10 years of Credited Service, or 2) Rule of 70, or 25 years of Credited Service regardless of age.

*Benefit:* 3.00% of Average Final Compensation times Credited Service, maximum of 93% of Average Monthly Earnings.

Early Retirement:

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

*Benefit:* Accrued benefit reduced 2% for each year prior to normal retirement date.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**C. Firefighters' Retirement Plan (Continued)**

Termination Benefit:

*Eligibility:*

*Less than 10 years of service:* Refund of member contributions without interest.

*10 years or more (fully vested):* Accrued benefit payable at participant's normal retirement date.

Disability Retirement:

*Eligibility:*

Service Incurred – Immediately upon permanent disability.

Non-Service Incurred – If not vested, refund of contributions.

*Benefit:*

Service Incurred – Benefit accrued to date of disability, but not less than 42% of AME.

Non-Service Incurred – If vested, accrued benefit, but not less than 30% of AME.

Death Benefits:

*Vested:*

Service Incurred – Choice of: 1) accrued benefit payable for 120 months; or 2) 50% of AME to spouse until death.

Non-Service Incurred – If not eligible for either early or normal retirement, same as for Service Incurred Death Benefits. If eligible for either early or normal retirement, choice of 1) accrued benefit for 120 months; or 2) 50% of accrued benefit to spouse until death.

*Non-Vested:* Refund of Member Contributions without interest to designated beneficiary.

COLA:

Benefit payment schedule to be designed by Board. Funding is from 0.50% of member contributions, market returns, and 50% of State Premium Tax Revenues in excess of \$200,000. A portion of excess returns on COLA assets will be transferred to the plan until the plan becomes 90% funded.

Contributions:

Remaining amount required to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes. For Fiscal Year 2025, the City is required to contribute 40.5% and the members contribute 7.67% of covered payroll to Regular Retirement Plan and 0.50% to COLA Fund (8.17% total).

Pursuant to Florida Statutes Section 175.101, an excise tax amounting to 1.85% of the gross amount of receipts of premiums from policyholders on all premiums collected on casualty insurance policies covering property within the corporate limits of the City is collected by the Insurance Commissioner. Such amounts collected by the Insurance Commissioner, less expenses, are contributed annually to the plan. For the 2025 fiscal year the amount of these contributions totaled \$859,444; however, the amount available to the plan for the provision of benefits is frozen, in accordance with Chapter 175, Florida Statutes at \$200,000.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**C. Firefighters' Retirement Plan (Continued)**

Investment Policy:

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

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>2025</u>	<u>2024</u>
Domestic Fixed Income	25.00%	25.00%
Domestic Equity / Mutual Funds	45.00%	45.00%
International Equity	15.00%	15.00%
International Fixed Income	5.00%	5.00%
Real Estate	10.00%	10.00%
Total	<u>100.00%</u>	<u>100.00%</u>

Concentrations:

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

Rate of Return:

For the year ended September 30, 2025 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 11.34%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Deferred Retirement Option Program (DROP):

*Eligibility:* Satisfaction of Normal Retirement requirements.

*Participation:* Not to exceed 60 months.

*Rate of Return:* A member shall earn 100 basis points less than the plan's assumed investment rate of return, which would currently be 6.75%.

The DROP balance as of September 30, 2025 is \$7,520,616.

Annual Pension Cost

The contribution requirement for the Firefighters' Retirement Plan for the 2025 fiscal year, established through an actuarial valuation performed as of October 1, 2023, was \$3,738,243 (37.6% of then covered payroll). Actual employee contributions to the Firefighters' Retirement Plan totaled \$993,653 (8.7% of current covered payroll), actual City contributions were \$3,738,243 (32.8% of current covered payroll) plus state contributions deposited directly to the plan amounted to \$859,444. Accumulated excess contributions in the Accrued (Prepaid) Position Account were available to assist in funding the City's contribution requirement for the year.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**C. Firefighters' Retirement Plan (Continued)**

Net Pension Liability

The City has used the alternate measurement date of September 30, 2024 to record the net pension liability, deferred inflows and outflows of resources, and pension expense in its September 30, 2025 financial statements.

	Measurement Date	
	9/30/2025	9/30/2024
Total Pension Liability	\$ 133,144,680	\$ 121,607,089
Plan Fiduciary Net Position	(113,930,356)	(103,007,901)
Sponsor's Net Pension Liability	<u>\$ 19,214,324</u>	<u>\$ 18,599,188</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	85.57%	84.71%

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.

	2025	2024
Inflation	2.50%	2.50%
Salary Increase	0.00%-7.50%	0.00%-7.50%
Investment Rate of Return	6.75%	6.75%

Mortality Rates:

**Active:**

Pub-2010 Generational using scale MP-2021. Females, Benefits Weighted Safety Employee Female Table, set forward 1 year.

Pub-2010 Generational using scale MP-2021. Males, Benefits Weighted Safety Below Median Employee Male Table, set forward 1 year.

**Disabled:**

Pub-2010 Generational using scale MP-2021; Headcount Weighted General Disabled Retiree Female Table set forward one year.

Pub-2010 Generational using scale MP-2021; Headcount Weighted General Disabled Retiree Male Table.

10% of active deaths are assumed to be in the line of duty.

The most recent experience study was completed in November 2024, considered 5 years of data experience, and resulted in several updates to the actuarial assumptions. The impact to the total pension liability (TPL) resulting from these assumptions is first reflected in TPL as of September 30, 2025.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**C. Firefighters’ Retirement Plan (Continued)**

Pension expense, Deferred Outflows and Deferred Inflows of Resources

For the year ended September 30, 2025, the City recognized pension expense of \$5,254,564. Contributions made after the measurement date in the amount of \$4,562,344 will be recognized as a reduction of net pension liability in the subsequent fiscal period. As of September 30, 2025, based on a measurement date of September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows</u>	
Difference between expected and actual experience	\$ 4,223,909
Changes in assumptions	7,536,721
Contributions subsequent to the measurement date	<u>4,562,344</u>
Total deferred outflows	<u>\$ 16,322,974</u>
 <u>Deferred Inflows</u>	
Difference between expected and actual experience	<u>5,204,280</u>
Total deferred inflows	<u>\$ 5,204,280</u>

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

2026	\$	1,978,840
2027		3,677,037
2028		(621,881)
2029		(469,437)
2030		1,991,791
Thereafter		-
		<u>\$ 6,556,350</u>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**C. Firefighters' Retirement Plan (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>	
	<u>2025</u>	<u>2024</u>
Domestic Fixed Income	2.50%	2.50%
Domestic Equity / Mutual Funds	7.50%	7.50%
International Equity	8.50%	8.50%
International Fixed Income	3.50%	3.50%
Real Estate	4.50%	4.50%

Discount Rate:

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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.

<u>Measurement Date</u>	<u>1% Decrease 5.75%</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75%</u>
Sponsor's Net Position Liability 09/30/25 Measurement Date	\$ 35,188,532	\$ 19,214,324	\$ 5,977,561
Sponsor's Net Position Liability 09/30/24 Measurement Date	\$ 33,013,866	\$ 18,599,188	\$ 6,648,203

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**C. Firefighters' Retirement Plan (Continued)**

Net Pension Liability

The following table shows the changes in net pension liability along with the breakdown detailing the changes since September 30, 2023.

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Beginning balances 9/30/23	\$ 105,336,098	\$ 84,719,197	\$ 20,616,901
Service Cost	1,787,738	-	1,787,738
Interest	7,330,731	-	7,330,731
Differences between Expected and Actual Experience	2,906,676	-	2,906,676
Change of Assumptions	9,044,065	-	9,044,065
Contributions - Employer	-	3,376,436	(3,376,436)
Contributions - State	-	776,557	(776,557)
Contributions- Employee	-	913,388	(913,388)
Net Investment Income	-	18,238,253	(18,238,253)
Benefit Payments	(4,798,219)	(4,798,219)	-
Administrative Expenses	-	(217,711)	217,711
Net Change	<u>16,270,991</u>	<u>18,288,704</u>	<u>(2,017,713)</u>
Ending balance 9/30/24	<u>121,607,089</u>	<u>103,007,901</u>	<u>18,599,188</u>
Beginning balances 9/30/24	\$ 121,607,089	\$ 103,007,901	\$ 18,599,188
Service Cost	3,539,588	-	3,539,588
Interest	8,243,917	-	8,243,917
Differences between Expected and Actual Experience	5,543,450	-	5,543,450
Change of Benefit Terms	239,796	-	239,796
Change of Assumptions	-	-	-
Contributions - Employer	-	3,738,243	(3,738,243)
Contributions - State	-	858,452	(858,452)
Contributions- Employee	-	993,653	(993,653)
Net Investment Income	-	11,637,329	(11,637,329)
Benefit Payments	(6,029,160)	(6,029,160)	-
Administrative Expenses	-	(276,062)	276,062
Net Change	<u>11,537,591</u>	<u>10,922,455</u>	<u>615,136</u>
Ending balance 9/30/25	<u>\$ 133,144,680</u>	<u>\$ 113,930,356</u>	<u>\$ 19,214,324</u>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**D. Other Pension Plan Information**

Summary of Pension Plan Information

Below is a summary of deferred inflows, outflows, and net pension liability for all three employee pension plans:

	<b>General Employees</b>	<b>Police Plan</b>	<b>Firefighters' Plan</b>	<b>Total</b>
Deferred outflows of resources	\$ 9,147,549	\$ 12,884,135	\$ 16,322,974	\$ 38,354,658
Deferred inflows of resources	5,548,594	3,395,923	5,204,280	14,148,797
Net pension liability	41,033,312	25,541,070	18,599,188	85,173,570
Pension expense	5,344,082	6,240,939	5,254,564	16,839,585

The following is the net position for each pension trust fund as of September 30, 2025:

	<b>General Employees' Retirement</b>	<b>Police Officers' Retirement System</b>	<b>Firefighters' Retirement Plan</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 2,722,543	\$ 2,950,404	\$ 1,727,928	\$ 7,400,875
Receivables:				
Accrued interest receivable	-	198,339	244,351	442,690
Accounts receivable	12,621,792	-	34,349	12,656,141
Total receivables	<u>12,621,792</u>	<u>198,339</u>	<u>278,700</u>	<u>13,098,831</u>
Investments, at fair value	193,209,231	107,381,974	112,074,015	412,665,220
Total investments	<u>193,209,231</u>	<u>107,381,974</u>	<u>112,074,015</u>	<u>412,665,220</u>
Total Assets	<u>208,553,566</u>	<u>110,530,717</u>	<u>114,080,643</u>	<u>433,164,926</u>
<b>Liabilities</b>				
Accounts payable	101,276	371,107	150,287	622,670
Total liabilities	<u>101,276</u>	<u>371,107</u>	<u>150,287</u>	<u>622,670</u>
<b>Net Position Restricted for Pensions</b>	<u>\$ 208,452,290</u>	<u>\$ 110,159,610</u>	<u>\$ 113,930,356</u>	<u>\$ 432,542,256</u>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – PENSION PLANS (Continued)**

**D. Other Pension Plan Information (Continued)**

The following is the statement of changes in net position for each pension trust fund for the fiscal year ended September 30, 2025:

	<b>General Employees' Retirement</b>	<b>Police Officers' Retirement System</b>	<b>Firefighters' Retirement Plan</b>	<b>Total</b>
<b>Additions:</b>				
<b>Contributions:</b>				
Employer	\$ 9,200,325	\$ 4,529,098	\$ 3,738,243	\$ 17,467,666
State	-	1,117,874	859,444	1,977,318
Employee	359,470	1,271,519	993,653	2,624,642
Total Contributions	<u>9,559,795</u>	<u>6,918,491</u>	<u>5,591,340</u>	<u>22,069,626</u>
<b>Investment income:</b>				
Investment income (loss)	17,554,454	10,645,642	11,878,929	40,079,025
Less: Investment management fees	<u>(710,697)</u>	<u>(443,732)</u>	<u>(241,600)</u>	<u>(1,396,029)</u>
Net investment income (loss)	<u>16,843,757</u>	<u>10,201,910</u>	<u>11,637,329</u>	<u>38,682,996</u>
Total additions (reductions)	<u>26,403,552</u>	<u>17,120,401</u>	<u>17,228,669</u>	<u>60,752,622</u>
<b>Deductions:</b>				
Pension payments	16,361,573	6,769,492	5,936,946	29,068,011
Refund to employees	-	140,212	92,214	232,426
Administration	<u>206,754</u>	<u>112,615</u>	<u>277,054</u>	<u>596,423</u>
Total deductions	<u>16,568,327</u>	<u>7,022,319</u>	<u>6,306,214</u>	<u>29,896,860</u>
Net Increase (Decrease)	9,835,225	10,098,082	10,922,455	30,855,762
<b>Net Assets Reserved for Employees' Pension Benefits</b>				
Beginning of the year	<u>198,617,065</u>	<u>100,061,528</u>	<u>103,007,901</u>	<u>401,686,494</u>
End of year	<u>\$ 208,452,290</u>	<u>\$ 110,159,610</u>	<u>\$ 113,930,356</u>	<u>\$ 432,542,256</u>

**NOTE 9 – LONG-TERM OBLIGATIONS**

Revenue bonds and other long-term liabilities directly related to and intended to be paid from Proprietary Funds (of the Primary Government) are included in the accounts of such funds. All other long-term indebtedness of the Primary Government is accounted for in the governmental activities column of the government-wide statement of net position. The City's outstanding long-term debt includes bonds payable, notes payable, claims payable and compensated absences payable.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 9 – LONG-TERM OBLIGATIONS (Continued)**

**Schedule of Long Term Debt**

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

	Beginning Balance	Increases	Decrease	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Direct borrowing					
2015 Capital Improvement Certificates	\$ 15,395,000	\$ -	\$ (1,515,000)	\$ 13,880,000	\$ 1,560,000
2022 Bank Loan	<u>57,105,000</u>	<u>-</u>	<u>(2,990,000)</u>	<u>54,115,000</u>	<u>3,090,000</u>
Total direct borrowing	72,500,000	-	(4,505,000)	67,995,000	4,650,000
Other liabilities:					
Lease Payable	408,208	-	(48,464)	359,744	51,765
SBITA Payable	1,733,694	-	(726,989)	1,006,705	752,244
Net Pension Liability	87,838,993	-	(23,087,699)	64,751,294	-
Compensated Absences *	4,805,812	2,904,307	-	7,710,119	3,811,061
OPEB Liability	9,739,972	2,686,047	-	12,426,019	542,051
Claims and Judgment	<u>8,975,658</u>	<u>4,368,985</u>	<u>(4,216,039)</u>	<u>9,128,604</u>	<u>1,841,056</u>
Total other liabilities	<u>113,502,337</u>	<u>9,959,339</u>	<u>(28,079,191)</u>	<u>95,382,485</u>	<u>6,998,177</u>
Total Governmental Activities	<u>\$ 186,002,337</u>	<u>\$ 9,959,339</u>	<u>\$ (32,584,191)</u>	<u>\$ 163,377,485</u>	<u>\$ 11,648,177</u>
<b>Business-type Activities:</b>					
Direct borrowing					
2014A Utility Systems Bonds	\$ 13,820,000	\$ -	\$ (25,000)	\$ 13,795,000	\$ 25,000
2014B Utility Systems Bonds	13,490,000	-	(2,105,000)	11,385,000	2,155,000
2015 Utility Systems Bonds	46,115,000	-	(3,370,000)	42,745,000	3,470,000
2017 Utility Systems Bonds	<u>10,955,000</u>	<u>-</u>	<u>(2,625,000)</u>	<u>8,330,000</u>	<u>2,705,000</u>
Total direct borrowing	<u>84,380,000</u>	<u>-</u>	<u>(8,125,000)</u>	<u>76,255,000</u>	<u>8,355,000</u>
Other liabilities					
Lease Payable	127,853	-	(69,177)	58,676	22,943
SBITA Payable	333,880	-	(333,880)	-	-
Net Pension Liability	30,951,549	-	(10,529,272)	20,422,277	-
Compensated Absences *	2,026,046	565,647	-	2,591,693	1,459,598
OPEB Liability	<u>4,993,029</u>	<u>1,044,953</u>	<u>-</u>	<u>6,037,982</u>	<u>253,943</u>
Total other liabilities	<u>38,432,357</u>	<u>1,610,600</u>	<u>(10,932,329)</u>	<u>29,110,628</u>	<u>1,736,484</u>
Total Business-type Activities	<u>\$ 122,812,357</u>	<u>\$ 1,610,600</u>	<u>\$ (19,057,329)</u>	<u>\$ 105,365,628</u>	<u>\$ 10,091,484</u>

\* Change in compensated absences reported net.

OPEB payable and net pension liabilities for the governmental funds are typically liquidated in the General Fund.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 9 – LONG-TERM OBLIGATIONS (Continued)**

Debt issued by the City

On March 18, 2022, the City issued \$60,000,000 Taxable Revenue Bonds, Series 2022 (Fire Fee Reimbursement). Proceeds were used to finance refunds to customers as a result of a lawsuit settled in 2021. Interest on the bank loan will be paid semi-annually on each April 1 and October 1. Principal will be paid annually commencing October 2023 through October 2038. The City will covenant to budget and appropriate in each fiscal year an amount of non-ad valorem revenues sufficient to provide for timely payment of principal and interest. This debt will be accounted for in Governmental Activities.

<b>Bond Series</b>	<b>True Interest Cost</b>	<b>Average Coupon Rate</b>	<b>Maturity Date</b>	<b>Net Proceeds</b>	<b>Cost of Issuance</b>
Bank Loan, Series 2022	3.9822%	3.9822%	10/01/38	\$ 60,000,000	\$ 14,500

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 3,090,000	\$ 2,154,968
2027	3,195,000	2,031,918
2028	3,305,000	1,904,686
2029	3,415,000	1,773,075
2030	3,530,000	1,637,082
2031-2035	19,495,000	5,981,065
2036-2039	18,085,000	1,830,020
	<u>\$ 54,115,000</u>	<u>\$ 17,312,814</u>

Bonds Payable Collateral:

The City has gas tax revenue bonds, capital improvement certificates, water and sewer revenue bonds and utility systems revenue bonds outstanding at year-end. Gas tax revenue bonds are collateralized by a pledge of the City's sixth cent optional gas tax; the capital improvement certificates are collateralized by a pledge of certain non-ad valorem revenues of the City; and the enterprise revenue bonds are collateralized by a pledge of the net revenues generated by the issuing fund or by a pledge of the net revenues of the combined utility systems.

Pledged Revenue:

The City has pledged certain revenues, to repay certain bonds and notes outstanding as of September 30, 2025. Information related to the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2025 has been incorporated into the schedules which show the debt service requirements to maturity for the City's bonded indebtedness for the City's governmental activities and for the City's business-type activities.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 9 – LONG-TERM OBLIGATIONS (Continued)**

The following is a schedule of bonds outstanding at September 30, 2025:

<u>Direct Borrowing</u>	<u>Purpose Of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>
<b>Governmental Activities:</b>				
2015	Capital Improvement Certificate	\$ 21,440,000	\$ 13,880,000	3.67%
2022	Bank Loan Series 2022	60,000,000	<u>54,115,000</u>	3.98%
Total Governmental Activities			<u>\$ 67,995,000</u>	
<b>Business-Type Activities</b>				
2014A	Utility Systems Bonds	\$ 24,165,000	\$ 13,795,000	3.67%
2014B	Utility Systems Bonds	28,465,000	11,385,000	3.069%
2015	Utility Systems Bonds	65,635,000	42,745,000	3.67%
2017	Utility Systems Bonds	18,565,000	<u>8,330,000</u>	2.705%
Total Business-Type Activities			<u>\$ 76,255,000</u>	

For the year ended September 30, 2025, principal and interest payments were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Interest Paid	\$ 2,713,160	\$ 2,443,620
Principal Paid	<u>4,505,000</u>	<u>8,125,000</u>
	<u>\$ 7,218,160</u>	<u>\$ 10,568,620</u>



**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 9 – LONG-TERM OBLIGATIONS (Continued)**

Bond Arbitrage

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the U.S. Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates or pay a calculated penalty. Rebates are paid to the Internal Revenue Service every fifth year after the year of issuance. Within the five-year period, any positive arbitrage (liability) can be offset by any negative arbitrage (non-liability). At September 30, 2025, the City had no arbitrage rebate liability.

Disclosure of Legal Debt Margin

The City has no legal debt margin requirements set forth by State Statute; however, the City's charter limits the aggregate amount of general obligation bonds outstanding to 20% of the assessed valuation of the taxable real and personal property in the City. At September 30, 2025, there was no general obligation debt outstanding.

Synopsis of Revenue Bond Covenants, Revenue Bonds Debt Service and Transfer Requirements

Provisions of revenue bonds require monthly sinking fund contributions for debt service of one-twelfth and one-sixth of the next maturing principal and interest payment, respectively.

**NOTE 10 – COMMITMENTS AND CONTINGENT LIABILITIES**

Litigation

Various suits and claims arising in the ordinary course of City operations are pending against the City of Ocala. While the ultimate effect of such litigation cannot be ascertained at this time, the City does not expect any of these items to have a material impact on the financial condition of the City.

Other Commitments

The City has outstanding commitments on various contracts for construction and other projects. These commitments, as of September 30, 2025, in the respective funds are as follows:

General Fund	\$	4,782,944
Electric		2,512,058
Water and Sewer		1,037,344
Nonmajor Business Type Funds		8,948,697
Nonmajor Governmental Funds		5,828,447
Total	\$	<u>23,109,490</u>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 10 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

FMPA All Requirements Project (ARP)

The City purchases power exclusively from the Florida Municipal Power Agency (FMPA) through FMPA's All Requirements Power Supply Project (ARP). The City and FMPA have entered into an ARP Power Supply Contract (effective March 22, 1985, as amended on May 24, 1991, and January 22, 1999) which requires: 1) FMPA to sell and deliver to the City, and 2) the City to purchase from FMPA, all electric power that the City requires. The initial term of the ARP contract had an expiration date of October 1, 2030, however, on each October 1<sup>st</sup>, after the effective date, the contract automatically extends for an additional one-year period unless either party, at least one year prior to such automatic extension date, notifies the other party in writing of its decision not to extend the contract.

The City pays for electric power under the contract at the rates set forth in the rate schedules to the ARP contract, which FMPA may revise from time to time in accordance with the contract. The contract provides the option for the City to withdraw from the All-requirements Project after notice and making the debt payment, provided for in Section 29 of the contract (which, generally, is equal to the City's portion of the ARP Debt and other costs incurred, or expected to be incurred, by the ARP because of the City's withdrawal).

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Post-employment benefits extended to retirees include the continued coverage for the retiree and their dependents in the City's health insurance plan, dental plan, vision plan and life insurance plan. A portion of the health insurance benefits for family coverage is currently being subsidized by the City, but the subsidy is being phased out over time. No other form of direct subsidy is offered to retirees accepting medical coverage. Premiums for insurances other than health insurance are fully paid by the retiree.

Plan Description

The Other Postemployment Benefit Plan is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees have higher costs which means that the City is subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees. Accounting standards calls this the "implicit rate subsidy". This subsidy is only available until the retiree becomes Medicare eligible.

Retirees and their dependents are permitted to remain covered under the City's respective medical and insurance plans if they pay a full premium applicable to coverage elected, subject to direct subsidies discussed above. The postemployment benefits are extended to retirees and continued at the discretion of the City, which reserves the right (subject to State Statute and any collective bargaining agreements) to change or terminate benefits, and to change contributions required from retirees in the future as circumstances change. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Postemployment Benefit Plan does not issue a stand-alone report and does not accumulate assets in a GASB-compliant trust.

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

Funding Policy

The contribution requirements of the plan members and the City are established and may be amended by the City Council. Because “funding” the OPEB obligations would involve using an irrevocable trust fund, the City did not “fund” the OPEB obligation. Contributions are being made based on a pay-as-you-go financing requirement. Each fund was assessed its share of OPEB costs based on the number of employees in the fund divided by the total number of City employees.

Plan Membership

As of October 1, 2024 (the valuation date) the following employees were covered by the benefit terms:

	Count	Total OPEB Liability
Inactive employees or beneficiaries currently receiving benefits	275	\$ 10,504,000
Active employees	1,161	7,960,000
<b>Total</b>	<b>1,436</b>	<b>\$ 18,464,000</b>

Total OPEB Liability

The employer’s total OPEB liability is reported herein as of September 30, 2025 for the employer fiscal year and reporting period of October 1, 2024 to September 30, 2025. The values shown for this fiscal year and reporting period are based on a measurement date of October 1, 2024 and the corresponding measurement period of October 1, 2023 to October 1, 2024. The measurement of the total OPEB liability is based on a valuation date of October 1, 2024.

Actuarial Assumptions and Actuarial Methods

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

Expected Return on Assets	None
Discount Rate	3.78%
Salary Scale	5.35%
Healthcare Cost Trend Rates	7.00% for fiscal year ended 2025, then decreasing 0.25% per year to an ultimate rate of 5.00%

Mortality - General and Public Safety Employees

PUB-2010 Amount-Weighted General and Safety Mortality Tables - Employees, projected using two-dimensional mortality improvement scale MP-2021.

Mortality - General and Public Safety Retirees and Spouses

PUB-2010 Amount-Weighted General and Safety Mortality Tables - Retirees and Contingent Survivors, projected using two-dimensional mortality improvement scale MP-2021.

Actuarial Cost Method:

Entry Age

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

Discount rate

The discount rate has been set equal to 3.78% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

Total OPEB liability

The following table shows the changes in total OPEB liability along with the breakdown detailing the changes in the current fiscal year.

	<u>Plan OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Total OPEB Liability</u>
Beginning balances 10/01/24	\$ 14,733,000	\$ -	\$ 14,733,000
Service Cost	553,000	-	553,000
Interest	688,000	-	688,000
Differences between expected and actual experience	1,823,000	-	1,823,000
Contributions-employer	-	1,293,000	(1,293,000)
Benefit Payments	(1,293,000)	(1,293,000)	-
Assumption changes	1,960,000	-	1,960,000
Net Changes	<u>3,731,000</u>	<u>-</u>	<u>3,731,000</u>
Ending Balance 09/30/25	<u>\$ 18,464,000</u>	<u>\$ -</u>	<u>\$ 18,464,000</u>

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the City calculated using the discount rate of 3.78% as what the City's total OPEB liability would be if it were calculated using a trend rate that is 1% lower and 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Employer's Total OPEB Liability	\$ 21,258,000	\$ 18,464,000	\$ 16,220,000

Sensitivity of the total OPEB liability to changes in the trend rate:

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Employer's Total OPEB Liability	\$ 16,083,000	\$ 18,464,000	\$ 21,482,000

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

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

For the year ended September 30, 2025, the City recognized OPEB expense of \$1,626,000 as the result of implementing GASB No.75. Contributions made after the measurement date in the amount of \$1,293,000 will be recognized as a reduction of OPEB liability in the subsequent fiscal period.

The deferred outflows of resources and deferred inflows of resources related to OPEB as of September 30, 2025 from various sources are as follows:

<u>Deferred outflows</u>	
Differences between expected and actual experience	\$ 2,920,000
Changes of assumptions	3,513,000
Contributions subsequent to the measurement date	<u>1,293,000</u>
Total deferred outflows	<u><u>\$ 7,726,000</u></u>
 <u>Deferred inflows</u>	
Differences between expected and actual experience	500,000
Changes of assumptions	<u>4,124,000</u>
Total deferred inflows	<u><u>\$ 4,624,000</u></u>

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

2026	\$	384,000
2027		419,000
2028		191,000
2029		(41,000)
2030		(178,000)
Thereafter		<u>1,034,000</u>
	\$	<u><u>1,809,000</u></u>

**CITY OF OCALA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 12 – CHANGES IN ACCOUNTING STANDARDS**

**A. Adoption of New Accounting Standard**

The City adopted GASB Statement No. 101, *Compensated Absences*, in fiscal year 2025. This statement updated recognition and measurement guidance for compensated absences that provided consistency of leave included and information disclosed for all governmental entities. The adoption of this standard did not have a material effect on the City's financial position in the current fiscal period and, as such, the prior period was not restated.

**B. Future Adoption of New Accounting Standards**

The City, where applicable, anticipates adopting the following new accounting standards in future years:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends September 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends September 30, 2026.

**NOTE 13 – TAX ABATEMENTS**

As of September 30, 2025, the City currently has Economic Investment Program agreements with 17 active participants. There are no agreements that have current tax abatements as required by GASB 77.



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**CITY OF OCALA, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property tax	\$ 49,071,562	\$ 49,071,562	\$ 49,859,735	\$ 788,173
Utility service tax	11,260,000	11,260,000	14,155,534	2,895,534
Communication service tax	3,000,000	3,000,000	3,504,652	504,652
Other tax	2,000,905	2,000,905	2,316,442	315,537
State shared revenues	9,988,528	9,988,528	9,724,245	(264,283)
Permits, fees and assessments	20,664,000	20,664,000	20,415,432	(248,568)
Intergovernmental revenues	75,000	7,867,312	6,108,531	(1,758,781)
Charges for services	9,694,027	9,724,027	11,173,627	1,449,600
Fines and forfeitures	611,000	611,000	1,067,202	456,202
Investment income (loss)	(40,000)	(40,000)	3,774,706	3,814,706
Miscellaneous	838,868	990,837	8,166,477	7,175,640
<b>Total revenues</b>	<u>107,163,890</u>	<u>115,138,171</u>	<u>130,266,583</u>	<u>15,128,412</u>
<b>Expenditures</b>				
Current:				
General government	16,972,710	19,958,187	16,811,274	3,146,913
Public safety	88,634,620	91,405,815	85,719,096	5,686,719
Physical Environment	-	363,486	137,288	226,198
Transportation	8,457,189	10,592,805	6,266,534	4,326,271
Economic environment	3,014,778	6,138,909	3,083,075	3,055,834
Culture and recreation	13,988,787	14,276,640	12,343,112	1,933,528
Capital outlay	2,975,863	17,789,553	6,204,699	11,584,854
Debt service:				
Principal payments	-	-	775,453	(775,453)
Interest and fees	-	-	63,600	(63,600)
<b>Total expenditures</b>	<u>134,043,947</u>	<u>160,525,395</u>	<u>131,404,131</u>	<u>29,121,264</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(26,880,057)</u>	<u>(45,387,224)</u>	<u>(1,137,548)</u>	<u>44,249,676</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	29,793,414	29,874,157	29,841,502	(32,655)
Transfers out	(14,786,350)	(17,090,908)	(16,481,363)	609,545
<b>Total other financing sources (uses)</b>	<u>15,007,064</u>	<u>12,783,249</u>	<u>13,360,139</u>	<u>576,890</u>
<b>Net change in fund balance</b>	(11,872,993)	(32,603,975)	12,222,591	44,826,566
<b>Fund balance - beginning</b>	<u>89,556,810</u>	<u>89,556,810</u>	<u>89,556,810</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 77,683,817</u>	<u>\$ 56,952,835</u>	<u>\$ 101,779,401</u>	<u>\$ 44,826,566</u>

**CITY OF OCALA, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**Last 10 Fiscal Years**

<b>Reporting Period Ending Measurement Date</b>	9/30/2026 9/30/2025	9/30/2025 9/30/2024	9/30/2024 9/30/2023	9/30/2023 9/30/2022
<b>Total pension liability</b>				
Service cost	\$ 629,279	\$ 742,626	\$ 750,899	\$ 831,827
Interest	15,323,940	15,434,854	15,836,398	16,152,980
Changes of benefit terms	-	-	3,603,325	-
Differences between expected and actual experience	2,376,014	(801,518)	(9,581,404)	(5,188,968)
Changes of assumptions	329,666	2,426,534	2,428,274	2,516,081
Contributions - buy back	-	-	-	-
Benefit payments, including refunds of employee contributions	(16,363,349)	(15,395,031)	(15,697,889)	(15,190,015)
Net change in total pension liability	2,295,550	2,407,465	(2,660,397)	(878,095)
Total pension liability - beginning	239,733,320	237,325,855	239,986,252	240,864,347
Total pension liability- ending	<u>\$ 242,028,870</u>	<u>\$ 239,733,320</u>	<u>\$ 237,325,855</u>	<u>\$ 239,986,252</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	9,200,325	8,020,524	7,848,969	10,006,355
Contributions - employee	359,470	412,448	434,332	452,786
Contributions - buy back	-	-	-	-
Net investment income	16,834,566	30,700,030	16,514,391	(28,662,814)
Benefit payments, including refunds of employee contributions	(16,363,349)	(15,395,031)	(15,697,889)	(15,190,015)
Administrative expense	(207,075)	(174,644)	(178,809)	(205,613)
Net change in plan fiduciary net position	9,823,937	23,563,327	8,920,994	(33,599,301)
Plan fiduciary net position - beginning	198,700,008	175,136,681	166,215,687	199,814,988
Plan fiduciary net position - ending	<u>208,523,945</u>	<u>198,700,008</u>	<u>175,136,681</u>	<u>166,215,687</u>
Net pension liability - ending	<u>\$ 33,504,925</u>	<u>\$ 41,033,312</u>	<u>\$ 62,189,174</u>	<u>\$ 73,770,565</u>
Plan fiduciary net position as a percentage of the total pension liability	86.16%	82.88%	73.80%	69.26%
Covered payroll	\$ 7,189,423	\$ 8,285,487	\$ 8,735,081	\$ 9,055,666
Net pension liability as a percentage of covered payroll	466.03%	495.24%	711.95%	814.63%

The City has used the alternate measurement date to record the net pension liability

**Notes to the RSI**

Major assumption changes for calculation of the net pension liability are as follows:

For the FY25 calculation, the investment rate of return was decreased to 6.50% from 6.60%.

	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016
\$	901,990	\$ 986,562	\$ 1,133,206	\$ 1,288,820	\$ 1,567,489	\$ 1,852,029
	16,089,455	16,021,917	15,765,056	15,359,295	14,832,634	14,160,117
	-	-	-	-	-	-
	(112,857)	(1,001,087)	552,340	2,072,529	1,126,640	1,198,983
	2,543,358	(414,750)	-	-	3,182,088	5,202,901
	-	-	-	-	-	-
	(15,009,928)	(14,076,564)	(13,192,455)	(12,344,439)	(13,468,466)	(11,575,745)
	4,412,018	1,516,078	4,258,147	6,376,205	7,240,385	10,838,285
	236,452,329	234,936,251	230,678,104	224,301,899	217,061,514	206,223,229
\$	240,864,347	\$ 236,452,329	\$ 234,936,251	\$ 230,678,104	\$ 224,301,899	\$ 217,061,514
	10,222,493	13,799,155	14,822,313	15,482,762	14,802,319	14,187,965
	477,170	511,521	540,161	608,171	740,871	574,059
	-	-	-	-	-	-
	31,044,311	13,352,784	4,173,467	6,324,077	13,427,988	10,585,043
	(15,009,928)	(14,076,564)	(13,192,455)	(12,344,439)	(13,468,466)	(11,575,745)
	(187,212)	(137,131)	(204,769)	(225,097)	(224,873)	(225,101)
	26,546,834	13,449,765	6,138,717	9,845,474	15,277,839	13,546,221
	173,268,154	159,818,389	153,679,672	143,834,198	128,556,359	115,010,138
	199,814,988	173,268,154	159,818,389	153,679,672	143,834,198	128,556,359
\$	41,049,359	\$ 63,184,175	\$ 75,117,862	\$ 76,998,432	\$ 80,467,701	\$ 88,505,155
	82.96%	73.28%	68.03%	66.62%	64.13%	59.23%
\$	9,543,908	\$ 10,229,855	\$ 10,785,500	\$ 11,804,951	\$ 13,747,075	\$ 14,722,210
	430.11%	617.64%	696.47%	652.26%	585.34%	601.17%

**CITY OF OCALA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**Last 10 Fiscal Years**

<b>At the fiscal year end</b>	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>
Actuarially determined contribution	\$ 9,187,871	\$ 8,046,929	\$ 7,874,648	\$ 9,497,997
Contributions in relation to the				
Actuarially determined contribution	9,200,325	8,020,524	7,848,969	10,006,355
Contribution Deficiency (Excess)	<u>\$ (12,454)</u>	<u>\$ 26,405</u>	<u>\$ 25,679</u>	<u>\$ (508,358)</u>
Covered payroll	\$ 7,189,423	\$ 8,285,487	\$ 8,735,081	\$ 9,055,666
Contributions as a percentage of				
Covered payroll	127.97%	96.80%	89.86%	110.50%

<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
\$ 9,716,181	\$ 13,858,120	\$ 14,822,313	\$ 15,254,002	\$ 14,802,319	\$ 14,186,322
10,222,493	13,858,120	14,894,139	15,482,762	14,802,319	14,187,965
<u>\$ (506,312)</u>	<u>\$ -</u>	<u>\$ (71,826)</u>	<u>\$ (228,760)</u>	<u>\$ -</u>	<u>\$ (1,643)</u>
\$ 9,543,908	\$ 10,229,855	\$ 10,785,500	\$ 11,804,951	\$ 13,747,075	\$ 14,722,210
107.11%	135.47%	138.09%	131.15%	107.68%	96.37%

**CITY OF OCALA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS  
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**Last 10 Fiscal Years**

<u>For the Year Ending</u>	<u>Weighted Rate Of Returns <sup>(1)</sup></u>
9/30/2016	9.08%
9/30/2017	10.46%
9/30/2018	4.41%
9/30/2019	2.59%
9/30/2020	8.03%
9/30/2021	17.61%
9/30/2022	-14.20%
9/30/2023	9.93%
9/30/2024	17.47%
9/30/2025	8.41%

(1) Net of investment expense



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**CITY OF OCALA, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE OFFICERS' RETIREMENT SYSTEM**

**Last 10 Fiscal Years**

<b>Reporting Period Ending Measurement Date</b>	9/30/2026 9/30/2025	9/30/2025 9/30/2024	9/30/2024 9/30/2023	9/30/2023 9/30/2022
<b>Total pension liability</b>				
Service cost	\$ 2,559,658	\$ 2,501,108	\$ 2,455,497	\$ 2,110,794
Interest	9,041,559	8,605,453	7,792,189	7,560,734
Changes of benefit terms	-	-	-	-
Change in Funding Standard Account	-	-	-	-
Differences between expected and actual experience	3,029,717	1,757,809	7,145,545	(1,191,428)
Changes of assumptions	1,448,002	-	-	3,198,090
Contributions - buy back	-	-	39,638	5,761
Benefit payments, including refunds of employee contributions	(6,885,945)	(6,929,361)	(5,592,737)	(5,127,217)
Net change in total pension liability	9,192,991	5,935,009	11,840,132	6,556,734
Total pension liability - beginning	\$ 125,594,479	\$ 119,659,470	\$ 107,819,338	\$ 101,262,604
Total pension liability- ending	<u>\$ 134,787,470</u>	<u>\$ 125,594,479</u>	<u>\$ 119,659,470</u>	<u>\$ 107,819,338</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	4,637,452	3,918,084	2,850,400	2,990,891
Contributions - State	1,117,874	983,450	877,590	763,084
Contributions - employee	1,271,519	1,201,059	1,185,777	1,057,924
Contributions - buy back	-	-	39,638	5,761
Net investment income	10,235,226	17,320,867	7,233,744	(15,762,887)
Benefit payments, including refunds of employee contributions	(6,885,945)	(6,929,361)	(5,592,737)	(5,127,217)
Administrative expense	(112,616)	(115,693)	(105,487)	(89,434)
Net change in plan fiduciary net position	10,263,510	16,378,406	6,488,925	(16,161,878)
Plan fiduciary net position - beginning	100,053,409	83,675,003	77,186,078	93,347,956
Plan fiduciary net position - ending	<u>110,316,919</u>	<u>100,053,409</u>	<u>83,675,003</u>	<u>77,186,078</u>
Net pension liability - ending	<u>\$ 24,470,551</u>	<u>\$ 25,541,070</u>	<u>\$ 35,984,467</u>	<u>\$ 30,633,260</u>
Plan fiduciary net position as a percentage of the total pension liability	81.85%	79.66%	69.93%	71.59%
Covered payroll	\$ 15,893,996	\$ 15,013,243	\$ 14,822,209	\$ 13,224,044
Net pension liability as a percentage of covered payroll	153.96%	170.12%	242.77%	231.65%

The City has used the alternate measurement date to record the net pension liability

**Notes to the RSI**

Major assumption changes for calculation of the net pension liability are as follows:

None noted

	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016
\$	2,146,200	\$ 2,006,052	\$ 1,741,664	\$ 1,558,052	\$ 1,579,043	\$ 1,629,468
	7,321,459	7,171,736	6,952,007	6,630,559	6,600,886	6,316,211
	-	-	-	-	-	(1,150,613)
	-	-	-	-	-	-
	278,283	(116,394)	(450,176)	1,433,941	(252,579)	(727,086)
	1,043,477	382,036	1,421,185	-	(35,707)	1,741,528
	27,555	-	34,025	-	-	-
	(7,486,310)	(5,289,742)	(5,478,770)	(5,943,808)	(5,888,193)	(4,814,327)
	3,330,664	4,153,688	4,219,935	3,678,744	2,003,450	2,995,181
\$	97,931,940	\$ 93,778,252	\$ 89,558,317	\$ 85,879,573	\$ 83,876,123	\$ 80,880,942
\$	101,262,604	\$ 97,931,940	\$ 93,778,252	\$ 89,558,317	\$ 85,879,573	\$ 83,876,123
	2,450,000	2,783,760	3,014,876	4,077,869	3,582,817	3,469,395
	683,980	688,440	636,601	584,334	530,026	516,594
	885,087	901,945	823,654	731,022	669,044	672,201
	27,555	-	34,025	-	-	-
	15,961,589	6,830,174	2,344,271	6,110,450	6,716,321	5,151,384
	(7,486,310)	(5,289,742)	(5,478,770)	(5,943,808)	(5,888,193)	(4,814,327)
	(88,551)	(92,774)	(79,693)	(89,863)	(88,507)	(83,196)
	12,433,350	5,821,803	1,294,964	5,470,004	5,521,508	4,912,051
	80,914,606	75,092,803	73,797,839	68,327,835	62,806,327	57,894,276
	93,347,956	80,914,606	75,092,803	73,797,839	68,327,835	62,806,327
\$	7,914,648	\$ 17,017,334	\$ 18,685,449	\$ 15,760,478	\$ 17,551,738	\$ 21,069,796
	92.18%	82.62%	80.07%	82.40%	79.56%	74.88%
\$	11,063,586	\$ 11,274,315	\$ 10,295,675	\$ 9,137,770	\$ 8,363,052	\$ 8,402,515
	71.54%	150.94%	181.49%	172.48%	209.87%	250.76%

**CITY OF OCALA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
POLICE OFFICERS' RETIREMENT SYSTEM**

**Last 10 Fiscal Years**

<b>At the fiscal year end</b>	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>
Actuarially determined contribution	\$ 5,779,057	\$ 4,877,802	\$ 3,446,048	\$ 4,131,191
Contributions in relation to the				
Actuarially determined contribution	<u>5,755,326</u>	<u>4,901,534</u>	<u>3,727,990</u>	<u>3,753,975</u>
Contribution Deficiency (Excess)	<u>\$ 23,731</u>	<u>\$ (23,732)</u>	<u>\$ (281,942)</u>	<u>\$ 377,216</u>
Covered payroll	\$ 15,893,996	\$ 15,013,243	\$ 14,822,209	\$ 13,224,044
Contributions as a percentage of				
Covered payroll	36.21%	32.65%	25.15%	28.39%

<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
\$ 3,534,816	\$ 3,716,014	\$ 4,250,054	\$ 4,076,359	\$ 3,582,731	\$ 3,762,646
3,133,980	3,472,200	3,651,477	4,662,203	4,112,843	3,985,989
<u>\$ 400,836</u>	<u>\$ 243,814</u>	<u>\$ 598,577</u>	<u>\$ (585,844)</u>	<u>\$ (530,112)</u>	<u>\$ (223,343)</u>
\$ 11,063,586	\$ 11,274,315	\$ 10,295,675	\$ 9,137,770	\$ 8,363,052	\$ 8,402,515
28.33%	30.80%	35.47%	51.02%	49.18%	47.44%

**CITY OF OCALA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS  
POLICE OFFICERS' RETIREMENT SYSTEM**

**Last 10 Fiscal Years**

<u>For the Year Ending</u>	<u>Weighted Rate Of Returns <sup>(1)</sup></u>
9/30/2016	8.95%
9/30/2017	10.82%
9/30/2018	9.04%
9/30/2019	3.14%
9/30/2020	9.04%
9/30/2021	19.91%
9/30/2022	-16.74%
9/30/2023	9.30%
9/30/2024	20.41%
9/30/2025	10.06%

(1) Net of investment expense



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**CITY OF OCALA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTERS' RETIREMENT PLAN**

**Last 10 Fiscal Years**

<b>Reporting Period Ending Measurement Date</b>	9/30/2026 9/30/2025	9/30/2025 9/30/2024	9/30/2024 9/30/2023	9/30/2023 9/30/2022
<b>Total pension liability</b>				
Service cost	\$ 3,539,588	\$ 1,787,738	\$ 1,641,437	\$ 1,573,269
Interest	8,243,917	7,330,731	6,936,273	6,542,516
Changes of benefit terms	239,796	-	-	-
Differences between expected and actual experience	5,543,450	2,906,676	1,503,363	1,717,962
Changes of assumptions	-	9,044,065	-	-
Benefit payments, including refunds of employee contributions	(6,029,160)	(4,798,219)	(4,386,298)	(4,167,351)
Net change in total pension liability	11,537,591	16,270,991	5,694,775	5,666,396
Total pension liability - beginning	121,607,089	105,336,098	99,641,323	93,974,927
Total pension liability- ending	<u>\$ 133,144,680</u>	<u>\$ 121,607,089</u>	<u>\$ 105,336,098</u>	<u>\$ 99,641,323</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	3,738,243	3,376,436	3,398,109	3,334,160
Contributions - State	858,452	776,557	692,315	614,717
Contributions - employee	993,653	913,388	754,044	677,091
Net investment income	11,637,329	18,238,253	7,650,113	(13,470,714)
Benefit payments, including refunds of employee contributions	(6,029,160)	(4,798,219)	(4,386,298)	(4,167,351)
Administrative expense	(276,062)	(217,711)	(164,346)	(135,218)
Other	-	-	-	-
Net change in plan fiduciary net position	10,922,455	18,288,704	7,943,937	(13,147,315)
Plan fiduciary net position - beginning	103,007,901	84,719,197	76,775,260	89,922,575
Plan fiduciary net position - ending	113,930,356	103,007,901	84,719,197	76,775,260
Net pension liability - ending	<u>\$ 19,214,324</u>	<u>\$ 18,599,188</u>	<u>\$ 20,616,901</u>	<u>\$ 22,866,063</u>
Plan fiduciary net position as a percentage of the total pension liability	85.57%	84.71%	80.43%	77.05%
Covered payroll	\$ 11,393,168	\$ 9,225,858	\$ 9,215,346	\$ 8,244,756
Net pension liability as a percentage of covered payroll	168.65%	201.60%	223.72%	277.34%

The City has used the alternate measurement date to record the net pension liability

**Notes to the RSI**

Major assumption changes for calculation of the net pension liability are as follows:

None noted.

	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016
\$	1,534,997	\$ 1,394,105	\$ 1,455,310	\$ 1,326,905	\$ 1,317,786	\$ 1,227,874
	6,205,220	5,853,602	5,479,962	5,276,956	4,878,081	4,637,901
	-	58,566	-	-	-	(556,590)
	1,062,384	310,138	1,406,892	(809,914)	1,862,026	258,882
	-	6,753,635	165,836	-	2,528,873	-
	<u>(3,877,368)</u>	<u>(3,948,542)</u>	<u>(2,981,313)</u>	<u>(3,449,899)</u>	<u>(2,909,019)</u>	<u>(2,208,735)</u>
	4,925,233	10,421,504	5,526,687	2,344,048	7,677,747	3,359,332
	89,049,694	78,628,190	73,101,503	70,757,455	63,079,708	59,720,376
\$	<u>93,974,927</u>	<u>\$ 89,049,694</u>	<u>\$ 78,628,190</u>	<u>\$ 73,101,503</u>	<u>\$ 70,757,455</u>	<u>\$ 63,079,708</u>
	2,960,648	2,627,755	2,299,394	2,495,113	1,945,055	2,490,684
	734,643	520,367	488,640	472,989	434,616	434,473
	541,289	673,724	638,372	736,600	664,806	643,628
	14,803,229	9,444,624	2,012,954	5,087,763	6,250,958	4,770,021
	<u>(3,877,368)</u>	<u>(3,948,542)</u>	<u>(2,981,313)</u>	<u>(3,449,899)</u>	<u>(2,909,019)</u>	<u>(2,208,735)</u>
	(116,404)	(109,725)	(84,759)	(85,835)	(67,415)	(84,143)
	-	(73,667)	157,698	-	-	-
	15,046,037	9,134,536	2,530,986	5,256,731	6,319,001	6,045,928
	<u>74,876,538</u>	<u>65,742,002</u>	<u>63,211,016</u>	<u>57,954,285</u>	<u>51,635,284</u>	<u>45,589,356</u>
	89,922,575	74,876,538	65,742,002	63,211,016	57,954,285	51,635,284
\$	<u>4,052,352</u>	<u>\$ 14,173,156</u>	<u>\$ 12,886,188</u>	<u>\$ 9,890,487</u>	<u>\$ 12,803,170</u>	<u>\$ 11,444,424</u>
	95.69%	84.08%	83.61%	86.47%	81.91%	81.86%
\$	7,703,127	\$ 7,367,409	\$ 7,366,658	\$ 7,657,531	\$ 6,886,009	\$ 7,333,107
	52.61%	192.38%	174.93%	129.16%	185.93%	156.07%

**CITY OF OCALA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
FIREFIGHTERS' RETIREMENT PLAN**

**Last 10 Fiscal Years**

<b>At the fiscal year end</b>	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>
Actuarially determined contribution	\$ 4,267,469	\$ 3,864,715	\$ 3,844,267	\$ 3,741,519
Contributions in relation to the Actuarially determined contribution	<u>4,267,469</u>	<u>3,864,715</u>	<u>3,844,267</u>	<u>3,741,519</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,393,168	\$ 9,225,858	\$ 8,272,546	\$ 7,949,354
Contributions as a percentage of Covered payroll	37.46%	41.89%	46.47%	47.07%

<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
\$ 3,331,293	\$ 2,987,939	\$ 2,816,168	\$ 2,881,523	\$ 2,236,606	\$ 2,370,353
<u>3,331,293</u>	<u>2,987,939</u>	<u>2,643,714</u>	<u>2,968,102</u>	<u>2,185,456</u>	<u>2,731,085</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,454</u>	<u>\$ (86,579)</u>	<u>\$ 51,150</u>	<u>\$ (360,732)</u>
\$ 7,703,127	\$ 7,367,409	\$ 7,366,658	\$ 7,657,531	\$ 6,886,009	\$ 7,333,107
43.25%	40.56%	35.89%	38.76%	31.74%	37.24%

**CITY OF OCALA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS  
FIREFIGHTERS' RETIREMENT SYSTEM**

**Last 10 Fiscal Years**

<u>For the Year Ending</u>	<u>Weighted Rate Of Returns <sup>(1)</sup></u>
9/30/2016	10.88%
9/30/2017	12.80%
9/30/2018	9.22%
9/30/2019	3.42%
9/30/2020	14.31%
9/30/2021	19.78%
9/30/2022	-14.99%
9/30/2023	9.95%
9/30/2024	22.62%
9/30/2025	11.34%

(1) Net of investment expense

**CITY OF OCALA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS**

**Last 10 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
<b>Total OPEB liability</b>								
Service cost	\$ 553,000	\$ 578,000	\$ 772,000	\$ 667,000	\$ 611,000	\$ 462,000	\$ 498,000	\$ 473,000
Interest	688,000	675,000	434,000	446,000	459,000	568,000	527,000	518,000
Differences between expected and actual experience	1,823,000	(215,000)	1,617,000	(202,000)	828,000	(1,029,000)	131,000	-
Changes of assumptions	1,960,000	(588,000)	(5,761,000)	1,928,000	917,000	2,339,000	(675,000)	-
Benefit payments, including refunds of employee contributions	(1,293,000)	(954,000)	(1,741,000)	(1,477,000)	(656,000)	(606,000)	(763,000)	(748,000)
Net change in total OPEB liability	3,731,000	(504,000)	(4,679,000)	1,362,000	2,159,000	1,734,000	(282,000)	243,000
Total OPEB liability - beginning	14,733,000	15,237,000	19,916,000	18,554,000	16,395,000	14,661,000	14,943,000	14,700,000
Total OPEB liability- ending	<u>\$ 18,464,000</u>	<u>\$ 14,733,000</u>	<u>\$ 15,237,000</u>	<u>\$ 19,916,000</u>	<u>\$ 18,554,000</u>	<u>\$ 16,395,000</u>	<u>\$ 14,661,000</u>	<u>\$ 14,943,000</u>
Contributions- employer	\$ 1,293,000	\$ 954,000	\$ 1,741,000	\$ 1,477,000	\$ 656,000	\$ 606,000	\$ 763,000	\$ 748,000
Benefit payments, including refunds of employee contributions	(1,293,000)	(954,000)	(1,741,000)	(1,477,000)	(656,000)	(606,000)	(763,000)	(748,000)
Net change in plan fiduciary net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's total OPEB liability	<u>\$ 18,464,000</u>	<u>\$ 14,733,000</u>	<u>\$ 15,237,000</u>	<u>\$ 19,916,000</u>	<u>\$ 18,554,000</u>	<u>\$ 16,395,000</u>	<u>\$ 14,661,000</u>	<u>\$ 14,943,000</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0%	0%	0%	0%	0%	0%	0%	0%
Covered employee payroll	\$ 81,893,000	\$ 69,276,000	\$ 69,276,000	\$ 51,712,000	\$ 51,712,000	\$ 55,028,000	\$ 55,028,000	\$ 50,556,000
Employer's total OPEB liability as a percentage of covered employee payroll	22.55%	21.27%	21.99%	38.51%	35.88%	29.79%	26.64%	29.56%

**Notes to Schedule:**

The City has elected not to fund the OPEB liability, therefore no assets are held in trust for payment of the OPEB liability.

\*10 years of data will be presented as it becomes available

**CITY OF OCALA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
OPEB PLAN**

**Last 10 Fiscal Years \***

	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Actuarially determined contribution	\$ 1,293,000	\$ 954,000	\$ 1,741,000	\$ 1,477,000	\$ 656,000	\$ 606,000	\$ 763,000	\$ 748,000
Contributions in relation to the								
Actuarially determined contribution	1,293,000	954,000	1,741,000	1,477,000	656,000	606,000	763,000	748,000
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 81,893,000	\$ 69,276,000	\$ 69,276,000	\$ 51,712,000	\$ 51,712,000	\$ 55,028,000	\$ 55,028,000	\$ 50,556,000
Contributions as a percentage of								
Covered employee payroll	1.58%	1.38%	2.51%	2.86%	1.27%	1.10%	1.39%	1.48%

**Notes to Schedule:**

The employer has elected to make an annual contribution equal to the benefit payments. The employer share of net benefits is the difference between the expected benefit payments and the retiree contributions. It is sometimes referred to as "pay-as-you-go."

The expected benefit payments are actuarially determined to reflect the age difference between the overall covered group and the retiree group.

Actuarially determined contributions, which are based on the "pay-as-you-go" cost, and actual contributions are from the measurement periods ending June 30 of the year prior to the year-end of the reporting periods shown.

\* Information prior to fiscal year 2018 is not available.

**CITY OF OCALA, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2025**

**NOTE 1 - BUDGETARY INFORMATION**

**A. Budgeting Policy**

An annual budget is prepared for all governmental and proprietary funds. The City Council annually adopts the budget through a Budget Resolution. Budgetary control is legally maintained at the fund level. The budget amounts presented in the accompanying financial statements for the governmental funds are as originally adopted, or as legally amended, by the City Council during the year ended September 30, 2025.

The City's Budget Resolution provides transfer authority to the City Manager to transfer budgeted amounts between departments within any fund; however, any budget amendments that alter the total expenditures of any fund must be approved by the City Council. During 2025, the City Council approved various supplemental budget appropriations to provide for unanticipated requirements of the period. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of each fiscal year. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgetary comparisons reflect only those activities for which legally adopted budgets are prepared. For the year ended September 30, 2025, no expenditures exceeded the budget at the fund level.

**B. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable budget appropriation, is utilized by the governmental funds of the City. Appropriations lapse at year end and outstanding encumbrances are re-appropriated as part of the subsequent year's budget. See Liabilities Note 11, Other Commitments, for a breakdown of significant encumbrances in total by each major fund and nonmajor fund.

**NOTE 2 – SCHEDULES OF CONTRIBUTIONS**

**GENERAL EMPLOYEES' RETIREMENT SYSTEM:**

Valuation Date: October 1, 2023

The 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:

Funding Method: Entry Age Normal Actuarial Cost Method (level percentage of pay).

Amortization Method: Layered 10-year periods.

Remaining Amortization Period: 15 Years (as of 10/01/2022 valuation).

Actuarial Asset Method: The Actuarial Value of Assets is based upon a 5-year straight line recognition of the difference between expected earnings on the net market value of assets and actual earnings on the net market value of assets. The net market value of assets shall be the total fiduciary net position as defined by GASB 67/68, excluding any reserves held which are not designated for currently adopted plan benefits valued as part of the plan liabilities. The resulting value shall be adjusted if it does not fall between 120% and 80% of the market value of assets. This change shall be made assuming that this 5-year recognition method applies to differences between the expected and actual investment returns for the years ended September 30, 2009 and later. This method is mandated by Ordinance 2013-48.

**CITY OF OCALA, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2025**

**NOTE 2 – SCHEDULES OF CONTRIBUTIONS (Continued)**

**GENERAL EMPLOYEES' RETIREMENT SYSTEM (Continued)**

Prior Method: The Actuarial Value of Assets was brought forward using the historical five-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the Market Value.

Inflation: 2.5% per year.

Salary Increases: Service based

Payroll Increase: None

Interest Rate: 6.70% per year, compounded annually, net of investment related expenses. The interest rate is mandated by City Ordinance.

Cost of Living Increases: 3% automatic lifetime COLA, beginning one year after retirement for all categories except pre-retirement death. Applies to future retirees on and after October 1, 2008 to the frozen accrued benefit as of September 30, 2013 only. The grandfathered Members maintain this provision on their entire benefit. No COLA on the variable benefit earned for Credited Service on and after October 1, 2013.

Normal Retirement:	<u>Age</u>	<u>Probability of Retirement</u>
	65	50%
	66-67	33%
	68 +	100%

Members with at least 30 years of Credited Service are assumed to retire immediately.

Early Retirement:

<u>25 or More Years Credited Service</u>		<u>Less than 25 Years Credited Service</u>	
Credited Service	Assumption	Age	Assumption
25	10.50%	55-60	5.75%
26	5.50%	61	6.50%
27	11.50%	62	12.00%
28	7.50%	63	5.00%
29	4.00%	64	3.00%

**CITY OF OCALA, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2025**

**NOTE 2 – SCHEDULES OF CONTRIBUTIONS (Continued)**

**GENERAL EMPLOYEES' RETIREMENT SYSTEM (Continued)**

Termination Rates:

Service	Termination Rate
0	20.00%
1-4	15.00%
5-9	7.50%
10-19	4.00%
20 +	6.50%

Disability Rates: See Table Below. 75% of disablements are assumed to be service incurred.

Mortality: PubG.H-2010 projected generationally with Mortality Improvement Scale MP-2018.

Other Information: Disability Rate Table.

<u>Age</u>	<u>% Becoming Disabled During the Year</u>
20	0.051%
30	0.058%
40	0.121%
50	0.429%
60	1.611%

**POLICE OFFICERS' RETIREMENT SYSTEM**

Valuation Date: October 1, 2023

The 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:

Funding Method: Entry Age Normal Actuarial Cost

Amortization Method: New UAAL are amortized over 15 years.

Actuarial Asset Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 5-year average Market Value return. It is possible that over time this technique will produce an insignificant bias that is above or below the Market Value.

Inflation: 2.50% per year.

**CITY OF OCALA, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2025**

**NOTE 2 – SCHEDULES OF CONTRIBUTIONS (Continued)**

**POLICE OFFICERS' RETIREMENT SYSTEM (Continued)**

Salary Increases:	<u>Years of Credited Service</u>	<u>Salary Scale</u>
	<1	15.00%
	1	6.50%
	2-9	5.50%
	10-20	4.50%
	21-24	3.75%
	>25	3.50%

Partial Lump Sums: For valuation purposes, no future retirees are assumed to opt for a partial lump sum.

Payroll Growth: 0.00%

Interest Rate: 7.25% per year, compounded annually, net of investment related expenses.

Normal Retirement:

<u>% Retiring During the Year (10-24 Yrs Service)</u>		<u>% Retiring During the Year (&gt;=25 Yrs Service)</u>	
<u>Age</u>	<u>Rate</u>	<u>&lt;50</u>	<u>55%</u>
52-56	25%	51	35%
57+	100%	52	25%
		53-56	50%
		57+	100%

Early Retirement: Commencing with the earliest Retirement Age, Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year.

Termination Rates:

<u>Service</u>	<u>Termination Rate</u>
0-5	13.00%
6-10	4.00%
11-15	3.00%
16-25	2.00%
26+	0.00%

Disability Rates: See Table Below. 75% of disablements are assumed to be service related.

Mortality: Healthy Active Lives: PubS.H-2010 (Below Median) for employees set forward one year.

Retiree Lives: PubS.H-2010 for healthy retirees set forward one year.

**CITY OF OCALA, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2025**

**NOTE 2 – SCHEDULES OF CONTRIBUTIONS (Continued)**

**POLICE OFFICERS' RETIREMENT SYSTEM (Continued)**

Other Information:                      Disability Rate Table.

<u>Age</u>	<u>% Becoming Disabled During the Year</u>
20	0.14%
25	0.15%
30	0.18%
35	0.23%
40	0.30%
45	0.51%
50	1.00%

**FIREFIGHTERS' RETIREMENT PLAN:**

Valuation Date: October 1, 2023

The 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:

Funding Method:                      Entry Age Normal Method

Amortization Method:	Unfunded liability	25 years
	Benefit improvements for actives	25 years
	Benefit improvements for inactive	15 years
	Actuarial gains/losses	20 years
	Changes in assumptions	20 years

Actuarial Asset Method:              20% Phase-In Method with a fresh start methodology as of October 1, 2019 and a 80%/120% corridor.

Inflation:                                2.5%

Payroll Growth:                        2.5%

Salary Increases:	Age	General
	<= 25	5.50%
	<= 30	4.10%
	<= 35	3.10%
	<= 40	2.10%
	<= 45	1.10%
	> 50	0.00%

**CITY OF OCALA, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2025**

**NOTE 2 – SCHEDULES OF CONTRIBUTIONS (Continued)**

**FIREFIGHTERS' RETIREMENT PLAN (Continued)**

Interest Rate: 7% net of investment expenses.  
 Retirement Age: Age 55 and 10 years of service, Rule of 70, or 25 years of service.  
 Early Retirement: Age 50 and 10 years of credited service. Benefits are reduced by 2% for each year prior to normal retirement date.

Withdrawal Rates:	<u>Age</u>	<u>Rate</u>
	< 30	8.0%
	< 35	5.5%
	< 40	2.7%
	< 45	1.9%
	< 50	1.2%
	< 55	0.5%

Disability Rates: See Table Below. 80% of disablements are assumed to be service related

Mortality: Pub-2010 generational using scale MP-2018.

Disabled: Pub-2010 Mortality Table.

Other Information: Disability Rate Table.

	<u>% Becoming Disabled During</u>
<u>Age</u>	<u>the Year</u>
20	0.10%
30	0.14%
40	0.29%
50	0.92%

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

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>			
Equity in pooled cash fund	\$ 80,932,436	\$ 5,929,178	\$ 86,861,614
Accounts and notes receivables	900,693	-	900,693
Accrued interest receivable	297,828	6,506	304,334
Prepaid expenses	3,388	-	3,388
Due from other governments	2,797,559	-	2,797,559
<b>Total assets</b>	<b>84,931,904</b>	<b>5,935,684</b>	<b>90,867,588</b>
<b>Liabilities and fund balances</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	2,212,992	-	2,212,992
Due to other funds	400,000	-	400,000
Retainage on contracts	254,548	-	254,548
Escrow/Deposits	628,987	-	628,987
Unearned revenue	379,079	-	379,079
Advances from Other Funds	5,200,000	-	5,200,000
<b>Total liabilities</b>	<b>9,075,606</b>	<b>-</b>	<b>9,075,606</b>
<b>Deferred inflows of resources</b>			
Deferred inflows from future revenues	65,342	-	65,342
<b>Total deferred inflows of resources</b>	<b>65,342</b>	<b>-</b>	<b>65,342</b>
<b>Fund Balances:</b>			
Nonspendable	3,388	-	3,388
Restricted	57,088,739	5,935,684	63,024,423
Committed	18,776,020	-	18,776,020
Unassigned (Deficit)	(77,191)	-	(77,191)
<b>Total fund balances</b>	<b>75,790,956</b>	<b>5,935,684</b>	<b>81,726,640</b>
<b>Total liabilities and fund balances</b>	<b>\$ 84,931,904</b>	<b>\$ 5,935,684</b>	<b>\$ 90,867,588</b>

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

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Property tax	\$ 2,107,547	\$ -	\$ 2,107,547
Local option gas tax	5,552,255	-	5,552,255
Infrastructure sales surtax	13,280,995	-	13,280,995
Permits, fees and special assessments	45,847	-	45,847
Intergovernmental revenues	1,549,740	-	1,549,740
Charges for services	8,827,823	-	8,827,823
Investment income	3,405,082	44,792	3,449,874
Miscellaneous	51,754	-	51,754
<b>Total revenues</b>	<b>34,821,043</b>	<b>44,792</b>	<b>34,865,835</b>
<b>Expenditures</b>			
<b>Current:</b>			
General government	4,736	-	4,736
Public safety	51,678	-	51,678
Physical environment	5,963,097	-	5,963,097
Transportation	3,866,081	-	3,866,081
Economic environment	1,489,586	-	1,489,586
<b>Capital outlay</b>	<b>13,191,608</b>	<b>-</b>	<b>13,191,608</b>
<b>Debt service:</b>			
Principal payments	-	4,505,000	4,505,000
Interest and fees	80,000	2,653,652	2,733,652
<b>Total expenditures</b>	<b>24,646,786</b>	<b>7,158,652</b>	<b>31,805,438</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>10,174,257</b>	<b>(7,113,860)</b>	<b>3,060,397</b>
<b>Other financing sources (uses)</b>			
Transfers in	3,125,051	11,470,726	14,595,777
Transfers out	(91,361)	-	(91,361)
<b>Total other financing sources (uses)</b>	<b>3,033,690</b>	<b>11,470,726</b>	<b>14,504,416</b>
<b>Net change In fund balances</b>	<b>13,207,947</b>	<b>4,356,866</b>	<b>17,564,813</b>
<b>Fund balances - beginning</b>	<b>62,583,009</b>	<b>1,578,818</b>	<b>64,161,827</b>
<b>Fund balances - ending</b>	<b>\$ 75,790,956</b>	<b>\$ 5,935,684</b>	<b>\$ 81,726,640</b>

**CITY OF OCALA, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2025**

**SPECIAL REVENUE FUNDS:**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted or committed to expenditure for specific purposes. Special Revenue Funds used by the City are:

**Downtown Development Fund** – This fund accounts for property taxes levied against downtown property owners.

**Local Gasoline Tax Fund** – This fund accounts for street-related maintenance and improvement projects financed by the City’s share of local gasoline taxes. These taxes are required by law to be used to maintain streets.

**Community Redevelopment Agency Fund** – This fund accounts for City and County resources collected that are to be used for additions to certain redevelopment projects.

**Stormwater Utility Fund** – This fund accounts for resources collected that are to be used for additions to, improvements to, and maintenance of the storm damage system.

**Affordable Housing Fund** – This fund accounts for City resources collected that are to be used for expenditures related to affordable housing initiatives within the City.

**SHIP Local Housing Assistance Fund** – This fund accounts for the receipt and uses of funds received from the Florida Local Housing Assistance Trust Fund for the State Housing Initiative Partnership (SHIP) for low income housing programs.

**Infrastructure Sales Surtax Fund** – This fund accounts for public safety capital needs and road projects.

**CITY OF OCALA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2025**

	<u>Downtown Development</u>	<u>Local Gasoline Tax</u>	<u>Community Redevelopment Agency</u>
<b>Assets</b>			
Equity in pooled cash and investment fund	\$ 571,816	\$ 9,395,504	\$ 15,152,605
Accrued interest receivable	2,107	34,597	55,794
Accounts and notes receivable	-	-	-
Prepaid expenses	-	693	828
Due from other governments	927	499,229	-
<b>Total assets</b>	<u>574,850</u>	<u>9,930,023</u>	<u>15,209,227</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	-	934,757	123,429
Due to other funds	-	-	400,000
Retainage on contracts	-	35,637	5,563
Interfund advances payable	-	-	5,200,000
Unearned revenue	-	379,079	-
Escrow	-	628,987	-
<b>Total liabilities</b>	<u>-</u>	<u>1,978,460</u>	<u>5,728,992</u>
<b>Deferred inflows of resources</b>			
Deferred inflows from future revenues	-	-	-
<b>Total deferred inflows from resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit):</b>			
Nonspendable	-	693	828
Restricted	574,850	7,950,870	9,556,598
Committed	-	-	-
Unassigned (deficit)	-	-	(77,191)
<b>Total fund balances (deficit)</b>	<u>574,850</u>	<u>7,951,563</u>	<u>9,480,235</u>
<b>Total liabilities and fund balances (deficits)</b>	<u>\$ 574,850</u>	<u>\$ 9,930,023</u>	<u>\$ 15,209,227</u>

<b>Stormwater Utility</b>	<b>Affordable Housing</b>	<b>SHIP Local Housing Assistance</b>	<b>Infrastructure Sales Surtax</b>	<b>Total</b>
\$ 15,799,966	\$ 1,617,135	\$ 475,206	\$ 37,920,204	\$ 80,932,436
58,081	5,972	1,749	139,528	297,828
828,392	-	72,301	-	900,693
1,867	-	-	-	3,388
877,553	-	-	1,419,850	2,797,559
<u>17,565,859</u>	<u>1,623,107</u>	<u>549,256</u>	<u>39,479,582</u>	<u>84,931,904</u>
346,781	-	-	808,025	2,212,992
-	-	-	-	400,000
64,298	-	-	149,050	254,548
-	-	-	-	5,200,000
-	-	-	-	379,079
-	-	-	-	628,987
<u>411,079</u>	<u>-</u>	<u>-</u>	<u>957,075</u>	<u>9,075,606</u>
-	-	65,342	-	65,342
-	-	65,342	-	65,342
1,867	-	-	-	3,388
-	-	483,914	38,522,507	57,088,739
17,152,913	1,623,107	-	-	18,776,020
<u>17,154,780</u>	<u>1,623,107</u>	<u>483,914</u>	<u>38,522,507</u>	<u>75,790,956</u>
<u>\$ 17,565,859</u>	<u>\$ 1,623,107</u>	<u>\$ 549,256</u>	<u>\$ 39,479,582</u>	<u>\$ 84,931,904</u>

**CITY OF OCALA, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Downtown Development</u>	<u>Local Gasoline Tax</u>	<u>Community Redevelopment Agency</u>
<b>Revenues</b>			
Property taxes	\$ 146,523	\$ -	\$ 1,961,024
Local option gas tax	-	5,552,255	-
Infrastructure sales surtax	-	-	-
Permits, fees and special assessments	-	-	-
Intergovernmental revenues	-	790,442	-
Charges for services	-	-	-
Investment income	24,031	331,956	693,759
Miscellaneous	-	26,462	33
<b>Total revenues</b>	<u>170,554</u>	<u>6,701,115</u>	<u>2,654,816</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	3,690,884	-
Economic environment	20,474	-	977,863
Capital outlay	-	1,277,806	170,641
Debt service:			
Interest and paying agents' fees	-	-	80,000
<b>Total expenditures</b>	<u>20,474</u>	<u>4,968,690</u>	<u>1,228,504</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>150,080</u>	<u>1,732,425</u>	<u>1,426,312</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	3,025,051
Transfers out	(10,000)	-	(81,361)
<b>Total other financing sources (uses)</b>	<u>(10,000)</u>	<u>-</u>	<u>2,943,690</u>
<b>Net change In fund balances</b>	140,080	1,732,425	4,370,002
<b>Fund balances - beginning</b>	<u>434,770</u>	<u>6,219,138</u>	<u>5,110,233</u>
<b>Fund balances - ending</b>	<u>\$ 574,850</u>	<u>\$ 7,951,563</u>	<u>\$ 9,480,235</u>

<b>Stormwater Utility</b>	<b>Affordable Housing</b>	<b>SHIP Local Housing Assistance</b>	<b>Infrastructure Sales Surtax</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ 2,107,547
-	-	-	-	5,552,255
-	-	-	13,280,995	13,280,995
45,847	-	-	-	45,847
241,188	-	518,110	-	1,549,740
8,708,546	119,277	-	-	8,827,823
682,692	64,947	23,514	1,584,183	3,405,082
-	-	25,259	-	51,754
<u>9,678,273</u>	<u>184,224</u>	<u>566,883</u>	<u>14,865,178</u>	<u>34,821,043</u>
4,736	-	-	-	4,736
-	-	-	51,678	51,678
5,963,097	-	-	-	5,963,097
-	-	-	175,197	3,866,081
-	11,573	479,676	-	1,489,586
2,118,299	-	-	9,624,862	13,191,608
-	-	-	-	80,000
<u>8,086,132</u>	<u>11,573</u>	<u>479,676</u>	<u>9,851,737</u>	<u>24,646,786</u>
<u>1,592,141</u>	<u>172,651</u>	<u>87,207</u>	<u>5,013,441</u>	<u>10,174,257</u>
-	100,000	-	-	3,125,051
-	-	-	-	(91,361)
<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>3,033,690</u>
1,592,141	272,651	87,207	5,013,441	13,207,947
<u>15,562,639</u>	<u>1,350,456</u>	<u>396,707</u>	<u>33,509,066</u>	<u>62,583,009</u>
<u>\$ 17,154,780</u>	<u>\$ 1,623,107</u>	<u>\$ 483,914</u>	<u>\$ 38,522,507</u>	<u>\$ 75,790,956</u>

**CITY OF OCALA, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**DOWNTOWN DEVELOPMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Property taxes	\$ 146,523	\$ 142,779	\$ 3,744
Investment income (loss)	24,031	-	24,031
<b>Total revenues</b>	<u>170,554</u>	<u>142,779</u>	<u>27,775</u>
<b>Expenditures</b>			
Current:			
Economic environment	20,474	42,406	21,932
<b>Total expenditures</b>	<u>20,474</u>	<u>42,406</u>	<u>21,932</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>150,080</u>	<u>100,373</u>	<u>49,707</u>
<b>Other financing (uses)</b>			
Transfers out	(10,000)	(10,000)	-
<b>Total other financing (uses)</b>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	140,080	90,373	49,707
<b>Fund balance - beginning</b>	<u>434,770</u>	<u>434,770</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 574,850</u>	<u>\$ 525,143</u>	<u>\$ 49,707</u>

**CITY OF OCALA, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
LOCAL GASOLINE TAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Local option gas tax	\$ 5,552,255	\$ 5,366,672	\$ 185,583
Intergovernmental revenues	790,442	499,614	290,828
Fines and forfeitures	-	5,000	(5,000)
Investment income (loss)	331,956	-	331,956
Miscellaneous	26,462	18,000	8,462
<b>Total revenues</b>	<u>6,701,115</u>	<u>5,889,286</u>	<u>811,829</u>
<b>Expenditures</b>			
Current:			
Transportation	3,690,884	5,000,243	1,309,359
Capital outlay	1,277,806	3,782,725	2,504,919
<b>Total expenditures</b>	<u>4,968,690</u>	<u>8,782,968</u>	<u>3,814,278</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,732,425</u>	<u>(2,893,682)</u>	<u>4,626,107</u>
<b>Net change in fund balance</b>	1,732,425	(2,893,682)	4,626,107
<b>Fund balance - beginning</b>	<u>6,219,138</u>	<u>6,219,138</u>	<u>-</u>
<b>Fund balance - ending</b>	<u><u>\$ 7,951,563</u></u>	<u><u>\$ 3,325,456</u></u>	<u><u>\$ 4,626,107</u></u>

**CITY OF OCALA, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL**  
**COMMUNITY REDEVELOPMENT AGENCY (CRA) FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Property tax	\$ 1,961,024	\$ 1,961,023	\$ 1
Investment income	693,759	-	693,759
Miscellaneous	33	-	33
<b>Total revenues</b>	<u>2,654,816</u>	<u>1,961,023</u>	<u>693,793</u>
<b>Expenditures</b>			
Current:			
Economic environment	977,863	3,450,992	2,473,129
Debt service			
Interest	80,000	-	(80,000)
Capital outlay	170,641	7,610,412	7,439,771
<b>Total expenditures</b>	<u>1,228,504</u>	<u>11,061,404</u>	<u>9,832,900</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,426,312</u>	<u>(9,100,381)</u>	<u>10,526,693</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	3,025,051	3,025,050	1
Transfers out	(81,361)	-	(81,361)
<b>Total other financing sources (uses)</b>	<u>2,943,690</u>	<u>3,025,050</u>	<u>(81,360)</u>
<b>Net change in fund balance</b>	4,370,002	(6,075,331)	10,445,333
<b>Fund balance - beginning</b>	<u>5,110,233</u>	<u>5,110,233</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 9,480,235</u>	<u>\$ (965,098)</u>	<u>\$ 10,445,333</u>

**CITY OF OCALA, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
STORMWATER UTILITY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Permits, fees and special assessments	\$ 45,847	\$ 60,000	\$ (14,153)
Intergovernmental revenues	241,188	770,781	(529,593)
Charges for services	8,708,546	8,401,240	307,306
Investment income (loss)	682,692	-	682,692
<b>Total revenues</b>	<u>9,678,273</u>	<u>9,232,021</u>	<u>446,252</u>
<b>Expenditures</b>			
Current:			
General government	4,736	17,500	12,764
Physical environment	5,963,097	8,160,995	2,197,898
Capital outlay	2,118,299	4,021,293	1,902,994
<b>Total expenditures</b>	<u>8,086,132</u>	<u>12,199,788</u>	<u>4,113,656</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,592,141</u>	<u>(2,967,767)</u>	<u>4,559,908</u>
<b>Net change in fund balance</b>	1,592,141	(2,967,767)	4,559,908
<b>Fund balance - beginning</b>	<u>15,562,639</u>	<u>15,562,639</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 17,154,780</u>	<u>\$ 12,594,872</u>	<u>\$ 4,559,908</u>

**CITY OF OCALA, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**AFFORDABLE HOUSING FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Charges for services	\$ 119,277	\$ 125,000	\$ (5,723)
Investment income (loss)	64,947	-	64,947
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>184,224</u>	<u>125,000</u>	<u>59,224</u>
<b>Expenditures</b>			
Current:			
Economic environment	11,573	250,000	238,427
<b>Total expenditures</b>	<u>11,573</u>	<u>250,000</u>	<u>238,427</u>
<b>Excess (deficiency) of revenues over expenditures</b>	172,651	(125,000)	297,651
<b>Other financing sources (uses)</b>			
Transfers in	100,000	100,000	-
<b>Total other financing sources (uses)</b>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>Net change in fund balance</b>	272,651	(25,000)	297,651
<b>Fund balance - beginning</b>	<u>1,350,456</u>	<u>1,350,456</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 1,623,107</u>	<u>\$ 1,325,456</u>	<u>\$ 297,651</u>

**CITY OF OCALA, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
SHIP LOCAL HOUSING ASSISTANCE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental revenues	\$ 518,110	\$ 797,824	\$ (279,714)
Investment income (loss)	23,514	-	23,514
Other	25,259	43,849	(18,590)
<b>Total revenues</b>	<u>566,883</u>	<u>841,673</u>	<u>(274,790)</u>
<b>Expenditures</b>			
Current:			
Economic environment	479,676	841,673	361,997
<b>Total expenditures</b>	<u>479,676</u>	<u>841,673</u>	<u>361,997</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>87,207</u>	<u>-</u>	<u>87,207</u>
<b>Net change in fund balance</b>	87,207	-	87,207
<b>Fund balance - beginning</b>	<u>396,707</u>	<u>396,707</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 483,914</u>	<u>\$ 396,707</u>	<u>\$ 87,207</u>

**CITY OF OCALA, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**INFRASTRUCTURE SALES SURTAX FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental revenues	\$ 13,280,995	\$ 12,246,836	\$ 1,034,159
Investment income (loss)	1,584,183	-	1,584,183
<b>Total revenues</b>	<u>14,865,178</u>	<u>12,246,836</u>	<u>2,618,342</u>
<b>Expenditures</b>			
Current:			
Public safety	51,678	51,679	1
Transportation	175,197	1,396,047	1,220,850
Capital outlay	9,624,862	35,456,343	25,831,481
<b>Total expenditures</b>	<u>9,851,737</u>	<u>36,904,069</u>	<u>27,052,332</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>5,013,441</u>	<u>(24,657,233)</u>	<u>29,670,674</u>
<b>Net change in fund balance</b>	5,013,441	(24,657,233)	29,670,674
<b>Fund balance - beginning</b>	<u>33,509,066</u>	<u>33,509,066</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 38,522,507</u>	<u>\$ 8,851,833</u>	<u>\$ 29,670,674</u>

**CITY OF OCALA, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2025**

**DEBT SERVICE FUNDS:**

Debt Service Funds are used to account for the accumulation of resources for the payment of principal, interest and related costs of the City's general long-term debt. Debt Service Funds of the City are:

**2007A/2015 Improvement Certificates Fund** – This fund is used for the payment of principal, interest and related costs of the Capital Improvement Revenue Certificates, Series 2015, which refunded the Capital Improvement Revenue Certificates, Series 2007A.

**Bank Loan Series 2022 Fund** – This fund is used to account for payment of principal, interest and related costs for \$60 million bank loan in fiscal year 2022.

**CITY OF OCALA, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS  
 SEPTEMBER 30, 2025**

	<b>2007A/2015 Improvement Certificates</b>	<b>2022 Bank Loan</b>	<b>Total</b>
<b>Assets</b>			
Equity in pooled cash and investment fund	\$ 1,761,694	\$ 4,167,484	\$ 5,929,178
Accrued interest receivable	6,506	-	6,506
<b>Total assets</b>	<b>\$ 1,768,200</b>	<b>\$ 4,167,484</b>	<b>\$ 5,935,684</b>
<b>Liabilities and fund balances</b>			
<b>Liabilities:</b>			
Accounts Payable from Restricted Assets	\$ -	\$ -	\$ -
Total liabilities payable from restricted assets	-	-	-
<b>Fund balances:</b>			
Restricted	1,768,200	4,167,484	5,935,684
<b>Total fund balances</b>	<b>1,768,200</b>	<b>4,167,484</b>	<b>5,935,684</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,768,200</b>	<b>\$ 4,167,484</b>	<b>\$ 5,935,684</b>

**CITY OF OCALA, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>2007A/2015 Improvement Certificates</b>	<b>2022 Bank Loan</b>	<b>Total</b>
<b>Revenues</b>			
Investment income (loss)	\$ 44,792	\$ -	\$ 44,792
<b>Total Revenues</b>	<u>44,792</u>	<u>-</u>	<u>44,792</u>
<b>Expenditures</b>			
Debt service:			
Principal payments	1,515,000	2,990,000	4,505,000
Interest and paying agents' fees	439,125	2,214,527	2,653,652
<b>Total expenditures</b>	<u>1,954,125</u>	<u>5,204,527</u>	<u>7,158,652</u>
<b>(Deficiency) of revenues over expenditures</b>	<u>(1,909,333)</u>	<u>(5,204,527)</u>	<u>(7,113,860)</u>
<b>Other financing sources (uses)</b>			
Transfers in	1,936,696	9,534,030	11,470,726
<b>Total other financing sources (uses)</b>	<u>1,936,696</u>	<u>9,534,030</u>	<u>11,470,726</u>
<b>Net change in fund balances</b>	27,363	4,329,503	4,356,866
<b>Fund balances - beginning</b>	<u>1,740,837</u>	<u>(162,019)</u>	<u>1,578,818</u>
<b>Fund balances - ending</b>	<u>\$ 1,768,200</u>	<u>\$ 4,167,484</u>	<u>\$ 5,935,684</u>

**CITY OF OCALA, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**2007A/2015 IMPROVEMENT CERTIFICATES FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Investment income (loss)	\$ 44,792	\$ 4,120	\$ 40,672
<b>Total revenues</b>	<u>44,792</u>	<u>4,120</u>	<u>40,672</u>
<b>Expenditures</b>			
Debt service:			
Principal payments	1,515,000	1,515,000	-
Interest and paying agents' fees	439,125	439,725	600
<b>Total expenditures</b>	<u>1,954,125</u>	<u>1,954,725</u>	<u>600</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,909,333)</u>	<u>(1,950,605)</u>	<u>41,272</u>
<b>Other financing sources (uses)</b>			
Transfers in	1,936,696	1,976,400	(39,704)
Transfers out	-	(3,520)	3,520
<b>Total other financing sources (uses)</b>	<u>1,936,696</u>	<u>1,972,880</u>	<u>(36,184)</u>
<b>Net change in fund balance</b>	27,363	22,275	5,088
<b>Fund balance - beginning</b>	<u>1,740,837</u>	<u>1,740,837</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 1,768,200</u>	<u>\$ 1,763,112</u>	<u>\$ 5,088</u>

**CITY OF OCALA, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**2022 BANK LOAN**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Investment income (loss)	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Debt service:			
Principal payments	2,990,000	2,990,000	-
Interest and paying agents' fees	2,214,527	2,214,501	(26)
<b>Total expenditures</b>	<u>5,204,527</u>	<u>5,204,501</u>	<u>(26)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(5,204,527)</u>	<u>(5,204,501)</u>	<u>(26)</u>
<b>Other financing sources (uses)</b>			
Transfers in	9,534,030	9,593,432	(59,402)
<b>Total other financing sources (uses)</b>	<u>9,534,030</u>	<u>9,593,432</u>	<u>(59,402)</u>
<b>Net change in fund balance</b>	4,329,503	4,388,931	(59,428)
<b>Fund balance - beginning</b>	<u>(162,019)</u>	<u>(162,019)</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 4,167,484</u>	<u>\$ 4,226,912</u>	<u>\$ (59,428)</u>

**CITY OF OCALA, FLORIDA  
NONMAJOR BUSINESS-TYPE FUNDS  
SEPTEMBER 30, 2025**

**NONMAJOR BUSINESS-TYPE FUNDS:**

**Sanitation Fund** – This fund accounts for the operation and maintenance of the City's refuse collection system.

**Municipal Golf Course Fund** – This fund accounts for the construction, operation and maintenance of the City's golf course.

**Ocala International Airport Fund** – This fund accounts for the construction, operation and maintenance of the City's airport and the Foreign Trade Zone #217.

**Ocala Fiber Network Fund** – This fund accounts for the construction, operation and maintenance of the City's broadband communications (fiber optics) network.

**SunTran Fund** – This fund accounts for the operation and maintenance of the regional mass transit system that began operations in 1999.

**CITY OF OCALA, FLORIDA  
STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
SEPTEMBER 30, 2025**

	<b>Non-Major Enterprise Funds</b>					
	<b>Sanitation</b>	<b>Municipal Golf Course</b>	<b>Ocala International Airport</b>	<b>Ocala Fiber Network</b>	<b>SunTran</b>	<b>Total</b>
<b>Assets</b>						
<b>Current Assets:</b>						
Cash and investments	\$ -	\$ 109,239	\$ -	\$ -	\$ 150	\$ 109,389
Equity in pooled cash and investment fund	9,447,137	54,165	3,501,107	12,009,584	-	25,011,993
Receivables (net, where applicable, of allowances for uncollectibles):						
Accounts and notes	840,344	416,269	136,692	371,985	8,060	1,773,350
Accrued interest	34,753	191	15,910	44,201	-	95,055
Unbilled revenues	855,968	-	-	491,134	-	1,347,102
Prepays	13,331	50,839	-	5,000	19,468	88,638
Inventories	-	91,614	-	1,310,449	-	1,402,063
Due from other governments	-	-	925,508	146,977	1,887,790	2,960,275
<b>Total current assets</b>	<u>11,191,533</u>	<u>722,317</u>	<u>4,579,217</u>	<u>14,379,330</u>	<u>1,915,468</u>	<u>32,787,865</u>
<b>Noncurrent Assets:</b>						
Capital assets:						
Capital assets not being depreciated	-	23,797	8,244,306	2,220,629	-	10,488,732
Capital assets being depreciated, net	12,378,434	566,117	22,932,855	10,264,655	4,950,817	51,092,878
Total capital assets (net)	<u>12,378,434</u>	<u>589,914</u>	<u>31,177,161</u>	<u>12,485,284</u>	<u>4,950,817</u>	<u>61,581,610</u>
<b>Total noncurrent assets</b>	<u>12,378,434</u>	<u>589,914</u>	<u>31,177,161</u>	<u>12,485,284</u>	<u>4,950,817</u>	<u>61,581,610</u>
<b>Total assets</b>	<u>\$ 23,569,967</u>	<u>\$ 1,312,231</u>	<u>\$ 35,756,378</u>	<u>\$ 26,864,614</u>	<u>\$ 6,866,285</u>	<u>\$ 94,369,475</u>
<b>Deferred outflows of resources:</b>						
Deferred amount pension related	599,393	-	84,317	176,887	-	860,597
Deferred amount OPEB related	384,225	-	55,356	139,812	-	579,393
<b>Total deferred outflows of resources</b>	<u>\$ 983,618</u>	<u>\$ -</u>	<u>\$ 139,673</u>	<u>\$ 316,699</u>	<u>\$ -</u>	<u>\$ 1,439,990</u>
<b>Liabilities</b>						
<b>Current Liabilities:</b>						
Payable from unrestricted assets:						
Accounts payable and accrued liabilities	\$ 1,836,810	\$ 732,181	\$ 174,184	\$ 583,257	\$ 363,669	3,690,101
Contract retainage	-	-	93,962	-	-	93,962
Compensated absences payable	160,591	-	29,553	88,150	-	278,294
OPEB obligation payable	41,875	-	6,748	13,298	-	61,921
Leases payable	-	-	-	22,943	-	22,943
Due to other governments	-	9,021	8,994	12,073	-	30,088
Due to other funds	-	-	-	-	1,791,656	1,791,656
Customer deposits	-	14,488	102,345	-	-	116,833
Unearned revenue	-	76,781	1,565,529	-	-	1,642,310
<b>Total current liabilities</b>	<u>2,039,276</u>	<u>832,471</u>	<u>1,981,315</u>	<u>719,721</u>	<u>2,155,325</u>	<u>7,728,108</u>
<b>Noncurrent Liabilities:</b>						
Compensated absences payable	176,274	-	15,364	52,439	-	244,077
OPEB obligation payable	949,020	-	154,371	299,158	-	1,402,549
Leases payable	-	-	-	35,733	-	35,733
Net pension liability	2,683,579	-	377,505	791,942	-	3,853,026
<b>Total noncurrent liabilities</b>	<u>3,808,873</u>	<u>-</u>	<u>547,240</u>	<u>1,179,272</u>	<u>-</u>	<u>5,535,385</u>
<b>Total liabilities</b>	<u>\$ 5,848,149</u>	<u>\$ 832,471</u>	<u>\$ 2,528,555</u>	<u>\$ 1,898,993</u>	<u>\$ 2,155,325</u>	<u>\$ 13,263,493</u>
<b>Deferred Inflows of Resources:</b>						
Deferred inflows pension related	362,878	-	51,047	107,088	-	521,013
Deferred inflows OPEB related	222,295	-	19,833	99,123	-	341,251
<b>Total deferred inflows of resources</b>	<u>585,173</u>	<u>-</u>	<u>70,880</u>	<u>206,211</u>	<u>-</u>	<u>862,264</u>
<b>Net Position</b>						
Net investment in capital assets	12,378,434	589,914	31,083,199	12,426,608	4,950,817	61,428,972
Unrestricted (accumulated deficit)	5,741,829	(110,154)	2,213,417	12,649,501	(239,857)	20,254,736
<b>Total net position</b>	<u>\$ 18,120,263</u>	<u>\$ 479,760</u>	<u>\$ 33,296,616</u>	<u>\$ 25,076,109</u>	<u>\$ 4,710,960</u>	<u>\$ 81,683,708</u>

**CITY OF OCALA, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>Non-Major Enterprise Funds</b>					
	<b>Sanitation</b>	<b>Municipal Golf Course</b>	<b>Ocala International Airport</b>	<b>Ocala Fiber Network</b>	<b>SunTran</b>	<b>Total</b>
<b>Operating Revenues:</b>						
Charges for services	\$ 16,957,009	\$ 2,107,210	\$ 2,310,553	\$ 10,841,204	\$ 234,227	\$ 32,450,203
Other	222,013	-	54,079	62,331	4,465	342,888
<b>Total operating revenues</b>	<b>17,179,022</b>	<b>2,107,210</b>	<b>2,364,632</b>	<b>10,903,535</b>	<b>238,692</b>	<b>32,793,091</b>
<b>Operating Expenses:</b>						
Operation and maintenance	7,721,787	494,553	1,450,075	1,934,977	4,967,438	16,568,830
Administration	5,641,383	2,086,093	665,804	3,680,476	-	12,073,756
Amortization expense	-	-	-	57,650	-	57,650
Depreciation	1,065,031	109,368	1,572,444	1,779,924	558,111	5,084,878
<b>Total operating expenses</b>	<b>14,428,201</b>	<b>2,690,014</b>	<b>3,688,323</b>	<b>7,453,027</b>	<b>5,525,549</b>	<b>33,785,114</b>
<b>Operating income (loss)</b>	<b>2,750,821</b>	<b>(582,804)</b>	<b>(1,323,691)</b>	<b>3,450,508</b>	<b>(5,286,857)</b>	<b>(992,023)</b>
<b>Non-Operating Revenues (Expenses):</b>						
Investment income	395,509	3,713	173,755	493,694	-	1,066,671
Interest expense	-	-	-	(2,708)	-	(2,708)
Other non-operating revenue	-	-	-	106,708	4,758,266	4,864,974
<b>Total non-operating revenues (expenses)</b>	<b>395,509</b>	<b>3,713</b>	<b>173,755</b>	<b>597,694</b>	<b>4,758,266</b>	<b>5,928,937</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>3,146,330</b>	<b>(579,091)</b>	<b>(1,149,936)</b>	<b>4,048,202</b>	<b>(528,591)</b>	<b>4,936,914</b>
Capital Contributions	183,729	-	2,409,275	-	-	2,593,004
Transfers in	1,129,587	376,496	-	-	552,503	2,058,586
Transfers out	(2,479,425)	(173,000)	-	(1,095,181)	-	(3,747,606)
<b>Total transfers</b>	<b>(1,349,838)</b>	<b>203,496</b>	<b>-</b>	<b>(1,095,181)</b>	<b>552,503</b>	<b>(1,689,020)</b>
<b>Change in net position</b>	<b>1,980,221</b>	<b>(375,595)</b>	<b>1,259,339</b>	<b>2,953,021</b>	<b>23,912</b>	<b>5,840,898</b>
<b>Net position - October 1</b>	<b>\$ 16,140,042</b>	<b>\$ 855,355</b>	<b>\$ 32,037,277</b>	<b>\$ 22,123,088</b>	<b>\$ 4,687,048</b>	<b>\$ 75,842,810</b>
<b>Net position - September 30</b>	<b>\$ 18,120,263</b>	<b>\$ 479,760</b>	<b>\$ 33,296,616</b>	<b>\$ 25,076,109</b>	<b>\$ 4,710,960</b>	<b>\$ 81,683,708</b>

**CITY OF OCALA, FLORIDA  
STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Non-Major Enterprise Funds					Total
	Sanitation	Municipal Golf Course	Ocala International Airport	Ocala Fiber Network	SunTran	
<b>Cash Flows from Operating Activities:</b>						
Cash received from customers	\$ 17,204,719	\$ 2,143,828	\$ 2,285,565	\$ 10,896,678	\$ 237,797	\$ 32,768,587
Cash paid to suppliers for goods and services	(7,807,720)	(2,557,511)	(1,448,384)	(2,414,284)	(4,029,792)	(18,257,691)
Cash paid to employees for services	(4,641,117)	-	(635,344)	(3,015,342)	(423,801)	(8,715,604)
Net cash provided by (used in) operating activities	<u>4,755,882</u>	<u>(413,683)</u>	<u>201,837</u>	<u>5,467,052</u>	<u>(4,215,796)</u>	<u>5,795,292</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>						
Transfers in	1,129,587	376,496	-	-	552,503	2,058,586
Transfers out	(2,479,425)	(173,000)	-	(1,095,181)	-	(3,747,606)
Operating grants	5,960	-	-	40,001	4,228,060	4,274,021
Net cash provided by (used in) non-capital financing activities	<u>(1,343,878)</u>	<u>203,496</u>	<u>-</u>	<u>(1,055,180)</u>	<u>4,780,563</u>	<u>2,585,001</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Proceeds from sale of capital assets	-	1,544	-	-	-	1,544
Lease principal payments	-	-	-	(69,177)	-	(69,177)
Lease interest payments	-	-	-	(2,708)	-	(2,708)
Acquisition and construction of capital assets	(3,490,157)	(275,766)	(2,332,815)	(3,086,641)	(564,767)	(9,750,146)
Contributions received from other governments and developers	183,729	-	1,941,207	-	-	2,124,936
Net cash (used in) capital and related financing activities	<u>(3,306,428)</u>	<u>(274,222)</u>	<u>(391,608)</u>	<u>(3,158,526)</u>	<u>(564,767)</u>	<u>(7,695,551)</u>
<b>Cash Flows from Investing Activities:</b>						
Investment income	396,984	5,939	173,815	490,532	-	1,067,270
Net cash provided by investing activities	<u>396,984</u>	<u>5,939</u>	<u>173,815</u>	<u>490,532</u>	<u>-</u>	<u>1,067,270</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	502,560	(478,470)	(15,956)	1,743,878	-	1,752,012
<b>Cash and cash equivalents, beginning</b>	\$ 8,944,577	\$ 641,874	\$ 3,517,063	\$ 10,265,706	\$ 150	\$ 23,369,370
<b>Cash and cash equivalents, ending</b>	<u>\$ 9,447,137</u>	<u>\$ 163,404</u>	<u>\$ 3,501,107</u>	<u>\$ 12,009,584</u>	<u>\$ 150</u>	<u>\$ 25,121,382</u>

**CITY OF OCALA, FLORIDA**  
**STATEMENT OF CASH FLOWS (Continued)**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

**Non-Major Enterprise Funds**

	<u>Sanitation</u>	<u>Municipal Golf Course</u>	<u>Ocala International Airport</u>	<u>Ocala Fiber Network</u>	<u>SunTran</u>	<u>Total</u>
<b>Reconciliation of Cash and Cash Equivalents to Balance Sheet:</b>						
Total current cash and investments per the balance sheet	\$ 9,447,137	\$ 163,404	\$ 3,501,107	\$ 12,009,584	\$ 150	\$ 25,121,382
Cash and cash equivalents, end of year	<u>9,447,137</u>	<u>163,404</u>	<u>3,501,107</u>	<u>12,009,584</u>	<u>150</u>	<u>25,121,382</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>						
Operating income (loss)	2,750,821	(582,804)	(1,323,691)	3,450,508	(5,286,857)	(992,023)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:						
Depreciation & amortization	1,065,031	109,368	1,572,444	1,837,574	558,111	5,142,528
Loss(gain) on capital asset disposal						
Other (income) expense						
(Increase) decrease in assets and deferred outflow of resources:						
Accounts and notes receivable	25,697	15,772	7,868	(6,857)	(895)	41,585
Inventories	-	(2,284)	-	9,995	-	7,711
Other current assets	(13,331)	(13,647)	-	300	391	(26,287)
Deferred outflows pension	771,058	-	108,467	227,544	-	1,107,069
Deferred outflow OPEB	(98,733)	-	(9,873)	(59,240)	-	(167,846)
Increase (decrease) in liabilities and deferred inflow of resources:						
Accounts and contracts payable	1,094,549	38,163	69,663	255,711	75,874	1,533,960
Compensated absences payable	83,323	-	(2,269)	(6,921)	-	74,133
OPEB obligation payable	137,043	-	13,704	82,226	-	232,973
Due to other funds	-	-	-	-	437,580	437,580
Due to other governments	-	903	(68)	749	-	1,584
Net pension liability	(1,383,593)	-	(194,634)	(408,308)	-	(1,986,535)
Deferred inflows pension	362,878	-	51,047	107,088	-	521,013
Customer deposits	-	(6,492)	(6,725)	-	-	(13,217)
Deferred inflows OPEB	(38,861)	-	(3,886)	(23,317)	-	(66,064)
Unearned revenue	-	27,338	(80,210)	-	-	(52,872)
Net cash provided by (used in) operating activities	<u>\$ 4,755,882</u>	<u>\$ (413,683)</u>	<u>\$ 201,837</u>	<u>\$ 5,467,052</u>	<u>\$ (4,215,796)</u>	<u>\$ 5,795,292</u>
<b>Noncash Capital and Related Financing Activities:</b>						
Capital additions funded by accounts and contracts payable	\$ -	\$ -	\$ 93,962	\$ -	\$ -	\$ 93,962

**CITY OF OCALA, FLORIDA  
STATISTICAL SECTION  
SEPTEMBER 30, 2025**

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

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

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

**CITY OF OCALA, FLORIDA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Governmental activities</b>			
Net invested in capital assets	\$ 142,447,242	\$ 142,579,197	\$ 144,116,288
Restricted	8,975,960	13,711,945	12,538,873
Unrestricted	(4,629,276)	(9,538,921)	(3,874,746)
Total governmental activities net position	<u>146,793,926</u>	<u>146,752,221</u>	<u>152,780,415</u>
<b>Business-type activities</b>			
Net invested in capital assets	228,909,169	205,989,676	208,016,157
Restricted	12,966,465	33,647,458	40,452,063
Unrestricted	49,974,407	41,988,027	33,787,661
Total business-type activities net position	<u>291,850,041</u>	<u>281,625,161</u>	<u>282,255,881</u>
<b>Primary government</b>			
Net invested in capital assets (1)	371,356,411	348,568,873	352,132,445
Restricted (3)	21,942,425	47,359,403	52,990,936
Unrestricted (2) (4) (5)	45,345,131	32,449,106	29,912,915
Total primary government net position	<u>\$ 438,643,967</u>	<u>\$ 428,377,382</u>	<u>\$ 435,036,296</u>

- (1) Fiscal year 2013 net invested in capital assets has been restated due to adjustment of the City's capital assets.
- (2) Fiscal year 2014 unrestricted net position has been restated due to the implementation of GASB 68.
- (3) Fiscal year 2016 unrestricted net position has been restated due to change in accrued interest payable.
- (4) Fiscal year 2018 unrestricted net position has been restated due to the implementation of GASB 75.
- (5) Fiscal year 2019 unrestricted net position has been restated due to interfund loan.

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 140,551,684	\$ 144,263,587	\$ 141,919,068	\$ 144,120,074	\$ 147,284,538	\$ 153,346,706	\$ 159,641,504
15,994,010	17,847,468	24,680,544	35,467,317	52,713,662	53,086,147	66,471,173
16,002,683	(55,735,218)	(41,956,351)	(29,101,959)	(19,852,033)	8,386,565	25,745,851
<u>156,554,367</u>	<u>106,375,837</u>	<u>124,643,261</u>	<u>150,485,432</u>	<u>180,146,167</u>	<u>214,819,418</u>	<u>251,858,528</u>
219,640,297	229,806,945	229,459,133	226,283,800	234,962,733	246,709,153	262,170,841
39,985,327	40,316,227	46,553,961	53,792,169	56,317,228	61,987,037	73,643,221
22,368,955	24,981,348	31,284,269	31,730,343	34,296,276	53,411,127	74,820,387
<u>281,994,579</u>	<u>295,104,520</u>	<u>307,297,363</u>	<u>311,806,312</u>	<u>325,576,237</u>	<u>362,107,317</u>	<u>410,634,449</u>
360,191,981	374,070,532	371,378,201	370,403,874	382,247,271	400,055,859	421,812,345
55,979,337	58,163,695	71,234,505	89,259,486	109,030,890	115,073,184	140,114,394
38,371,638	(30,753,870)	(10,672,082)	2,628,384	14,444,243	61,797,692	100,566,238
<u>\$ 454,542,956</u>	<u>\$ 401,480,357</u>	<u>\$ 431,940,624</u>	<u>\$ 462,291,744</u>	<u>\$ 505,722,404</u>	<u>\$ 576,926,735</u>	<u>\$ 662,492,977</u>

**CITY OF OCALA, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Expenses</b>			
Governmental Activities:			
General government	\$ 11,597,693	\$ 15,103,102	\$ 16,541,510
Public safety	42,665,312	42,095,725	45,582,373
Public safety- Fire fee settlement	-	-	-
Physical environment	6,154,252	6,413,857	7,012,507
Transportation	17,375,706	18,046,664	19,400,855
Economic environment	3,778,358	1,182,204	1,595,196
Human services	5,247	5,113	17,021
Culture and recreation	7,159,916	8,747,638	9,856,771
Interest on long-term debt	2,417,186	863,436	816,261
Total Governmental Activities	<u>91,153,670</u>	<u>92,457,740</u>	<u>100,822,494</u>
Business-type Activities:			
Electric	136,853,553	144,857,424	139,377,776
Water and sewer	30,830,593	32,970,648	34,326,111
Sanitation	8,933,087	9,271,356	10,932,803
Municipal Golf Course	1,938,067	1,999,735	2,139,314
International airport	1,838,267	1,829,899	1,752,284
Fiber Network	2,695,714	3,315,091	3,819,983
SunTran	3,059,382	3,118,029	2,929,334
Total Business-type Activities	<u>186,148,663</u>	<u>197,362,182</u>	<u>195,277,605</u>
Total Expenses	<u><u>277,302,333</u></u>	<u><u>289,819,922</u></u>	<u><u>296,100,099</u></u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for services:			
General government	12,961,644	13,247,342	15,323,733
Public safety	9,401,196	9,790,569	10,339,923
Physical environment	128	442	135,074
Economic environment	61,865	103,597	-
Culture and recreation	585,640	547,225	671,332
Operating grants and contributions	2,429,040	3,941,191	2,093,493
Capital grants and contributions	1,867,635	1,707,662	2,231,867
Total governmental activities	<u>27,307,148</u>	<u>29,338,028</u>	<u>30,795,422</u>
Business-type Activities:			
Charges for services:			
Electric	143,790,825	149,362,971	151,400,553
Water and sewer	28,267,876	28,841,424	29,574,011
Sanitation	10,598,109	11,235,445	12,507,267
Municipal golf courses	1,227,082	1,456,241	1,442,187
International airport	1,065,576	1,103,267	1,107,269
Fiber Network	3,588,651	4,095,942	5,203,224
SunTran	365,528	420,010	342,775
Operating grants and contributions	2,027,718	2,739,807	2,964,470
Capital grants and contributions	2,879,731	5,390,271	6,509,675
Total Business-type Activities	<u>193,811,096</u>	<u>204,645,378</u>	<u>211,051,431</u>
Total Program Revenues	<u><u>\$ 221,118,244</u></u>	<u><u>\$ 233,983,406</u></u>	<u><u>\$ 241,846,853</u></u>

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$	14,173,067	\$ 12,539,845	\$ 12,543,745	\$ 11,952,518	\$ 14,790,497	\$ 13,971,511	\$ 18,194,066
	47,822,519	58,112,349	57,613,575	57,827,557	73,652,568	84,079,860	91,171,141
	-	80,000,000	-	-	-	-	-
	6,132,488	6,629,347	6,990,456	7,522,112	6,176,550	6,950,055	7,009,060
	20,192,533	17,937,405	16,513,398	19,538,618	18,891,969	24,462,835	21,053,735
	2,954,852	3,604,606	3,665,074	3,207,917	4,079,129	5,275,729	4,418,185
	-	-	-	-	-	-	-
	10,225,166	9,746,534	9,143,439	10,043,079	11,303,090	12,661,154	12,909,090
	846,853	797,420	746,729	1,833,538	3,188,320	3,043,705	2,832,868
	<u>102,347,478</u>	<u>189,367,506</u>	<u>107,216,416</u>	<u>111,925,339</u>	<u>132,082,123</u>	<u>150,444,849</u>	<u>157,588,145</u>
	141,562,509	134,900,874	137,572,943	188,453,689	177,586,080	154,427,702	168,141,988
	35,295,692	35,235,871	34,001,912	36,343,504	35,544,613	38,086,943	41,686,541
	11,035,028	11,648,985	11,786,769	11,792,441	13,370,420	13,838,634	14,428,201
	2,111,379	1,792,709	1,658,800	1,783,802	2,058,892	2,422,756	2,690,014
	2,118,597	1,490,607	1,518,031	2,925,026	2,868,581	3,165,066	3,688,323
	4,299,046	4,657,453	5,232,092	6,080,816	6,570,831	7,186,686	7,455,735
	3,144,422	3,227,376	3,585,371	4,233,781	4,092,069	4,890,977	5,525,549
	<u>199,566,673</u>	<u>192,953,875</u>	<u>195,355,918</u>	<u>251,613,059</u>	<u>242,091,486</u>	<u>224,018,764</u>	<u>243,616,351</u>
	<u>301,914,151</u>	<u>382,321,381</u>	<u>302,572,334</u>	<u>363,538,398</u>	<u>374,173,609</u>	<u>374,463,613</u>	<u>401,204,496</u>
	14,881,579	8,113,682	8,545,958	10,777,935	12,174,289	16,197,529	11,116,063
	10,865,438	11,052,473	9,842,226	15,186,680	12,326,722	20,196,985	21,085,340
	103,704	7,178,037	8,100,060	8,330,631	8,334,781	8,445,482	8,728,987
	-	54,897	56,294	259,532	161,086	88,733	119,277
	818,514	427,141	485,134	608,760	715,948	785,049	868,240
	4,366,727	2,193,649	2,561,616	7,173,153	5,116,121	4,026,223	7,396,731
	897,270	951,787	297,732	820,242	272,567	359,132	320,813
	<u>31,933,232</u>	<u>29,971,666</u>	<u>29,889,020</u>	<u>43,156,933</u>	<u>39,101,514</u>	<u>50,099,133</u>	<u>49,635,451</u>
	150,735,604	155,074,881	158,037,816	206,625,372	194,411,347	183,776,059	208,232,670
	31,065,814	31,400,930	34,340,257	38,070,524	43,141,483	47,617,526	54,739,435
	13,390,517	14,369,835	15,415,424	15,596,566	15,911,367	16,360,911	17,179,022
	1,463,600	1,276,066	1,711,086	1,595,230	1,704,801	1,819,584	2,107,210
	1,114,247	1,265,518	1,571,302	1,758,906	1,927,701	2,209,544	2,364,632
	6,782,699	7,150,454	7,885,925	8,498,919	9,147,913	10,197,856	10,903,535
	315,487	255,155	168,842	151,498	214,046	286,991	238,692
	2,040,475	7,466,671	3,236,285	3,512,878	4,205,775	5,825,875	6,087,621
	7,858,521	7,619,198	9,248,394	8,848,928	10,820,191	12,524,153	12,774,230
	<u>214,766,964</u>	<u>225,878,708</u>	<u>231,615,331</u>	<u>284,658,821</u>	<u>281,484,624</u>	<u>280,618,499</u>	<u>314,627,047</u>
\$	<u>246,700,196</u>	<u>\$ 255,850,374</u>	<u>\$ 261,504,351</u>	<u>\$ 327,815,754</u>	<u>\$ 320,586,138</u>	<u>\$ 330,717,632</u>	<u>\$ 364,262,498</u>

(Continued)

**CITY OF OCALA, FLORIDA**  
**CHANGES IN NET POSITION (continued)**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Net (Expense)/Revenue:			
Governmental Activities	\$ (63,846,522)	\$ (63,119,712)	\$ (70,027,072)
Business-type Activities	7,662,433	7,283,196	15,773,826
Total net expense	<u>(56,184,089)</u>	<u>(55,836,516)</u>	<u>(54,253,246)</u>
<b>General Revenues</b>			
Governmental Activities:			
Property taxes	25,500,381	26,579,539	28,086,252
Utility service tax	9,144,899	9,083,731	9,767,251
Other taxes	7,470,991	12,163,357	14,996,501
Unrestricted revenues	5,917,854	6,194,657	6,428,967
Investment income	1,760,743	438,878	86,514
Miscellaneous	853,394	654,463	1,479,744
Transfers	13,914,315	14,804,493	15,205,236
Total governmental revenues and transfers	<u>64,562,577</u>	<u>69,919,118</u>	<u>76,050,465</u>
Business-type Activities:			
Investment income	2,532,319	665,920	62,130
Gain on sale of capital assets	-	-	-
Transfers	<u>(13,914,315)</u>	<u>(14,804,493)</u>	<u>(15,205,236)</u>
Total business-type activities	<u>(11,381,996)</u>	<u>(14,138,573)</u>	<u>(15,143,106)</u>
Total primary government	<u><u>53,180,581</u></u>	<u><u>55,780,545</u></u>	<u><u>60,907,359</u></u>
<b>Change in Net Position</b>			
Governmental Activities	716,055	6,799,406	6,028,194
Business-type Activities	<u>(3,719,563)</u>	<u>(6,855,377)</u>	<u>630,720</u>
Total Change in Net Position	<u><u>\$ (3,003,508)</u></u>	<u><u>\$ (55,971)</u></u>	<u><u>\$ 6,658,914</u></u>

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ (70,414,246)	\$ (159,395,840)	\$ (77,327,396)	\$ (68,768,406)	\$ (92,980,609)	\$ (100,345,716)	\$ (107,952,694)
15,200,291	32,924,833	36,259,413	33,045,762	39,393,138	56,599,735	71,010,696
(55,213,955)	(126,471,007)	(41,067,983)	(35,722,644)	(53,587,471)	(43,745,981)	(36,941,998)
30,390,304	32,306,598	34,874,426	36,949,326	41,845,602	47,066,531	51,967,282
10,373,092	9,319,912	9,319,912	9,319,912	14,460,925	13,833,419	14,155,534
15,927,031	15,767,325	14,706,970	17,025,274	20,896,809	22,912,021	24,654,344
6,761,150	6,315,818	6,315,818	6,315,818	9,586,355	9,477,576	9,724,245
4,838,095	5,142,603	(183,469)	(8,504,610)	4,451,185	12,420,398	8,650,351
1,101,835	733,753	1,429,765	1,197,714	3,898,776	1,444,007	7,975,493
21,170,701	23,637,291	23,933,547	24,106,826	27,501,692	27,865,015	27,864,555
90,562,208	93,223,300	90,396,969	86,410,260	122,641,344	135,018,967	144,991,804
5,329,108	3,822,399	(133,023)	(4,429,987)	1,851,595	7,237,320	5,375,722
-	-	-	-	26,884	559,040	5,269
(21,170,701)	(23,637,291)	(23,933,547)	(24,106,826)	(27,501,692)	(27,865,015)	(27,864,555)
(15,841,593)	(19,814,892)	(24,066,570)	(28,536,813)	(25,623,213)	(20,068,655)	(22,483,564)
74,720,615	73,408,408	66,330,399	57,873,447	97,018,131	114,950,312	122,508,240
20,147,962	(66,172,540)	18,267,424	25,842,171	29,660,735	34,673,251	37,039,110
(641,302)	13,109,941	12,192,843	4,508,949	13,769,925	36,531,080	48,527,132
\$ 19,506,660	\$ (53,062,599)	\$ 30,460,267	\$ 30,351,120	\$ 43,430,660	\$ 71,204,331	\$ 85,566,242

**CITY OF OCALA, FLORIDA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
General fund			
Nondspendable	\$ 545,193	\$ 1,147,780	\$ 818,773
Restricted	1,097,701	1,573,949	1,999,031
Committed	1,521,527	1,545,781	1,825,787
Assigned	20,553,148	14,105,173	15,712,693
Unassigned	17,096,287	18,645,544	19,067,511
Total general fund	<u>40,813,856</u>	<u>37,018,227</u>	<u>39,423,795</u>
CRA fund			
Nondspendable	-	-	-
Restricted	1,678,833	1,824,463	2,394,248
Unassigned	-	-	-
Total CRA fund	<u>1,678,833</u>	<u>1,824,463</u>	<u>2,394,248</u>
All other governmental funds			
Nondspendable	-	-	62,293.00
Restricted	6,574,272	10,783,703	8,521,664
Committed	5,397,900	5,187,862	4,603,096
Total all other governmental funds	<u>\$ 11,972,172</u>	<u>\$ 15,971,565</u>	<u>\$ 13,187,053</u>

2019	2020	2021	2022	2023	2024	2025
\$ 2,299,121	\$ 2,827,844	\$ 3,525,048	\$ 3,077,887	\$ 2,551,294	\$ 5,231,678	\$ 3,385,052
2,362,000	2,588,494	2,748,786	3,322,068	3,624,534	3,636,055	3,383,266
2,954,841	3,910,065	2,872,695	2,744,106	2,093,001	2,033,120	604,553
22,362,272	26,139,813	35,126,233	14,121,678	16,303,753	38,170,936	54,665,974
21,801,107	20,587,032	22,699,503	20,899,910	45,203,331	40,485,021	39,740,556
<u>51,779,341</u>	<u>56,053,248</u>	<u>66,972,265</u>	<u>44,165,649</u>	<u>69,775,913</u>	<u>89,556,810</u>	<u>101,779,401</u>
-	-	-	1,113.00	1,435	395	828
2,855,528	3,123,102	979,557	3,795,337	5,539,716	7,062,841	9,556,598
-	-	-	(4,945,145)	(3,806,429)	(1,953,033)	(77,191)
<u>2,855,528</u>	<u>3,123,102</u>	<u>979,557</u>	<u>(1,148,695)</u>	<u>1,734,722</u>	<u>5,110,203</u>	<u>9,480,235</u>
66,547	950	6,354	1,109,178	1,137,622	5,578	3,388
11,133,200	12,466,884	21,220,672	50,527,255	33,848,199	49,363,359	63,024,423
5,342,040	6,538,710	8,699,554	10,717,713	13,396,635	16,907,912	18,776,020
<u>\$ 16,541,787</u>	<u>\$ 19,006,544</u>	<u>\$ 29,926,580</u>	<u>\$ 62,354,146</u>	<u>\$ 48,382,458</u>	<u>\$ 66,276,849</u>	<u>\$ 81,803,831</u>

**CITY OF OCALA, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues:</b>				
Property tax	\$ 25,500,381	\$ 26,579,539	\$ 28,086,252	\$ 30,390,304
Utility service tax	9,144,899	9,083,731	9,767,251	10,373,092
Communication service tax	2,643,849	2,467,314	2,543,312	2,557,723
Local option gas tax	3,453,019	3,523,965	3,557,305	3,713,340
Other tax	1,374,123	1,391,683	1,519,756	1,524,808
Infrastructure Sales Surtax	-	4,780,395.00	7,376,128	8,131,160
State revenue sharing	5,917,854	6,194,657	6,428,967	6,761,150
Other intergovernmental revenue	4,286,325	5,648,852	4,427,716	5,344,740
Licenses, permits and fees	2,306,800	2,860,444	3,828,575	3,254,885
Fines and forfeitures	544,354	790,722	1,212,005	488,023
Charges for services	20,169,669	20,038,009	21,327,125	22,845,586
Investment income	1,223,380	275,234	59,281	3,319,355
Miscellaneous	789,782	737,810	1,705,551	1,113,517
Total revenues	<u>77,354,435</u>	<u>84,372,355</u>	<u>91,839,224</u>	<u>99,817,683</u>
<b>Expenditures:</b>				
General government	11,709,642	14,998,495	16,494,605	14,097,158
Public safety	43,252,530	43,692,227	47,376,895	49,563,254
Physical environment	4,992,613	5,065,131	5,920,590	5,088,532
Transportation	9,853,517	10,307,913	12,041,985	12,220,874
Economic environment	3,746,782	1,225,350	1,498,538	2,954,396
Culture and recreation	6,659,803	8,112,809	9,206,055	9,731,547
Capital outlay	12,397,566	7,189,104	12,621,118	9,031,688
Debt service				
Principal payments	2,340,000	2,380,000	2,405,000	2,625,000
Issuance Costs	-	-	-	-
Interest and fees	640,869	783,863	755,634	731,799
Total expenditures	<u>95,593,322</u>	<u>93,754,892</u>	<u>108,320,420</u>	<u>106,044,248</u>
Excess of revenues over (under) expenditures	<u>(18,238,887)</u>	<u>(9,382,537)</u>	<u>(16,481,196)</u>	<u>(6,226,565)</u>
<b>Other financing sources (uses):</b>				
Issuance of SBITAs	-	-	-	-
Transfers in	14,284,779	19,091,037	21,004,954	27,361,341
Transfers out	(6,185,994)	(9,359,106)	(4,332,917)	(4,583,216)
Issuance of debt	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>8,098,785</u>	<u>9,731,931</u>	<u>16,672,037</u>	<u>22,778,125</u>
Net change in fund balances	<u>\$ (10,140,102)</u>	<u>\$ 349,394</u>	<u>\$ 190,841</u>	<u>\$ 16,551,560</u>
Debt service as a percentage of noncapital expenditures	3.58%	3.65%	3.30%	3.46%

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$	32,306,598	\$ 34,874,426	\$ 36,949,326	\$ 41,845,602	\$ 47,066,531	\$ 51,967,282
	9,319,912	10,179,971	11,842,744	14,460,925	13,833,419	14,155,534
	2,437,867	2,713,821	2,681,273	2,959,834	3,246,050	3,504,652
	3,585,041	3,809,521	3,919,597	3,986,545	5,247,099	5,552,255
	8,142,311	9,271,128	11,270,239	11,954,606	12,255,882	13,280,995
	1,602,106	1,626,321	1,835,438	1,995,824	2,162,990	2,316,442
	6,315,818	7,939,789	9,312,030	9,586,355	9,477,576	9,724,245
	3,065,761	2,893,433	8,033,509	5,730,993	9,864,603	7,658,271
	3,048,184	3,075,675	4,349,468	3,135,698	3,924,186	20,461,279
	799,415	414,781	378,668	285,638	397,835	1,067,202
	23,058,307	23,505,131	30,395,288	28,367,430	36,085,969	20,001,450
	3,574,849	(139,785)	(6,607,849)	3,554,503	10,171,442	7,224,580
	1,508,208	1,431,298	1,200,842	3,898,777	1,444,007	8,218,231
	<u>98,764,377</u>	<u>101,595,510</u>	<u>115,560,573</u>	<u>131,762,730</u>	<u>155,177,589</u>	<u>165,132,418</u>
	12,108,761	12,234,823	12,473,273	12,971,333	13,261,429	16,816,010
	56,187,681	56,710,296	133,689,312	74,593,607	79,927,749	85,770,774
	5,101,065	4,883,834	5,131,374	5,423,205	5,826,494	6,100,385
	9,275,080	8,040,624	10,309,633	9,057,689	13,072,970	10,132,615
	3,573,962	3,674,463	3,266,572	3,997,803	5,186,513	4,572,661
	8,965,184	8,318,670	9,366,271	10,354,444	11,765,482	12,343,112
	17,631,768	9,482,577	14,203,439	14,997,541	21,285,249	19,396,307
	1,910,000	1,955,000	2,005,000	3,042,760	5,873,493	5,280,453
	-	-	144,500.00	-	-	-
	686,740	636,679	585,328	3,041,292	3,005,522	2,797,252
	<u>115,440,241</u>	<u>105,936,966</u>	<u>191,174,702</u>	<u>137,479,674</u>	<u>159,204,901</u>	<u>163,209,569</u>
	<u>(16,675,864)</u>	<u>(4,341,456)</u>	<u>(75,614,129)</u>	<u>(5,716,944)</u>	<u>(4,027,312)</u>	<u>1,922,849</u>
	-	-	-	-	1,481,904	-
	28,098,024	28,356,280	67,957,742	49,555,046	47,299,405	44,437,279
	(4,415,922)	(4,319,316)	(44,850,915)	(20,929,534)	(19,315,028)	(16,572,724)
	-	-	60,000,000.00	-	-	-
	-	-	-	-	-	-
	<u>23,682,102</u>	<u>24,036,964</u>	<u>83,106,827</u>	<u>28,625,512</u>	<u>29,466,281</u>	<u>27,864,555</u>
\$	<u>7,006,238</u>	<u>\$ 19,695,508</u>	<u>\$ 7,492,698</u>	<u>\$ 22,908,568</u>	<u>\$ 25,438,969</u>	<u>\$ 29,787,404</u>
	2.65%	2.69%	1.46%	4.97%	6.44%	5.62%

**CITY OF OCALA, FLORIDA  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE  
 OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended Sept. 30, <sup>(2)</sup></b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Agricultural Property</b>	<b>Institutional Property</b>	<b>Governmental Property</b>
2016	1,936,663,122	1,258,421,706	425,141,543	80,989,470	459,505,926	433,974,369
2017	2,075,318,777	1,300,793,552	429,896,092	71,907,136	466,059,673	425,331,897
2018	2,226,552,442	1,341,027,871	479,805,999	75,645,866	502,373,632	453,292,378
2019	2,409,763,238	1,420,625,688	503,312,729	93,474,099	512,933,752	456,604,710
2020	3,320,824,971	1,509,240,756	603,111,766	98,011,908	549,012,657	503,839,353
2021	2,889,340,875	1,597,056,294	662,125,022	106,868,311	590,697,021	540,729,599
2022	3,261,281,018	1,612,861,332	760,841,053	105,757,858	609,423,243	536,887,880
2023	4,158,667,883	1,760,051,161	863,285,699	105,005,600	684,494,016	595,833,632
2024	4,818,227,236	1,934,853,323	999,961,394	123,340,372	771,300,939	679,735,249
2025	5,302,627,149	1,992,421,025	1,153,278,915	135,800,587	810,572,256	690,800,178

Source: Marion County, Florida, Property Appraiser

Notes:

<sup>(1)</sup> Property in the City of Ocala is reassessed each year by the Marion County Property Appraiser.

Tax rates are per \$1,000 of assessed value.

<sup>(2)</sup> All property assessed value for the specified fiscal year-end are obtained from the previous year's tax roll.

<sup>(3)</sup> Includes tax-exempt property

Vacant Land/Other	Total Real Estate Property	Tangible Personal Property	Total Tax Exempt	Total Assessed Value	Total Direct Rate <sup>(1)</sup>	Estimated Actual Taxable Value	Assessed Value <sup>(3)</sup> as a Percentage of Actual Value
141,256,751	4,735,952,887	586,397,669	1,388,167,060	3,934,183,496	6.617	4,154,364,832	94.70%
139,970,995	4,909,278,122	588,586,529	1,408,960,525	4,088,904,126	6.618	4,322,308,801	94.60%
145,751,903	5,224,450,091	645,347,634	1,517,867,206	4,351,930,519	6.618	4,600,349,386	94.60%
156,827,352	5,553,541,568	671,045,422	1,628,173,937	4,596,413,053	6.618	4,974,473,001	92.40%
166,570,852	6,750,612,263	718,766,651	1,930,247,158	6,848,549,775	6.618	7,239,481,792	94.60%
176,184,025	6,563,001,147	800,813,779	2,061,733,427	7,382,800,477	6.618	7,804,228,834	94.60%
182,517,189	7,069,569,573	807,920,573	2,284,020,245	7,854,578,184	6.618	8,302,936,770	94.60%
242,917,805	8,410,255,796	874,587,249	3,004,473,873	9,322,128,383	6.618	10,121,746,344	92.10%
270,778,948	9,598,197,461	1,010,281,688	3,564,952,471	10,621,453,416	6.618	11,064,013,975	96.00%
260,573,153	10,346,073,263	1,039,609,726	3,616,679,187	11,395,064,990	6.618	11,759,612,993	96.90%

**CITY OF OCALA, FLORIDA  
PROPERTY TAX RATES AND LEVIES -  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

(rate per \$1,000 of assessed value)

**MILLAGE RATES**

<b>Fiscal Year <sup>(1)</sup></b>	<b>Direct</b>	<b>Overlapping</b>			<b>Total</b>
	<b>City</b>	<b>County</b>	<b>School</b>	<b>Water Mgmt Districts</b>	
2016	6.16	3.90	8.17	0.30	18.53
2017	6.62	3.89	7.90	0.29	18.70
2018	6.62	4.02	7.56	0.27	18.47
2019	6.62	3.98	7.32	0.26	18.17
2020	6.62	4.42	7.18	0.24	18.46
2021	6.62	4.42	7.02	0.23	18.29
2022	6.62	4.42	6.90	0.22	18.16
2023	6.62	4.29	6.51	0.20	17.61
2024	6.62	4.29	6.44	0.18	17.53
2025	6.62	4.29	6.32	0.18	17.41

Source: Marion County, Florida, Property Appraiser.

Note:

- (1) All property valuations for the specified fiscal year-end are obtained from the previous year's tax roll.
- (2) The Florida Constitution limits the City millage capacity (non debt related) to 10.000 mills.

**CITY OF OCALA, FLORIDA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT AND NINE YEARS AGO**

Taxpayer	2025			2016		
	Taxable Assessed Valuation Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Value
Marion Community Hospital	\$ 178,426,262	1	1.57%	\$ 54,128,440	2	1.58%
Fedex Ground package System	116,668,458	2	1.02%	-	-	-
Cardinal LG Company	109,620,056	3	0.96%	-	-	-
TL IP Ocala Industrial Owner	92,360,907	4	0.81%	-	-	-
Carlton Arms Apartments	67,181,047	5	0.59%	30,068,960	5	0.88%
Northland Saddleworth LLC	60,718,099	6	0.53%	-	-	-
Northland Heathbrook LLC	56,792,067	7	0.50%	-	-	-
West Shore Deerwood LLC	48,523,023	8	0.43%	-	-	-
Collier Gaekwad Owner LLC	44,960,387	9	0.39%	-	-	-
Mclane Ocala LLC	44,214,904	10	0.39%	-	-	-
Marion County Hospital District	-	-	-	115,647,574	1	3.37%
K-Mart Corporation	-	-	-	52,051,258	3	1.52%
Paddock Mall Associates	-	-	-	41,414,762	4	1.21%
Wal-Mart	-	-	-	28,450,500	6	0.83%
Embarq	-	-	-	24,061,394	7	0.70%
Silver Springs Bottled Water Co	-	-	-	21,289,176	8	0.62%
FEM Ocala LLC	-	-	-	20,909,389	9	0.61%
AGM Paddock Park	-	-	-	20,867,062	10	0.61%
<b>Total</b>	<b>\$ 819,465,210</b>		<b>7.18%</b>	<b>\$ 408,888,515</b>		<b>11.91%</b>

Source: Marion County Property Appraiser

Note: City of Ocala taxpayers pay City, County, School Board and certain water district levies.

Only the City levy is shown here.

Excludes property tax levies of the Downtown Development Districts.

**CITY OF OCALA, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended September 30</b>	<b>Taxes Levied For Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collection to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2016	26,103,617	25,107,454	96.18%	122,978	25,230,432	96.65%
2017	27,099,003	25,794,595	95.19%	140,037	25,934,632	95.70%
2018	28,825,142	27,468,776	95.29%	121,204	27,589,980	95.71%
2019	30,417,039	29,678,027	97.57%	179,222	29,857,249	98.16%
2020	32,547,847	31,328,051	96.25%	130,305	31,458,356	96.65%
2021	35,213,221	34,050,151	96.70%	174,387	34,224,537	97.19%
2022	37,059,886	35,743,813	96.45%	97,571	35,841,384	96.71%
2023	41,737,560	40,004,583	95.85%	454,067	40,458,650	96.94%
2024	46,698,079	44,884,155	96.12%	386,792	45,270,947	96.94%
2025	51,471,650	49,542,287	96.25%	317,448	49,859,735	96.87%

Source: Marion County, Florida, Property Appraiser and City of Ocala Office of Business and Financial Services.

Note: Property in the City of Ocala is reassessed each year by the Marion County Property Appraiser. Actual tax collections received in each fiscal year are from the prior year's tax levy.

Excludes property tax levies of the Downtown Development Commission.

**CITY OF OCALA, FLORIDA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(In thousands)**

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Improvement Certificates	SBITAs Payable	Leases Payable	Bank loan	Total	Utility Systems Revenue Bonds	Leases payable	Total			
2016	32,200	-	121		32,321	141,060	-	141,060	173,381	8.10%	2,903
2017	29,820	-	65		29,885	134,780	-	134,780	164,665	7.37%	2,760
2018	27,415	-	-		27,415	128,405	-	128,405	155,820	6.63%	2,595
2019	24,790	-	-		24,790	121,675	-	121,675	146,465	5.82%	2,380
2020	22,880	-	-		22,880	114,645	-	114,645	137,525	5.18%	2,215
2021	20,925	-	535		21,460	107,410	-	107,410	128,870	4.56%	2,037
2022	18,920	-	496	60,000	79,416	99,950	254	100,204	179,620	5.94%	2,772
2023	16,865	-	453	60,000	77,318	92,275	173	92,448	169,766	5.24%	2,558
2024	15,395	1,734	408	57,105	74,642	84,380	128	84,508	159,150	4.49%	2,288
2025	13,880	1,007	360	54,115	69,362	76,255	59	76,314	145,676	3.85%	2,051

Source: The City of Ocala Office of Business and Financial Services.

Per Capita Income - Florida Research and Economic Database.

Population - The City of Ocala Office of Budget and Finance, Bureau of Economic and Business Research, University of Florida.

**CITY OF OCALA, FLORIDA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

The City of Ocala had no outstanding general obligation debt during the fiscal years ending September 30, 2016-2025.

**CITY OF OCALA, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)**  
**SEPTEMBER 30, 2025**

<u>Governmental Unit</u>	<u>Bonds Outstanding</u>	<u>Applicable to City of Ocala</u>	
		<u>Percent<sup>(2)</sup></u>	<u>Amount</u>
Marion County			
Limited Ad Valorem Refunding Tax Bonds, Series 1998	\$ -	22.88%	\$ -
Total Overlapping Debt			-
The City's total direct debt			<u>69,361,449</u>
Total direct and overlapping debt			<u>\$ 69,361,449</u>

(1) The City of Ocala had no outstanding general obligation debt during the fiscal year ended September 30, 2024.

(2) Represents the fraction of assessed valuation of taxable property in the City of Ocala over the assessed valuation of taxable property in the governmental unit.

**CITY OF OCALA, FLORIDA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed Value (100% at market as of January 1, 2020)	<u>\$ 3,944,515,628</u>	<u>\$ 4,094,928,360</u>	<u>\$ 4,355,765,086</u>	<u>\$ 4,604,476,504</u>
Debt Limit: 20% of Assessed Value	788,903,126	818,985,672	871,153,017	920,895,301
Amount of General Obligation Debt Outstanding	-	-	-	-
Legal Debt Margin	<u>\$ 788,903,126</u>	<u>\$ 818,985,672</u>	<u>\$ 871,153,017</u>	<u>\$ 920,895,301</u>

In accordance with Article IX, §9.02 of the City of Ocala Charter, the "aggregate amount of general obligation bonds of the City outstanding at any one time shall not be greater than twenty percent (20%) of the assessed valuation of the taxable real and personal property in the City according to the latest assessment of such real and personal property."

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>\$ 4,918,302,617</u>	<u>\$ 5,321,067,050</u>	<u>\$ 5,600,116,125</u>	<u>\$ 6,306,959,303</u>	<u>\$ 7,056,542,680</u>	<u>\$ 7,777,876,610</u>
983,660,523	1,064,213,410	1,120,023,225	1,261,391,861	1,411,308,536	1,555,575,322
-	-	-	-	-	-
<u>\$ 983,660,523</u>	<u>\$ 1,064,213,410</u>	<u>\$ 1,120,023,225</u>	<u>\$ 1,261,391,861</u>	<u>\$ 1,411,308,536</u>	<u>\$ 1,555,575,322</u>

**CITY OF OCALA, FLORIDA  
PLEGGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Capital Improvement Bonds and Certificates:				
Net revenue available for debt service	\$ 8,359,167	\$ 8,271,340	\$ 8,682,982	\$ 8,662,889
Debt Service payments:				
Principal	2,340,000	2,380,000	2,405,000	2,625,000
Interest	639,269	783,309	755,634	731,798
Total debt service payments	<u>\$ 2,979,269</u>	<u>\$ 3,163,309</u>	<u>\$ 3,160,634</u>	<u>\$ 3,356,798</u>
Coverage (times)	2.81	2.61	2.75	2.58
Electric System Bonds:				
Gross revenues	\$ 145,415,283	\$ 149,789,455	\$ 151,438,543	\$ 154,082,760
Less: operating expenses	<u>126,925,324</u>	<u>134,847,261</u>	<u>129,812,504</u>	<u>130,967,706</u>
Net revenue available for debt service	18,489,959	14,942,194	21,626,039	23,115,054
Water & Sewer Bonds:				
Gross revenues	\$ 28,907,441	\$ 29,008,377	\$ 29,580,210	\$ 32,378,191
Less: operating expenses	<u>17,069,840</u>	<u>19,278,182</u>	<u>21,072,860</u>	<u>21,841,494</u>
Net revenue available for debt service	11,837,601	9,730,195	8,507,350	10,536,697
Utility System Bonds:				
Net revenue available for debt service	\$ 30,327,560	\$ 24,672,389	\$ 30,133,389	\$ 33,651,751
Debt Service payments:				
Principal	5,485,000	6,265,000	6,375,000	6,730,000
Interest	3,787,146	4,507,063	3,839,465	3,921,634
Total debt service payments	<u>\$ 9,272,146</u>	<u>\$ 10,772,063</u>	<u>\$ 10,214,465</u>	<u>\$ 10,651,634</u>
Coverage (times)	3.27	2.29	2.95	3.16

Source: The City of Ocala Office of Business and Financial Services.

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

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 8,238,069	\$ 9,856,947	\$ 10,585,026	\$ 10,585,026	11,652,198	11,838,866
1,910,000	1,955,000	2,005,000	3,042,760	5,873,493	4,553,464
686,741	636,679	585,328	3,041,292	3,004,476	2,745,215
<u>\$ 2,596,741</u>	<u>\$ 2,591,679</u>	<u>\$ 2,590,328</u>	<u>\$ 6,084,052</u>	<u>\$ 8,877,969</u>	<u>\$ 7,298,679</u>
3.17	3.80	4.09	1.74	1.31	1.62
\$ 157,341,827	\$ 157,704,984	\$ 205,000,602	\$ 195,786,924	\$ 186,688,775	\$ 208,232,670
123,859,220	126,386,440	177,291,788	166,208,084	143,307,041	156,523,468
<u>33,482,607</u>	<u>31,318,544</u>	<u>27,708,814</u>	<u>29,578,840</u>	<u>43,381,734</u>	<u>51,709,202</u>
\$ 32,339,993	\$ 33,883,410	\$ 36,328,047	\$ 44,095,075	\$ 50,201,053	\$ 54,739,435
21,915,827	20,663,551	23,362,397	22,859,413	25,662,422	28,636,775
<u>10,424,166</u>	<u>13,219,859</u>	<u>12,965,650</u>	<u>21,235,662</u>	<u>24,538,631</u>	<u>26,102,660</u>
\$ 43,906,773	\$ 44,538,403	\$ 40,674,464	\$ 50,814,502	\$ 67,920,365	\$ 77,811,862
7,030,000	7,235,000	7,460,000	7,460,000	7,895,000	8,125,000
3,879,227	3,636,830	3,398,141	3,398,141	2,921,721	2,673,154
<u>\$ 10,909,227</u>	<u>\$ 10,871,830</u>	<u>\$ 10,858,141</u>	<u>\$ 10,858,141</u>	<u>\$ 10,816,721</u>	<u>\$ 10,798,154</u>
4.02	4.10	3.75	4.68	6.28	7.21

**CITY OF OCALA, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income <sup>(2)</sup></b>	<b>Per Capita Personal Income <sup>(4)</sup></b>	<b>Median Household Income <sup>(3,4)</sup></b>	<b>County Unemployment Rate <sup>(3)</sup></b>
2016	59,720	2,221,636,226	37,201	54,543	5.9%
2017	59,668	2,319,588,360	38,875	55,907	4.8%
2018	60,042	2,439,163,319	40,624	57,305	4.1%
2019	61,549	2,612,901,402	42,452	58,737	3.5%
2020	62,023	2,751,509,901	44,363	60,206	5.3%
2021	63,250	2,932,210,411	46,359	61,711	5.3%
2022	64,809	3,139,685,970	48,445	63,254	3.2%
2023	66,368	3,359,896,604	50,625	64,835	3.4%
2024	69,556	3,679,747,947	52,903	66,456	4.4%
2025	71,017	3,926,106,585	55,284	68,117	5.3%

<sup>1)</sup> The City of Ocala Office of Business and Financial Services, Bureau of Economic and Business Research, University of Florida.

<sup>2)</sup> Amount computed from population and per capita personal income statistics for Marion County, Florida.

<sup>3)</sup> Bureau of Labor Statistics. Amounts indicated are for Ocala Metropolitan area.

<sup>4)</sup> Estimated Per Capita and Median Household Income.

**CITY OF OCALA, FLORIDA  
PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO**

Employer	September 30, 2025			September 30, 2016		
	Total Employees	Rank	Percent of Total City/County Employment	Total Employees	Rank	Percent of Total City/County Employment
Marion County School Board	6,306	1	3.90%	6,070	1	5.04%
Munroe Regional Medical Center				2,648	2	2.20%
HCA Florida Ocala Hospital	2,712	3	1.68%			
AdventHealth Ocala <sup>(1)</sup>	2,648	2	1.64%			
State of Florida	2,600	5	1.61%	2,600	3	2.16%
Wal-Mart	2,583	4	1.60%	2,370	4	1.97%
Ocala Health				2,200	5	1.83%
Lockheed Martin	1,600	10	0.99%	981	10	0.82%
FedEx Ground	1,500	7	0.93%			
Publix Supermarkets	1,488	6	0.92%	1,488	6	1.24%
Commissioners Commissioners	1,368	8	0.85%	1,368	7	1.14%
City of Ocala	1,262	9	0.78%	989	9	0.82%
AT&T				1,000	8	0.83%
Total	24,067		14.90%	21,714		18.04%
Ocala MSA Labor Force			<u>161,518</u>			<u>120,357</u>

<sup>(1)</sup> Formerly Munroe Regional Medical Center

Source: Ocala/Marion County Chamber & Economic Partnership.

Note: Total labor force for Marion County which includes the City of Ocala.

**CITY OF OCALA, FLORIDA  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES  
 BY FUNCTION  
 LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Legislative.....	6.00	6.00	8.00	8.00
Executive.....	18.00	23.00	16.00	16.00
Business and Financial Services.....	28.00	30.00	30.00	18.20
Procurement.....	-	-	-	8.00
Human Resources and Risk.....	9.00	9.00	10.00	12.00
Development Services.....	40.68	44.55	43.55	47.36
Planning.....	-	1.00	2.00	2.13
Police				
Officers.....	147.19	155.00	165.00	157.00
Civilians.....	103.00	103.19	102.00	106.00
Fire				
Firefighters and Officers.....	128.88	130.00	130.00	130.00
Civilians.....	4.00	4.00	4.00	4.00
Engineering	19.00	30.00	40.00	41.00
Recreation.....	58.25	71.66	74.85	81.70
Public Works.....	102.00	110.00	116.00	102.00
Fleet/Facilities.....	36.43	39.43	39.43	38.14
Airport.....	5.00	5.38	5.38	5.50
Water & Sewer.....	85.40	91.10	92.10	94.15
Telecommunications.....	11.00	15.00	19.00	20.00
Electric.....	159.80	159.00	161.00	167.29
Information & Technology.....	12.00	21.00	22.00	19.00
Community Programs.....	1.55	2.50	2.50	1.50
Total	<u>975.18</u>	<u>1,050.81</u>	<u>1,082.81</u>	<u>1,078.97</u>

Source: The City of Ocala Office of Business and Financial Services

Note: All numbers are assumed to be FTEs for all reporting categories

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
8.00	8.00	8.00	8.00	8.07	8.08
15.00	16.00	16.00	19.00	22.00	23.00
16.00	16.00	16.00	16.00	16.00	16.50
10.00	12.00	12.00	13.00	13.00	13.06
12.00	13.00	13.00	12.00	12.00	12.08
52.63	57.50	57.50	63.23	64.20	64.98
1.75	1.75	1.75	1.75	1.50	1.75
178.00	192.00	192.00	194.00	210.00	208.17
108.00	114.00	118.00	124.00	114.58	126.00
133.00	136.00	136.00	136.00	152.50	162.00
4.00	4.00	4.00	7.00	4.00	4.00
42.00	41.00	41.00	41.00	41.00	43.00
80.10	94.27	94.27	92.57	86.82	94.06
103.00	103.00	103.00	103.00	103.00	101.12
36.39	38.39	38.39	38.39	40.28	42.87
5.50	5.50	5.50	5.63	5.63	5.63
95.00	95.00	95.00	99.25	95.39	98.51
27.00	25.00	24.00	26.20	26.06	27.37
172.04	164.04	164.04	161.33	164.92	174
21.04	21.04	21.04	22.04	22.11	24.24
-	-	-	-	11.13	12.00
1,120.45	1,157.49	1,160.49	1,183.39	1,214.19	1,262.42

**CITY OF OCALA, FLORIDA  
SCHEDULE OF AIRPORT SUBSIDY CASH FLOW ANALYSIS  
FOR THE LAST NINE FISCAL YEARS**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City Leases at Airport:				
Sports Complex Lease	\$ 165,760	\$ 165,788	\$ 165,788	\$ 151,972
Total Value of City Leases	<u>165,760</u>	<u>165,788</u>	<u>165,788</u>	<u>151,972</u>
City Leases	<u>165,760</u>	<u>165,788</u>	<u>165,788</u>	<u>151,972</u>
Net Subsidy	<u>\$ 165,760</u>	<u>\$ 165,788</u>	<u>\$ 165,788</u>	<u>\$ 151,972</u>

Pursuant to an agreement with the Federal Aviation Administration (FAA), the City has agreed to include a schedule of the subsidy to the Airport Fund annually in the Comprehensive Annual Financial Report.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 179,604	\$ 165,788	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000
<u>179,604</u>	<u>165,788</u>	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>
179,604	165,788	225,000	225,000	225,000	225,000
<u>\$ 179,604</u>	<u>\$ 165,788</u>	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ 225,000</u>

**CITY OF OCALA, FLORIDA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Police</b>			
Number of calls for service	249,085	251,326	233,126
Traffic citations issued	12,306	13,139	9,926
Cases investigated	5,672	4,756	16,351
Arrests	3,398	4,028	2,905
<b>Fire</b>			
Number of calls for service	24,358	21,369	17,519
Fires reported	337	306	296
Inspections	2,416	2,565	2,430
<b>Building Permits</b>			
Building permits issued	1,840	2,030	2,431
Value of permits issued (in thousands)	\$ 82,956,019	\$ 285,787,964	\$ 329,979,238
<b>New Construction - Units and Value:</b>			
Commercial - Number of Units	28	54	56
Commercial - Value	\$ 14,365,711	\$ 98,543,017	\$ 116,455,447
Residential - Number of Units	91	208	257
Residential - Value	\$ 17,725,394	\$ 56,686,440	\$ 80,145,118
<b>Streets and Drainage</b>			
Street Resurfacing (miles)	19	11	6
Potholes repaired	731	394	626
<b>Parks and Recreation</b>			
Athletic field permits issued	95	81	105
Participants using the pools	28,109	25,066	24,867
Golf rounds	81,846	83,786	75,060
<b>Fleet Maintenance</b>			
Vehicles owned by the City	1,447	1,462	1,458
Percent maintained by Fleet	99	99	99
Preventive maintenance completed	1,268	1,274	1,302
<b>Solid Waste</b>			
Number of customers	15,668	15,928	15,861
Residential refuse collected (in tons)	13,484	13,927	14,547
Residential recyclables collected (in tons)	3,804	3,481	3,320
Commercial refuse collected (in tons)	39,187	40,032	42,299
<b>Electric</b>			
Avg. Number of active customers	49,975	50,541	50,902
Avg. Monthly Consumption (in KWH)	2,140	2,064	2,084
<b>Water</b>			
Number of customers	23,696	24,052	24,298
Max. daily plant capacity (in gallons)	24,420	24,420	24,420
Avg. monthly consumption	11,230	10,726	11,402
<b>Wastewater</b>			
Number of customers	28,463	27,948	28,476
Sanitary/Storm Mains Cleaned (ft.)	25,992	28,072	52,461

Source: The City of Ocala

2019	2020	2021	2022	2023	2024	2025
228,145	225,235	218,313	207,514	221,199	209,521	192,751
9,712	8,683	7,506	6,504	9,077	8,347	14,569
16,843	15,935	14,171	15,096	15,560	19,186	24,535
3,198	3,442	2,737	3,179	3,232	3,703	5,562
17,521	19,484	23,854	24,960	25,642	25,576	24,917
284	321	311	304	310	284	271
2,027	3,228	4,973	5,323	5,765	4,714	5,043
2,261	2,300	2,062	3,472	2,874	2,804	2,636
\$ 24,841,520	\$ 229,165,345	\$ 60,013,483	\$ 626,448,900	\$ 394,969,472	\$ 610,344,389	\$ 659,219,489
67	33	30	109	991	2,039	98
\$ 84,174,057	\$ 74,036,715	\$ 58,647,477	\$ 91,237,621	\$ 161,125,562	\$ 291,028,523	\$ 451,052,714
213	342	210	1,480	1,331	156	17
\$ 67,461,125	\$ 79,120,062	\$ 43,413,908	\$ 335,529,273	\$ 121,044,808	\$ 77,715,230	\$ 66,615,993
54.75	36.71	33.64	30.05	25.84	22.53	24.63
1,389	1,073	969	733	1,578	2,521	2,290
171	708	1,677	240	1,449	1,611	1,652
22,965	8,051	13,613	16,695	20,081	27,040	21,300
47,313	43,387	44,432	37,504	44,002	44,484	47,016
1,283	1,157	1,117	1,082	911	885	905
99	98	97	99	98	98	98
1,459	1,993	2,078	2,263	1,700	1,907	1,817
16,267	16,591	16,766	16,884	17,130	17,201	17,389
14,636	15,875	16,441	19,279	17,569	16,158	19,803
3,112	3,093	3,379	3,231	3,175	3,066	3,245
45,708	35,391	43,475	43,285	44,211	44,785	45,751
51,661	52,116	52,662	53,101	54,123	55,961	57,530
2,097	2,097	2,057	2,081	2,045	2,004	2,044
27,512	25,601	23,632	28,498	27,880	28,395	28,854
24,420	24,420	24,420	24,420	24	24	24,420
11,931	11,931	12,673	12,944	13,826	14,350	14,843
27,512	37,617	29,730	29,149	32,029	32,571	32,854
28,031	32,765	23,676	20,045	21,992	21,120	17,650

**CITY OF OCALA, FLORIDA  
CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>FUNCTION:</b>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Area: Land (square miles)	44.79	46.95	46.95
Miles of Streets, Sidewalks and Bike Paths			
Streets - Paved	398.73	374.19	357.47
Streets - Unpaved	2.30	2.30	1.49
Sidewalks	242.20	242.20	244.12
Bike Paths	27.30	53.33	55.03
Miles of Sewers			
Storm	283.00	283.83	290.49
Sanitary	379.12	373.90	380.00
Force Main	96.82	96.97	97.63
Water Lines	589.16	539.85	589.00
Lift Stations	132.00	132.00	134.00
Fire Protection			
Stations	6	6	6
Employees - Sworn	130	130	130
Employees - Civilian	4	4	4
Fire and rescue response time (minutes)	6	5	6
Police Protection			
Stations	4	4	4
Employees - Sworn	165	165	157
Employees - Civilian	100	102	106
Vehicular Patrol Units - Marked Vehicles	125	135	133
Vehicular Patrol Units - Motorcycles	4	9	9
Vehicular Patrol Units - Other Vehicles	78	78	78
Recreation			
Land area (acres)	837	837	839
Activity centers	6	6	6
Pools	2	2	2
Playgrounds (not reported prior to 2004)	24	24	25

Source: The City of Ocala

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
46.95	46.95	46.95	47.37	48.00	47.81	47.80
358.77	358.77	357.47	379	379	375	378.51
1.49	1.49	1.49	1.49	1.49	1.49	1.49
245.43	246.04	177.08	172	172	172	179.57
55.40	55.50	35.53	35.53	35.53	35.53	37.8
293.10	294.35	296.44	298.30	298.80	298.98	304.10
380.00	395.00	362.32	362.45	367.23	371.43	363.26
97.63	99.00	94.42	94.48	162.34	99.84	189.35
589.00	598.00	563.41	562.88	566.71	564.64	562.66
137.00	137.00	137.00	140.00	137.00	142.00	145.00
7	7	7	7	7	7	7
133	136	136	139	143	154	158
4	4	4	4	4	4	5
7	5	6.25	6.33	6.35	6.3	2.34
4	4	3	3	3	3	0
178	192	194	194	208	200	199
108	114	121	126	129	121	146
145	159	169	188	194	194	205
9	9	6	6	1	0	1
79	81	91	119	98	98	110
839	841	841	842	843	843	843
6	6	6	6	6	6	4
2	2	2	2	2	2	2
25	25	25	25	27	27	28

## **COMPLIANCE SECTION**

**CITY OF OCALA, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR 2025**

Grantor/Pass-Through Grantor/Program Title	Assistance Listing/ CSFA Number	Pass-Through Grantor Number	Federal / State Expenditures
<b>FEDERAL AWARDS</b>			
<b><u>U.S. Department of Housing and Urban Development:</u></b>			
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-12-0029	\$ 15,200
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-12-0029	233,039
Community Development Block Grants/Entitlement Grants	14.218	B-23-MC-12-0029	110,745
Community Development Block Grants/Entitlement Grants	14.218	B-24-MC-12-0030	138,109
<i>Total Community Development Block Grants/ Entitlement Grants</i>			497,093
<i>Passed through Marion County, Florida:</i>			
Emergency Solutions Grant Program	14.231	N/A	100,000
<i>Passed through Marion County, Florida:</i>			
HOME Investment Partnership Program	14.239	MC-21-DC-12-0232	27,647
HOME Investment Partnership Program	14.239	MC-22-DC-12-0232	189,261
<i>Total HOME Investment Partnership Program</i>			216,908
National Homeless Data Analysis Project (NHDAP)	14.261	FL0641L4H142105	47,365
National Homeless Data Analysis Project (NHDAP)	14.261	FL1026T4H142300	209,170
<i>Total National Homeless Data Analysis Project (NHDAP)</i>			256,535
Continuum of Care Program	14.267	FL1027L4H142300	71,023
<b>Total U.S. Department of Housing and Urban Development</b>			<b>1,141,559</b>
<b><u>U.S. Department of Justice</u></b>			
<i>Passed through State Office of Attorney General:</i>			
Crime Victim Assistance	16.575	VOCA-C-2024-City of Ocala-00117	53,094
Bulletproof Vest Partnership Program	16.607	2022-BUBX-22030923	15,545
Bulletproof Vest Partnership Program	16.607	2023-BUBX-23034579	18,544
Bulletproof Vest Partnership Program	16.607	2024-BUBX-24041452	8,767
<i>Total Bulletproof Vest Partnership Program</i>			42,856
<i>Passed through Florida Department of Law Enforcement</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-02972-MUMU	31,259
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03273-JAGX	19,405
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-24-GG-04990-JAGX	9,729
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-00656-MUMU	38,691
<i>Total Edward Byrne Memorial Justice Assistance Grant Program</i>			99,084
<b>Total U.S. Department of Justice</b>			<b>195,034</b>
<b><u>US. Department of Transportation:</u></b>			
Federal Transit Cluster			
Federal Transit Formula Grants	20.507	FL-2024-047-00	1,314,830
Federal Transit Formula Grants	20.507	FL-2024-023-00	1,518,926
Federal Transit Formula Grants	20.507	FL-2023-053-00	533,704

**CITY OF OCALA, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR 2025**

<b>Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing/ CSFA Number</b>	<b>Pass-Through Grantor Number</b>	<b>Federal / State Expenditures</b>
Buses and Bus Facilities Formula, Competitive and Low or No Emissions Programs	20.526	FL-2024-025-00	477,644
<i>Total Federal Transit Cluster</i>			<u>3,845,104</u>
Airport Improvement Program	20.106	3-12-0055-033-2024	315,070
Airport Improvement Program	20.106	3-12-0055-034-2024	84,177
Airport Improvement Program	20.106	3-12-0055-029-2021	31,305
Airport Improvement Program	20.106	3-12-0055-031-2022	28,462
<i>Total Airport Improvement Program</i>			<u>459,014</u>
<i>Passed through Florida Department of Transportation:</i>			
Highway Planning & Construction	20.205	G2X22	54,730
State and Community Highway Safety	20.600	G3434SUB-2025-Ocala-PD-00073	47,227
State and Community Highway Safety	20.600	G3478CPG-2025-Ocala-PD-00032	17,168
<i>Total State and Community Highway Safety</i>			<u>64,395</u>
Safe Streets and Roads for All	20.939	693JJ32440264	42,810
<b>Total U.S. Department of Transportation</b>			<u><b>4,466,053</b></u>
<b><u>U.S. Department of Treasury</u></b>			
Covid-19 Coronavirus State and Local Government Fiscal Recovery Funds	21.027	N/A	2,283,149
<b>Total The Department of Treasury</b>			<u><b>2,283,149</b></u>
<b><u>U.S. Environmental Protection Agency</u></b>			
<i>Passed through Florida Department of Environmental Protection:</i>			
Brownfields Multipurpose, Assessment, Revolving Loan Fund and Cleanup Cooperative Agreements	66.818	BF #02D28522	114,468
<b>Total U.S. Environmental Protection Agency</b>			<u><b>114,468</b></u>
<b><u>U.S. Department of Energy</u></b>			
Energy Efficiency and Conservation Block Grant Program	81.128	EECEQ-00312	12,768
<b>Total The Department of Energy</b>			<u><b>12,768</b></u>

**CITY OF OCALA, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR 2025**

Grantor/Pass-Through Grantor/Program Title	Assistance Listing/ CSFA Number	Pass-Through Grantor Number	Federal / State Expenditures
<b><u>U.S. Department of Homeland Security</u></b>			
Disaster Grants - Public Assistance			
Disaster Grants - Public Assistance	97.036	4828	554,829
Disaster Grants - Public Assistance	97.036	4834	512,966
<i>Total Disaster Grants - Public Assistance (Presidentially     Declared Disasters)</i>			1,067,795
Hazard Mitigation Grant	97.039	H0576	801,301
Hazard Mitigation Grant	97.039	H0413	143,484
<i>Total Hazard Mitigation Grant</i>			944,785
Assistance of Firefighters Grant	97.044	EMW-2023-FG-03654	22,765
<b>Total U.S. Department of Homeland Security</b>			<b>2,035,345</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS:</b>			<b>\$ 10,248,376</b>
<b>STATE FINANCIAL ASSISTANCE</b>			
<b><u>Florida Department of Environmental Protection:</u></b>			
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0709	42,213
Statewide Surface Water Restoration and Wastewater Projects	37.039	WG093	498,651
<i>Total Statewide Surface Water Restoration and Wastewater Projects</i>			540,864
<i>Passed through St. Johns River Water Management District</i>			
Florida Springs Grant Program	37.052	LP4211R	260,916
Resilient Florida Program	37.098	24PLN40	247,862
<b>Total Florida Department of Environmental Protection</b>			<b>1,049,642</b>
<b><u>Florida Housing Finance Corporation:</u></b>			
State Housing Initiatives Partnership Program	40.901	N/A	479,676
<b>Total Florida Housing Finance Corporation</b>			<b>479,676</b>
<b><u>Florida Department of Transportation:</u></b>			
Aviation Grant Programs	55.004	G2G96	1,810,978
Aviation Grant Programs	55.004	G2O62	88,207
Aviation Grant Programs	55.004	G3C36	17,974
<i>Total Aviation Grant Programs</i>			1,917,159

**CITY OF OCALA, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR 2025**

Grantor/Pass-Through Grantor/Program Title	Assistance Listing/ CSFA Number	Pass-Through Grantor Number	Federal / State Expenditures
Public Transit Block Grant Program	55.010	G3940	732,327
Public Transit Service Development Program	55.012	G3G19	2,313
Local Transportation Projects	55.039	G2L25	<u>5,418,304</u>
<b>Total Florida Department of Transportation</b>			<b><u>8,070,103</u></b>
<b>Florida Department of Law Enforcement:</b>			
Florida Incident Based Reporting System	71.043	2021-FBSFA-F2-010	2,205
State Assistance for Fentanyl Eradication (S.A.F.E.) in Florida	71.122	2023-SAFE-SF-027	488
Online Sting Operations Grant Program	71.148	OS007	56,378
<b>Total Florida Department of Law Enforcement:</b>			<b><u>59,071</u></b>
<b>Florida Department of Highway Safety and Motor Vehicles</b>			
Florida Arts License Plate Project	76.041	N/A	<u>4,100</u>
<b>Total Florida Department of Highway Safety and Motor Vehicles</b>			<b><u>4,100</u></b>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE:</b>			<b><u>\$ 9,662,592</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE:</b>			<b><u>\$ 19,910,968</u></b>

**Notes:**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Ocala, Florida and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Federal OMB Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.550, Rules of the Auditor General. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

**Indirect Cost Rate**

The City of Ocala did not elect to use the 15% de minimis indirect cost rate as allowed under the Uniform Guidance.

**Additional Information**

Assistance Listing Number 97.036 Disaster Grants. Public Assistance (Presidentially Declared Disasters) include \$684,404 in expenditures that occurred prior to October 1, 2024.

**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**

The Honorable Members of the City Council  
City of Ocala  
Ocala, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ocala, 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 27, 2026.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material

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Ocala, Florida

**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***

effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*Purvis Gray*

March 27, 2026  
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Members of the City Council  
City of Ocala  
Ocala, Florida

**Report on Compliance for Each Major Federal Program and State Project**

***Opinion on Each Major Federal Program and State Project***

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

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2025.

***Basis for Opinion on Each Major Federal Program and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards and the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

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The Honorable Members of the City Council  
City of Ocala  
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a major federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a major federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of

The Honorable Members of the City Council  
City of Ocala  
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

*Purvis Gray*

March 27, 2026  
Ocala, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARD PROGRAMS AND STATE PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
CITY OF OCALA, FLORIDA**

**SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of Auditor’s Report issued:	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Non-compliance material to financial statements noted?	No

**Federal Awards and State Projects**

Internal Control Over Major Programs/Projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of Auditor’s Report Issued on Compliance for Major Programs/Projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a), or Chapter 10.557, <i>Rules of the Auditor General</i> ?	No

Identification of Major Federal Programs and State Projects:

**Federal Program or Cluster**

U.S. Department of Homeland Security:	Assistance Listing No.:
Disaster Grants- Public Assistance (Presidentially Declared Disasters)	97.036
U.S. Department of Transportation:	Assistance Listing No.:
Federal Transit Cluster	
Federal Transit Formula Grants	20.507
Buses and Bus Facilities Formula, Competitive and Low or No Emissions Programs	20.526

**State Projects**

Florida Department of Transportation:	
Aviation Grant Programs	CSFA No. 55.004
Local Transportation Projects	CSFA No. 55.039

Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Programs	\$1,000,000
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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARD PROGRAMS AND STATE PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
CITY OF OCALA, FLORIDA**

Dollar Threshold Used to Distinguish Between Type A and Type B Programs – State Projects	\$750,000
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Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	Yes
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**Other Issues**

- No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Members of the City Council  
City of Ocala  
Ocala, Florida

We have examined the City of Ocala, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2025, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

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

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

*Purvis Gray*

March 27, 2026  
Ocala, Florida

### CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

[purvisgray.com](http://purvisgray.com)

Members of American and Florida Institutes of Certified Public Accountants

## MANAGEMENT LETTER

The Honorable Members of the City Council  
City of Ocala  
Ocala, Florida

### Report on the Financial Statements

We have audited the financial statements of the City of Ocala, Florida (the City) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 27, 2026.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

### Other Reports Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 27, 2026, should be considered in conjunction with this Management Letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings in the preceding 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 be disclosed in the Management Letter, unless disclosed in the notes to the financial statements (see Note 1 of the City's basic financial statements as of and for the year ended September 30, 2025, for this information).

## CERTIFIED PUBLIC ACCOUNTANTS

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The Honorable Members of the City Council  
 City of Ocala  
 Ocala, Florida

**MANAGEMENT LETTER**

**Financial Condition and Management**

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

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we 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 confirms that a Property Assessed Clean Energy (PACE) program, authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the City’s geographical boundaries during the fiscal year under audit.

As required by Sections 10.554(1)(i)6.b. and 10.554(1)(i)6.c., *Rules of the Auditor General*, the following are the program administrators and their contact information:

<b>Program Administrator</b>	<b>Address</b>	<b>Phone Number</b>	<b>Third-Party Administrators</b>
<b>Florida Green Finance Authority</b>	2501A Burns Rd. Palm Beach Gardens, Florida 33410	(561) 630-4922	<b>Petros Pace Finance, LLC</b> 300 Colorado St., Ste 2000 Austin, Texas 78701 Attn: Tommie Deavenport, COO (512) 599-9037  <b>Renew Financial Group LLC</b> 555 12th St., Ste 1650 Oakland, California 94607 Attn: Todd Wodraska (844) 736-3934
<b>Green Corridor Pace District</b>	5385 North Nob Hill Rd. Sunrise, Florida 33351	(786) 271-9208	<b>Ygrene Energy Fund</b> 6303 Blue Lagoon Dr., Ste 400 Miami, Florida 33126 (866) 634-1358  <b>Willdan Financial Services</b> 2401 E Katella Ave., Ste 300 Anaheim, California 92806 (866) 807-6864

The Honorable Members of the City Council  
 City of Ocala  
 Ocala, Florida

**MANAGEMENT LETTER**

Program Administrator	Address	Phone Number	Third-Party Administrators
<p><b>Florida Development Finance Corp</b></p>		<p>(407) 712-6352</p>	<p><b>Allectrify</b>            Colin Bishopp - CEO            (202) 550-7570  <a href="mailto:colin@allectrify.com">colin@allectrify.com</a>            Fran Faulknor - CIO            (240) 393-5569  <a href="mailto:fran@allectrify.com">fran@allectrify.com</a></p> <p><b>Bayview PACE</b>            Joseph Zanzuri - CRE Analyst  <a href="mailto:vjosephzanzuri@bayview.com">vjosephzanzuri@bayview.com</a>            Danny Roberts - Asst. VP            (844) 518-2343  <a href="mailto:dannyroberts@bayview.com">dannyroberts@bayview.com</a></p> <p><b>CastleGreenFinance</b>            Lance Haberin - Managing Director            (914) 815-9810  <a href="mailto:lhabin@castlegreenfinance.com">lhabin@castlegreenfinance.com</a></p> <p><b>Clearwater PACE</b>            Jonathan Seabolt            (929) 352-1479  <a href="mailto:jseabolt@c-pace.com">jseabolt@c-pace.com</a></p> <p><b>CounterpinteSRE</b>            Eric Alini            (855) 431-4400  <a href="mailto:inquiry@counterpointesre.com">inquiry@counterpointesre.com</a></p> <p><b>Dwight Green Finance</b>            Joshua Kravitz - CFO            (212) 960-3750  <a href="mailto:info@dwightcap.com">info@dwightcap.com</a></p> <p><b>Ebee Management Group</b>            Teresa Smith - Strategic Growth            (419) 340-0420  <a href="mailto:tsmith@ebeeco.com">tsmith@ebeeco.com</a></p> <p><b>Enhanced Capital</b>            Ian McCulley  <a href="mailto:imcculley@enhancedcapital.com">imcculley@enhancedcapital.com</a></p>

The Honorable Members of the City Council  
 City of Ocala  
 Ocala, Florida

**MANAGEMENT LETTER**

Program Administrator	Address	Phone Number	Third-Party Administrators
			<p><b>Imperial Ridge</b>            Joel Poppert - Managing Director            (303) 390-1655  <a href="mailto:jpoppert@imperialridgecap.com">jpoppert@imperialridgecap.com</a>            Kevin Morse - Managing Director            (303) 390-1655  <a href="mailto:kmorse@imperialridgecap.com">kmorse@imperialridgecap.com</a></p> <p><b>Lord Capital LLC</b>            Stephen Ceurvorst            (212) 400-7150  <a href="mailto:sceurvorst@lordcap.com">sceurvorst@lordcap.com</a>            Joseph Lau - President            (212) 400-7150  <a href="mailto:jlau@lordcap.com">jlau@lordcap.com</a></p> <p><b>North Bridge</b>            Laura Rapaport            (917) 747-5474  <a href="mailto:laura@northbridgeops.com">laura@northbridgeops.com</a></p> <p><b>North Field Capital</b>            Caleb Stokes            (917) 349-4101  <a href="mailto:caleb.stokes@nf-cap.com">caleb.stokes@nf-cap.com</a></p> <p><b>Nuveen Green Capital</b>            Ryan Doyle  <a href="mailto:ryan.doyle@nuveen.com">ryan.doyle@nuveen.com</a>            Tara Crotty            (917) 208-4016  <a href="mailto:tara.crotty@nuveen.com">tara.crotty@nuveen.com</a></p> <p><b>PACE Equity</b>            Aysa Cox            (855) 378-0858  <a href="mailto:acox@pace-equity.com">acox@pace-equity.com</a>            Pam Haack            (855) 378-0858  <a href="mailto:phaack@pace-equity.com">phaack@pace-equity.com</a></p> <p><b>PACE Loan Group</b>            Rafi Golberstein - CEO            (612) 355-2606  <a href="mailto:rafi@paceloangroup.com">rafi@paceloangroup.com</a>            Matthew McCormack - Junior Originator            (612) 355-2630  <a href="mailto:matthew@paceloangroup.com">matthew@paceloangroup.com</a></p>

The Honorable Members of the City Council  
 City of Ocala  
 Ocala, Florida

**MANAGEMENT LETTER**

Program Administrator	Address	Phone Number	Third-Party Administrators
			<p><b>Peachtree Group</b>            Robert Loeb            (770) 299-2516  <a href="mailto:rloeb@stonehillsc.com">rloeb@stonehillsc.com</a>            Allison Neary            (470) 298-3715  <a href="mailto:aneary@stonehillsc.com">aneary@stonehillsc.com</a></p> <p><b>Petros PACE Finance</b>            John Gamm - VP Legal            (512) 599-9027  <a href="mailto:john@petrospartners.com">john@petrospartners.com</a>            Andy Meyer - SVP            (636) 577-0378  <a href="mailto:andy@petrospartners.com">andy@petrospartners.com</a></p> <p><b>Sustainable Equity, LLC</b>            Byron Delear            (314) 445-7911  <a href="mailto:byron@sustainableequity.org">byron@sustainableequity.org</a></p> <p><b>White Oak</b>            Jeff Habicht            (314) 644-4100  <a href="mailto:jhabicht@whiteoaksf.com">jhabicht@whiteoaksf.com</a></p>

**Special District Component Units**

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the Ocala Community Redevelopment Agency (CRA) reported this information in the CRA's separately issued financial statements.

The Honorable Members of the City Council  
City of Ocala  
Ocala, Florida

## MANAGEMENT LETTER

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the Ocala Downtown Development District (the District) reported this information in the District's separately issued financial statements.

### **Additional Matters**

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

### **Purpose of this Letter**

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

*Purvis Gray*

March 27, 2026  
Ocala, Florida



**IMPACT FEE AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Peter Brill, who being duly sworn deposes and says on oath that:

- 1. I am the Director of Finance of the City of Ocala which is a local governmental entity of the State of Florida;
- 2. The governing body of the City of Ocala adopted Chapters 30, Section 1 and Chapter 70, Section 476 implementing and amending impact fees.
- 3. The City of Ocala has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


  
 \_\_\_\_\_  
 Peter Brill, Director of Finance  
 City of Ocala

STATE OF FLORIDA  
COUNTY OF MARION

SWORN TO AND SUBSCRIBED before me this 10<sup>th</sup> day of March, 2026.



**MARCELLA HUGHES**  
Commission # HH 476421  
Expires December 27, 2027

  
 \_\_\_\_\_  
 NOTARY PUBLIC

Print Name marcella hughes

Personally known ✓ or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

December 27, 2027