

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2025



CITY OF BELLE ISLE, FLORIDA
Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2025

Prepared By:
City of Belle Isle Finance Department

INTRODUCTORY SECTION

This section contains the following subsections:

- Table of Contents
- Letter of Transmittal
- List of Principal Officials
- Organizational Chart
- Certificate of Achievement

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CITY OF BELLE ISLE

4/29/2026

To the Honorable Mayor, Commissioners, and Citizens of the City of Belle Isle, Florida:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Belle Isle, Florida, for the fiscal year ended September 30, 2025. State law requires that all general-purpose local governments publish, within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States. This report is issued in accordance with those requirements and reflects the City's commitment to transparency, accountability, and sound financial management.

This report is the responsibility of management and represents our assertions regarding the financial condition of the City. Management assumes full responsibility for the completeness and reliability of the information presented. To support these representations, the City has established a comprehensive internal control framework designed to safeguard assets, prevent loss or misuse, and ensure the preparation of reliable financial statements in conformity with GAAP. Because the cost of controls should not exceed their benefits, the framework provides reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. Based on our knowledge and belief, we assert that this report is complete and reliable in all material respects.

During fiscal year 2025, the City maintained strong financial stability and demonstrated continued resilience in a changing economic and legislative environment, with general fund reserves maintained at approximately 42% of revenues, significantly exceeding the City's policy target. The year was marked by continued growth in taxable values, strategic investment in infrastructure and public safety, and careful management of rising operating costs, particularly in contracted public safety services. Key accomplishments included advancing stormwater improvements, enhancing emergency preparedness through critical infrastructure investments, improving pedestrian safety, and strengthening public safety capabilities through fleet and technology upgrades. These efforts align with the City's Strategic Plan goals of enhancing infrastructure, improving communication and service delivery, and maximizing resources to support a high quality of life for residents.

The City's financial statements have been audited by McDirmit Davis, LLC, a firm of licensed certified public accountants. The independent audit was conducted to provide reasonable assurance that the financial statements for the fiscal year ended September 30, 2025, are free from material misstatement. Based on this work, the auditors have issued an unmodified opinion, concluding that the financial statements are fairly presented in conformity with GAAP. The independent auditor's report is included as the first component of the financial section of this report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the independent auditor's report.

Financial Highlights / Year in Review

The fund balance in the General Fund increased by 10%, primarily due to conservative spending and higher-than-anticipated revenues. Taxable property values increased by 6%, resulting in corresponding growth in ad valorem revenues. The Stormwater Fund also experienced an increase during the fiscal year, reflecting continued investment in stormwater infrastructure projects. Operating expenditures were significantly impacted by inflationary pressures and rising contractual service costs, including a 35% increase in fire and EMS contract costs. Capital investments focused on strengthening infrastructure resilience, including stormwater infrastructure, pedestrian improvements, and emergency preparedness enhancements such as the police boat dock and pump station generator. The City maintained general fund reserves significantly above its policy target of approximately 25%, demonstrating strong fiscal management and supporting long-term financial stability.

Profile of the City

The City of Belle Isle, incorporated in 1924, is located in Orange County, Florida, within the Orlando-Kissimmee-Sanford Metropolitan Statistical Area. The City encompasses approximately 5.1 square miles, including 2.8 square miles of water, and has an estimated population of 7,293 residents. Its location on Lake Conway and proximity to the Orlando International Airport and major regional amenities contribute to its desirability as a primarily residential community.

The City's vision is to be a safe, serene community where families choose to live and enjoy a high quality of life. Its mission is to preserve natural resources while enhancing quality of life through inclusive leadership and high-quality municipal services.

Belle Isle operates under a council-manager form of government. Legislative authority is vested in the City Council, which consists of a non-voting mayor and seven commissioners elected at large to represent seven districts. The Council is responsible for adopting ordinances and resolutions, approving the budget, appointing key officials, and establishing policy direction. The City Manager serves as the chief administrative officer and is responsible for implementing Council policies, overseeing daily operations, and preparing the annual budget and capital improvement program.

The City provides essential municipal services including administration, public safety, infrastructure maintenance, planning and zoning, code enforcement, and recreational programming. Certain services, including fire and EMS services, building permitting, and solid waste collection, are provided through contractual agreements. Utility services are provided by Orange County Utilities, Orlando Utilities Commission, and Duke Energy.

The City's annual budget serves as the foundation for financial planning and control. The budget process includes departmental submissions, review by the City Manager and Finance & Administrative Services Director, evaluation by the Budget Advisory Committee, and adoption by the City Council following public hearings in accordance with the Truth in Millage (TRIM) Act. The City adopts a balanced budget by September 30 of each fiscal year. Budgetary control is maintained through formal procedures governing amendments and transfers, with the City Manager having authority to make adjustments within a department and Council having authority to make adjustments, by resolution, between funds or departments, including adjustments to total revenue, expenses, and reserves. Budget-to-actual comparisons are included in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

These financial and governance practices provide the framework supporting the City's economic environment and major initiatives described below.

Factors Affecting Financial Condition

The City's financial position continues to be influenced by both local economic conditions and broader cost pressures. Rising inflation and a significant increase of approximately 35% in fire and EMS contract costs materially impacted operating expenditures during the fiscal year. These cost increases create ongoing pressure on future budgets and may necessitate policy decisions related to revenue enhancements, expenditure prioritization, and long-term service delivery strategies.

Ongoing discussions regarding property tax reform at the state level also introduce potential uncertainty for local governments in Florida. Because ad valorem taxes are a primary revenue source for the City, legislative changes affecting property tax structure or limitations could significantly influence future revenue capacity and financial planning. The City is actively monitoring these developments and evaluating long-term strategies to maintain financial stability, preserve service levels, and identify sustainable revenue alternatives where appropriate.

In response to these combined financial pressures, the City continued to prioritize investments that strengthen operational resilience and service delivery, including stormwater infrastructure, public safety operations, and other resilience-focused investments.

Local Economy

The City of Belle Isle remains primarily residential, with limited commercial development. Taxable property values increased by approximately 6% during the fiscal year, reflecting continued demand for lakefront living and reinvestment in existing properties. The City's proximity to major employment centers and regional amenities continues to support stable economic conditions.

Long-Term Financial Planning

Ensuring long-term financial stability remains a priority for the City. The City seeks to maintain an unassigned general fund balance of approximately 25 percent of revenues to ensure continuity of services during economic fluctuations or unforeseen events.

To address rising costs and ensure long-term sustainability, the City continues to evaluate revenue sources, potential millage rate adjustments, and cost containment strategies. A stormwater rate study is currently underway to ensure that stormwater revenues adequately support operational and capital needs, with potential adjustments to rates and Equivalent Resident Unit (ERU) calculations under consideration.

The five-year Capital Improvement Plan (CIP) is a critical component of long-term planning. The CIP is reviewed and updated annually to prioritize infrastructure investments, identify funding sources, and establish project timelines. Key priorities include improvements to sidewalks, parks, streets, and stormwater systems, many of which were advanced during the current fiscal year.

Looking ahead, the City will focus on sustaining long-term financial stability while addressing infrastructure needs and rising service costs. Key priorities for the upcoming fiscal year include replacement of City Hall HVAC systems, Nela bridge lighting improvements, swale improvements on Nela Avenue and Seminole Drive, installation of a pedestrian crossing at Hoffner Avenue/Cullen Lakeshore Drive, continued sidewalk and park improvements including fencing, addition of a second School Resource Officer (SRO) position, completion of a compensation and classification study, and engagement of grant management services to support the City's vulnerability assessment.

These factors and planning efforts are supported by the City’s financial policies described below.

Relevant Financial Policies

The City has established comprehensive financial policies to ensure sound fiscal management and accountability. These policies govern budget preparation, appropriations, transfers, and financial reporting, and are designed to maintain long-term financial stability.

The City places a strong emphasis on transparency and public accountability. Monthly financial reports, including revenues, expenditures, and detailed check registers, are provided to the City Council and made available to the public through the City’s online transparency portal, ClearGov. This commitment to transparency supports informed decision-making and reinforces public trust.

The City maintains a policy goal of preserving a healthy general fund reserve, with a target of 25 percent of revenues. Additionally, the City’s investment policy emphasizes safety, liquidity, and yield, ensuring that public funds are managed prudently and in compliance with applicable statutes.

These policies provide the foundation for the City’s financial stewardship and support the initiatives described below.

Major Initiatives

During the fiscal year, the City advanced a range of strategic and operational initiatives to enhance public safety, infrastructure reliability, and overall service delivery.

The City continued to utilize American Rescue Plan Act (ARPA) funding to support critical infrastructure projects, such as stormwater system enhancements, sidewalk repairs, and facility enhancements. These efforts directly support the City’s Strategic Plan goal of maintaining and enhancing infrastructure and are in progress, with completion expected by December 2026, the deadline to expend ARPA funds.

Significant investments were made to strengthen emergency preparedness and response capabilities. The City completed debris cleanup following Hurricane Milton and constructed a new police boat dock with a protective structure to house Police Department vessels, enabling rapid deployment during emergencies. In addition, a new generator was installed at the Jade pump station to ensure uninterrupted operations during power outages and emergency events.

To improve stormwater system performance and reduce flooding risks, the City purchased a vacuum trailer to address clogging and blockages and completed repairs and replacements of stormwater pipes throughout the system. These investments support both immediate infrastructure needs and long-term environmental sustainability, including ensuring the protection of water quality in Lake Conway.

Public safety initiatives included the replacement of several leased police vehicles to maintain a reliable fleet, the addition of a K-9 bloodhound unit funded through donation to enhance search capabilities, and the installation of fleet cameras in traffic enforcement vehicles to improve officer effectiveness and community safety. These initiatives support the City’s Strategic Plan focus on improving communication, responsiveness, and service delivery to the community.

The City also prioritized pedestrian safety and infrastructure maintenance by replacing and repairing sidewalks throughout the community to mitigate tripping hazards and improve accessibility.

Facility and workplace improvements were completed at City Hall, including electrical upgrades, interior painting, landscaping enhancements, and the addition of ergonomic workstations to support staff productivity and efficiency. These improvements support the Strategic Plan goal of maximizing City resources and enhancing organizational effectiveness.

From a planning perspective, the City completed its comprehensive plan study, providing a framework to guide future growth, land use, and infrastructure investment.

The City also celebrated its Centennial in October 2024, marking 100 years of community history and reinforcing civic pride and community engagement.

The City continues to evaluate opportunities for strategic annexation to expand its tax base and support future growth, as well as the acquisition of property for municipal use when advantageous to the community.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Belle Isle for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. This marks the twenty-fifth consecutive year the City has received this prestigious award.

The Certificate of Achievement represents the highest form of recognition in governmental accounting and financial reporting. To receive this award, a government must publish an easily readable and efficiently organized ACFR that complies with GAAP and applicable legal requirements.

The City remains committed to maintaining these high standards of financial reporting and believes this report continues to meet the standards of the Certificate of Achievement Program. The report has been submitted to the GFOA for consideration.

Preparation of this report was made possible through the dedication and professionalism of the Finance Department. We also acknowledge the contributions of all City departments in maintaining accurate financial records throughout the year.

We extend our sincere appreciation to the Mayor and City Commissioners for their continued leadership and commitment to fiscal responsibility and transparency.

Respectfully submitted,



Rick J. Rudometkin
City Manager



Tracey Richardson
Finance & Administrative Services Director

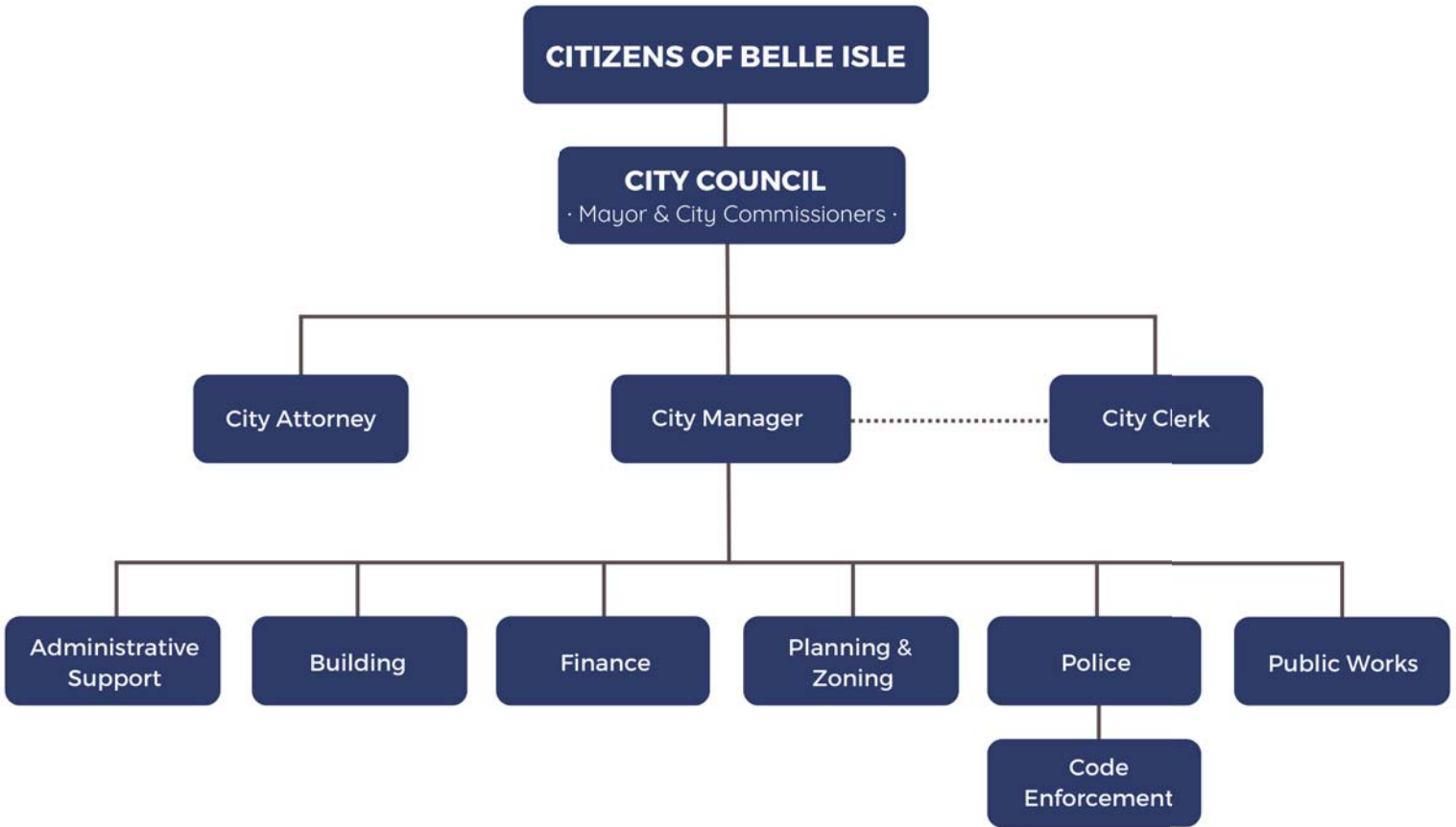
Elected Officials

Mayor	Honorable Jason Carson
District #1 City Commissioner	Frank Vertolli
District #2 City Commissioner	Holly Bobrowski
District #3 City Commissioner	Karl Shuck
District #4 City Commissioner	Bobby Lance
District #5 City Commissioner	Beth Lowell
District #6 City Commissioner	Stanley Smith
District #7 City Commissioner	Jim Partin

City Officials

City Manager	Rick Rudometkin
City Clerk	Yolanda Quiceno
Finance Director	Tracey Richardson
Police Chief	Travis Grimm
Public Works Director	Phil Price

City of Belle Isle, Florida
ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Belle Isle
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section contains the following subsections:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Belle Isle, Florida

Report on Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Belle Isle, Florida (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information 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, based on our audit, and the procedures performed as described above, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical schedules but does not include the financial statements and our auditor's report thereon.

Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 a report dated April 29, 2026 on our consideration of the *City of Belle Isle, Florida's* internal control over financial reporting and 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 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.

McDermitt Davis

Orlando, Florida
April 29, 2026

As management of the City of Belle Isle, Florida, we offer readers of the City of Belle Isle's financial statements this narrative overview and analysis of the financial activities of the City of Belle Isle for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the City of Belle Isle exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$20,954,701 (net position). Of this amount, \$4,680,784 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$526,930.
- As of the close of the current fiscal year, the City of Belle Isle's governmental funds reported combined ending fund balances of \$5,366,325, an increase of \$655,133 in comparison with the prior year. The general fund had an ending unassigned fund balance of \$3,841,047, which is 32% of total general fund expenditures.
- The City of Belle Isle's total debt is \$3,408,749 at September 30, 2025.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

The governmental activities of the City of Belle Isle include general government, public safety, and physical environment.

The government-wide financial statements include only the City of Belle Isle itself (known as the primary government).

The government-wide financial statements can be found on pages 11-12 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Belle Isle, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City of Belle Isle has seven governmental funds - the General Fund, five special revenue funds, and one

capital projects fund.

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

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

The *City of Belle Isle* adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue funds, and capital projects funds to demonstrate compliance with this budget and is presented as required supplementary information for the General Fund, Stormwater Fund, and combining schedules for the nonmajor governmental funds.

The basic governmental fund financial statements can be found on pages 13-15 of this report.

Government-Wide Financial Analysis

Statement of Net Position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Belle Isle, assets exceeded liabilities and deferred inflows of resources by \$20,954,701 at the close of the most recent fiscal year.

Statement of Net Position

	Governmental Activities	
	2025	2024, as restated
Current and other assets	\$ 21,577,024	\$ 22,338,583
Capital assets	19,282,197	19,079,805
Total assets	40,859,221	41,418,388
Long-term liabilities outstanding	3,693,364	3,362,315
Other liabilities	737,986	1,811,406
Total liabilities	4,431,350	5,173,721
Total deferred inflows of resources	15,473,170	15,816,896
Net Position:		
Net investment in capital assets	15,870,890	15,961,771
Restricted	403,027	201,970
Unrestricted	4,680,784	4,264,030
Total net position	\$ 20,954,701	\$ 20,427,771

Seventy-six percent (76%) of the City's net position is net investment in capital assets (e.g., land, buildings, improvements, infrastructure, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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. An additional portion of the City's net position, \$403,027 (2%) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of unrestricted net position, \$4,680,784 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the *City of Belle Isle* is able to report positive balances in all categories of net position.

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City of Belle Isle, Florida
Management's Discussion and Analysis

Statement of Activities

Governmental activities increased the *City of Belle Isle's* net position by \$526,930. Key elements of this increase are as follows:

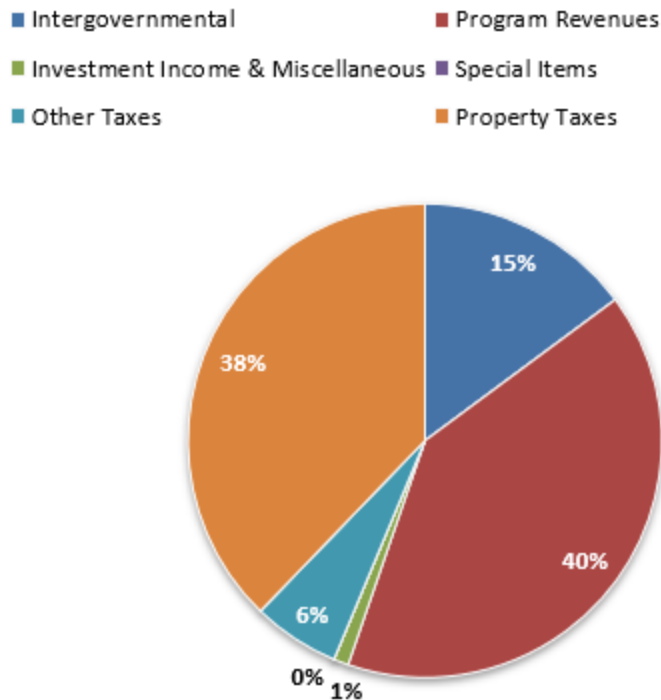
Changes in Net Position

	Governmental Activities	
	2025	2024, as restated
Revenues:		
Program Revenues:		
Charges for services	\$ 3,494,199	\$ 3,414,824
Operating grants and contributions	657,568	535,408
Capital grants and contributions	933,684	1,035,710
	<u>5,085,451</u>	<u>4,985,942</u>
General Revenues:		
Property taxes	4,755,004	4,474,954
Franchise and utility taxes	747,949	672,044
Intergovernmental	1,868,514	1,815,595
Investment income and miscellaneous	128,204	146,185
Special items	-	11,366
	<u>7,499,671</u>	<u>7,120,144</u>
Total revenues	<u>12,585,122</u>	<u>12,106,086</u>
Expenses:		
General government	2,422,986	2,041,607
Public safety	6,953,134	6,133,282
Physical environment	2,586,724	2,858,847
Interest on long-term debt	95,348	116,610
	<u>12,058,192</u>	<u>11,150,346</u>
Increase (Decrease) in Net Position	526,930	955,740
Net position, October 1	20,427,771	19,523,052
Restatements	-	(51,021)
Net position, October 1, as restated	<u>20,427,771</u>	<u>19,472,031</u>
Net position, September 30	<u>\$ 20,954,701</u>	<u>\$ 20,427,771</u>

Program revenues increased by \$99,509 during fiscal year 2025. This modest increase reflects offsetting changes across several revenue sources. Revenue increases were primarily driven by FEMA reimbursements associated with Hurricane Milton recovery efforts, higher building permit activity reflecting continued development within the City, and increased moving violations due to enhanced enforcement activity. These increases were partially offset by decreases in red light camera revenues, police off-duty detail reimbursements, and FDLE JAG grant and ARPA funding.

Expenses increased by \$907,846 during fiscal year 2025. This increase was primarily driven by higher public safety costs, including increased fire protection expenditures. The City also incurred increased expenditures due to emergency response costs associated with Hurricane Milton, vehicle acquisitions, and infrastructure improvements such as the police boat dock. These increases were partially offset by a decrease in physical environment expenditures compared to the prior year.

Revenues by Source - Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the *City of Belle Isle* used fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the *City of Belle Isle's* financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the largest fund of the *City of Belle Isle, Florida*. The general fund reported an increase in fund balance of \$453,756 during fiscal year 2025. This increase was primarily driven by higher property tax revenues resulting from an approximate 6% increase in taxable property values, reflecting continued growth in the local real estate market, as well as increased building permit activity due to continued development within the City and higher moving violations attributable to increased enforcement activity. Intergovernmental revenues also increased due to FEMA reimbursements associated with Hurricane Milton recovery efforts. These increases were partially offset by higher expenditures, particularly in public safety and emergency response costs, as well as increased capital-related and operational spending.

The Stormwater Fund reported an increase in fund balance of \$187,111 during fiscal year 2025. This increase was primarily the result of decreases in engineering fees and repairs and maintenance costs, which were reduced due to the completion of ARPA funded stormwater projects in prior years.

General Fund Budgetary Highlights

The difference between the original General Fund budget and the final amended budget resulted in an increase in expenditures of \$1,869,719 during the fiscal year. This increase was primarily attributable to adjustments made for unanticipated and ongoing activity during the year, including Hurricane Milton response efforts and related FEMA reimbursements, ARPA-funded projects, increased building permit and police off-duty activity, and adjustments for lease and subscription activity and insurance-related reimbursements.

During the fiscal 2025 year, actual revenues in the General Fund exceeded the final budget by approximately \$971,000, primarily driven by favorable variances across several economically sensitive and enforcement-related revenue sources, including fines and forfeitures, FEMA reimbursements, property taxes, franchise fees, and charges for services. Expenditures were less than budgeted by approximately \$765,000 reflecting lower-than-anticipated spending across multiple areas, including personnel cost savings from vacant positions, lower property and casualty insurance costs, and reduced spending on repairs and maintenance.

Capital Asset and Debt Administration

Capital Assets - The *City of Belle Isle's* investment in capital assets for its governmental activities as of September 30, 2025, amounts to \$19,282,197 (net of accumulated depreciation), as detailed below. The total increase in City's total capital assets for the current fiscal year was \$202,392 (a 1% increase in total capital assets).

	Governmental Activities	
	2025	2024
Land	\$ 3,499,595	\$ 3,499,595
Buildings	6,036,187	6,261,557
Improvements	1,914,990	2,109,893
Machinery and equipment	643,832	560,238
Intangibles	-	2,002
Infrastructure	5,830,861	5,744,921
Lease assets	1,269,275	822,136
Subscription assets	87,457	79,463
Total	\$ 19,282,197	\$ 19,079,805

Additional information on the *City of Belle Isle's* capital assets can be found in Note 7 of this report.

City of Belle Isle, Florida
Management's Discussion and Analysis

Long-Term Debt - At the end of the current fiscal year, the *City of Belle Isle* had total debt outstanding of \$3,408,749. This debt includes Capital Improvement Revenue Note, FMLC Refunding Revenue Bonds, and lease liabilities. Additional information on long-term debt can be found in Note 10 of this report.

	Governmental Activities	
	2025	2024
Note payable	\$ 2,008,999	\$ 2,122,147
Bonds payable	105,000	210,000
Lease liability	1,242,299	780,771
Subscription liability	52,451	-
Total	\$ 3,408,749	\$ 3,112,918

Next Year's Budget and Rates

During the current fiscal year, the fund balance in the general fund increased to \$4,947,846 and \$1,105,909 of this balance was appropriated for expenditure in Fiscal Year 2026.

Requests for Information

This financial report is designed to provide a general overview of the *City of Belle Isle's* finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the office of the Finance Director, *City of Belle Isle*, 1600 Nela Avenue, Belle Isle, FL 32809.

Basic Financial Statements

City of Belle Isle, Florida
Statement of Net Position
September 30, 2025

	Primary Government
	Governmental Activities
Assets:	
Cash	\$ 5,862,779
Investments	41,945
Accounts receivable	34,387
Due from other governments	164,310
Lease receivable	15,472,713
Prepaid items	890
Capital Assets:	
Not being depreciated	3,499,595
Being depreciated, net	15,782,602
Total assets	\$ 40,859,221
Liabilities:	
Accounts payable	236,480
Accrued liabilities	45,252
Deposits	261,000
Unearned revenue	195,254
Noncurrent Liabilities:	
Due within one year	526,406
Due in more than one year	3,166,958
Total liabilities	4,431,350
Deferred Inflows:	
Deferred credit on debt refunding	457
Deferred inflows - leases	15,472,713
Total deferred inflows of resources	15,473,170
Net Position:	
Net investment in capital assets	15,870,890
Restricted for:	
Capital projects	140,249
Stormwater	234,347
Public safety	28,431
Unrestricted	4,680,784
Total net position	\$ 20,954,701

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Belle Isle, Florida
Statement of Activities
Year Ended September 30, 2025

Functions/Programs	Charges for Services			Program Revenue		Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Governmental Activities	
Primary Government:						
Governmental Activities:						
General government	\$ 2,422,986	\$ 512,081	\$ 2,046	\$		(1,849,889)
Public safety	6,953,134	1,275,966	188,513			(5,482,161)
Physical environment	2,586,724	1,706,152	741,563			453,095
Culture and recreation	-	-	1,562			1,562
Interest on long-term debt	95,348	-	-			(95,348)
Total governmental activities	<u>12,058,192</u>	<u>3,494,199</u>	<u>933,684</u>			<u>(6,972,741)</u>
Total primary government	<u>\$ 12,058,192</u>	<u>\$ 3,494,199</u>	<u>\$ 933,684</u>			<u>(6,972,741)</u>
General Revenues and special item:						
Taxes:						
Property taxes						4,755,004
Franchise and utility taxes						747,949
Intergovernmental						1,868,514
Unrestricted investment earnings						88,620
Miscellaneous						39,584
Total general revenues and special item						<u>7,499,671</u>
Change in net position						526,930
Net position, beginning, as previously presented						20,478,792
Restatements						(51,021)
Net position - beginning, as restated						<u>20,427,771</u>
Net position, ending						<u>\$ 20,954,701</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Belle Isle, Florida
Balance Sheet - Governmental Funds
September 30, 2025

	<u>General Fund</u>	<u>Stormwater Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ 5,362,210	\$ 316,437	\$ 184,132	\$ 5,862,779
Investments	41,945	-	-	41,945
Accounts receivable	34,387	-	-	34,387
Due from other governments	164,310	-	-	164,310
Lease receivable	15,472,713	-	-	15,472,713
Prepaid items	890	-	-	890
Total assets	<u>\$ 21,076,455</u>	<u>\$ 316,437</u>	<u>\$ 184,132</u>	<u>\$ 21,577,024</u>
Liabilities:				
Accounts payable	\$ 232,731	\$ 3,749	\$ -	\$ 236,480
Accrued liabilities	45,252	-	-	45,252
Unearned revenue	116,913	78,341	-	195,254
Deposits	261,000	-	-	261,000
Total liabilities	<u>655,896</u>	<u>82,090</u>	<u>-</u>	<u>737,986</u>
Deferred inflows				
Deferred inflows - leases	<u>15,472,713</u>	<u>-</u>	<u>-</u>	<u>15,472,713</u>
Fund Balances:				
Nonspendable	890	-	-	890
Restricted for:				
Capital projects	-	-	5,451	5,451
Transportation impacts	-	-	134,798	134,798
Law enforcement education	-	-	28,431	28,431
Stormwater	-	234,347	-	234,347
Assigned for:				
Equipment replacement	-	-	15,452	15,452
Subsequent expenditures	1,105,909	-	-	1,105,909
Unassigned	<u>3,841,047</u>	<u>-</u>	<u>-</u>	<u>3,841,047</u>
Total fund balances	<u>4,947,846</u>	<u>234,347</u>	<u>184,132</u>	<u>5,366,325</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 21,076,455</u>	<u>\$ 316,437</u>	<u>\$ 184,132</u>	

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

Capital assets used in governmental activities are not fund resources and, therefore, are not reported in the funds	19,282,197
Some liabilities and deferred inflows, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(3,693,821)
Net position of governmental activities	<u>\$ 20,954,701</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Belle Isle, Florida
Statement of Revenue, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2025

	General Fund	Stormwater Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property taxes	\$ 4,755,004	\$ -	\$ -	\$ 4,755,004
Franchise and utility	747,949	-	-	747,949
Licenses and permits	436,446	-	-	436,446
Intergovernmental	3,150,500	301,722	-	3,452,222
Charges for services	1,614,152	476,025	-	2,090,177
Impact fees	-	-	7,544	7,544
Fines and forfeitures	957,295	-	10,281	967,576
Investment income	76,051	9,124	3,445	88,620
Miscellaneous	39,584	-	-	39,584
Total revenues	11,776,981	786,871	21,270	12,585,122
Expenditures:				
Current:				
General government	2,115,805	-	-	2,115,805
Public safety	7,514,548	-	7,004	7,521,552
Physical environment	1,890,797	599,760	-	2,490,557
Debt Service:				
Principal	441,633	-	-	441,633
Interest and other charges	97,906	-	-	97,906
Total expenditures	12,060,689	599,760	7,004	12,667,453
Excess (deficiency) of revenues over expenditures	(283,708)	187,111	14,266	(82,331)
Other Financing Sources (Uses):				
Sale of general capital assets	-	-	-	-
Leases issued	637,513	-	-	637,513
Subscriptions issued	99,951	-	-	99,951
Total other financing sources	737,464	-	-	737,464
Net change in fund balances	453,756	187,111	14,266	655,133
Fund balances, beginning	4,494,090	47,236	169,866	4,711,192
Fund balances, ending	\$ 4,947,846	\$ 234,347	\$ 184,132	\$ 5,366,325

The accompanying Notes to Financial Statements are an integral part of this statement.

Reconciliation of the Statement Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 655,133

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlay	\$ 1,613,138	
Depreciation	<u>(1,400,114)</u>	213,024

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. (10,632)

Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds in the current period.

Leases issued	\$ (637,513)	
Subscription issued	(99,951)	
Principal repayments	<u>441,633</u>	(295,831)

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

Compensated absences	\$ (37,322)	
Amortization of premium	2,104	
Amortization of deferred credit on refunding	<u>454</u>	<u>(34,764)</u>

Change in Net Position of Governmental Activities \$ 526,930

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The *City of Belle Isle, Florida* (the "City") was incorporated April 25, 1924 under the Laws of Florida 75-329. The City operates under a council-manager form of government, with an appointed City Manager, seven elected City Commissioners, and a separately elected Mayor. The City provides the following services as authorized by its charter: public safety (fire and law enforcement), highways and streets, sanitation, parks and recreation, public improvements, planning and zoning, and general administrative services. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The more significant of the City's accounting policies are described below.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. In applying the above criteria, the City has identified no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. Since the City has no business-type activities, only governmental activities are reported on the government-wide financial statements.

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

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - is the City's primary operating fund, and is always classified as a major fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

Stormwater Special Revenue Fund - is used to account for stormwater management operations and related capital improvements.

The government reports the following nonmajor governmental funds:

Transportation impact fee special revenue fund - is used to account for collected impact fees on new development which are restricted for transportation related improvements.

Law enforcement education special revenue fund - is used to account for revenues received pursuant to Florida Statutes, which imposes a \$2.00 court cost against persons convicted for violations of criminal statutes. Funds must be used to educate and train law enforcement personnel.

Parks impact fee special revenue fund – is used to account for collected impact fees on new development which are restricted for the purpose of administering, planning, acquisition, expansion and development of additional land, amenities, and facilities for public parks and recreation purposes.

General impact fee special revenue fund – is used to account for collected impact fees on new development which are restricted solely for administering, planning, acquisition, expansion, and development of additional land, facilities, vehicles and equipment for general government facilities.

Capital equipment replacement capital projects fund - is used to set aside funds for future equipment replacement.

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance

Deposits and Investments

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

Investments for the City are reported at fair value within the fair value hierarchy established in accordance with GASB Statement No 72, *Fair Value Measurement and Application*, except for the position in the Florida State Board of Administration's Local Government Surplus Investment Pool (LGIP). In accordance with state law, the LGIP operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the LGIPs qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Florida State Board of Administration is subject to regulatory oversight by the State of Florida, although it is not registered with the SEC. The City's investments consist of investments authorized per their investment policy adopted in accordance with section 218.415, Florida Statutes.

Prepaid Items

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." All receivables are shown net of an allowance for uncollectibles.

Capital Assets

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	5 - 15
Machinery & equipment	5 - 15
Intangibles	3 - 5
Infrastructure	25 - 40

Right to use lease equipment and subscription assets are amortized over the life of the associated contract.

Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee) during or upon separation from employment. Based on the criteria listed above, paid time off (PTO) qualifies for liability recognition for compensated absences. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured, due to employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Paid Time Off (PTO)

City policy permits employees to accrue personal leave time based upon length of service with the City. Unused PTO benefits are eligible for payment at the employee's current pay rate upon separation from employment after six months of continuous employment.

Long Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any items that qualify for reporting in this category for the year ended September 30, 2025.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category, a deferred credit on debt refunding, and deferred inflows of leases. The deferred credit on debt refunding is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred inflows of leases will be recognized over the life of the lease.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority.

The City Commission is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

Estimates

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

New GASB Statements Implemented

In fiscal year 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This statement will result in a liability for compensated absences that more appropriately reflects when the City incurs an obligation, which will enhance the relevance and reliability of information. As a result of implementation, the City's changes in beginning balances and net position where applicable is further described below.

In the current year, the City implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused PTO due to employees upon separation of employment, the City now recognizes an estimated portion of salary-related benefits as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the "Restatement – GASB 101 implementation" row below.

	Government-Wide	
	Governmental Activities	
Net Position, October 1, 2024, as previously stated	\$	20,478,792
Restatement - GASB 101 implementation		(51,021)
Net Position, October 1, 2024, as restated	\$	20,427,771

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bonds payable	105,000
Add: Issuance premium (to be amortized over life of debt)	2,101
Add: Deferred credit on refunding (to be amortized over life of debt)	457
Note payable	2,008,999
Lease liability	1,242,299
Subscription liability	52,451
Compensated absences	282,514
	\$ 3,693,821

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

1. On or before the first Commission meeting in August, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them for all of the City's funds.
2. Public hearings are conducted at City Hall to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage of a resolution.
3. The City cannot legally exceed the budget; however, the City Manager is authorized to transfer budgeted amounts within a department. Any revisions that change the total expenditures of any department must be approved by the City Commission. The legal level of budgetary control is the department level.
4. Formal budgetary integration is employed as a management control device during the year for all of the City's funds.
5. Budgeted amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budget during the year. Encumbrance accounting is not employed. Unexpended and unencumbered appropriations lapse at the end of the fiscal year and are reappropriated in the ensuing year.

NOTE 4 CASH AND INVESTMENTS

Following are the components of the City's cash and investments at September 30, 2025:

Cash	\$	5,862,779
Investments		41,945
		<hr/>
	\$	5,904,724
		<hr/> <hr/>

Deposits

All of the City's deposits are at institutions which are Qualified Public Depositories pursuant to Florida Statutes. Therefore, all bank deposits are entirely insured or collateralized by the Federal Depository Insurance Corporation (FDIC) and the Bureau of Collateral Securities, Division of Treasury.

Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Under GASB 72, assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the City's own data in measuring unobservable inputs.

The City's investment policies are governed by State Statutes and City ordinances. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized investments are:

1. The Local Government Surplus Funds Trust Fund;
2. Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government at the then prevailing market price for such securities;
3. Savings accounts and certificates of deposit in state-certified qualified public depositories;
4. Money market mutual funds that restrict investments to United States Government Obligations;
5. Obligations of the federal farm credit banks; the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation in certificates; or the Federal Home Loan Bank or its district banks of obligations guaranteed by the Government National Mortgage Association;
6. Obligation of the Federal National Mortgage Association, including Federal National Mortgage Association participation certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association;
7. Investment vehicles for Florida listed on the state of Florida treasury website;
8. Other investments authorized by law or ordinance for a county or a municipality.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

The SBA is not a registrant with the Securities and Exchange Commission (SEC); however, the State of Florida does provide regulatory oversight. The Board has adopted operating procedures consistent with the requirements for a 2a-7 fund for the Florida Prime Fund; therefore, the pool net asset value per share can be used as fair value for financial reporting. The SBA does not impose any limitations or restrictions on withdrawals; however, under certain conditions involving a material impact on liquidity or operations of the fund, the SBA may limit withdrawals for a period of up to 15 days. As of September 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

Investments made by the City of Belle Isle at September 30, 2025 are summarized below. In accordance with GASB 31, investments are reported at amortized cost, which approximates fair value.

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
Florida PRIME	\$ 41,945	AAAm	47 days

Credit Risk

The City's investment policy limits credit risk by restricting authorized investments to those described above.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2025, all of the City's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2025, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk

The City's investment policy requires diversification, but does not specify limits on types of investments.

Interest Rate Risk

The City's investment policy does not specifically address interest rate risk; however, the general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The City manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

NOTE 5 RECEIVABLES

In accordance with the City's implementation of GASB Statement No. 87, *Leases*, the City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. The receivables totaling \$15,472,713 are reported as deferred inflows of resources in the governmental activities statement of net position and general fund balance sheet. See Note 14 Leases for further information.

NOTE 6 PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by March 31. The County bills and collects property taxes. Collections of the property taxes by the county and remittance of them to the City are accounted for in the general fund. City property tax revenues are recognized when levied to the extent that they result in current receivables.

The City is permitted by the Municipal Finance Law of the State to levy taxes up to \$10 per \$1,000 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt.

The combined tax rate to finance general governmental services for the year ended September 30, 2025, was \$4.4018 per \$1,000, which means the City has a tax margin of \$5.5982 per \$1,000 and could raise up to \$6,201,134, before discount, additionally each year from the present assessed valuation of \$1,107,701,336 before the limit is reached.

NOTE 7 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases/ Transfers</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,499,595	\$ -	\$ -	\$ 3,499,595
Construction in progress	-	694,701	(694,701)	-
Total capital assets, not being depreciated	<u>3,499,595</u>	<u>694,701</u>	<u>(694,701)</u>	<u>3,499,595</u>
Capital Assets, Being Depreciated:				
Buildings	9,003,829	-	-	9,003,829
Improvements	3,856,206	8,877	-	3,865,083
Machinery & equipment	1,848,911	226,334	(30,152)	2,045,093
Intangibles	61,287	-	-	61,287
Infrastructure	12,542,488	640,463	(14,500)	13,168,451
Lease assets- Machinery & equipment	1,203,990	637,513	(234,435)	1,607,068
Subscription assets	105,951	99,951	(105,951)	99,951
Total capital assets being depreciated	<u>28,622,662</u>	<u>1,613,138</u>	<u>(385,038)</u>	<u>29,850,762</u>
Less Accumulated Depreciation for:				
Buildings	(2,742,272)	(225,370)	-	(2,967,642)
Improvements	(1,746,313)	(203,780)	-	(1,950,093)
Machinery & equipment	(1,288,673)	(142,740)	30,152	(1,401,261)
Intangibles	(59,285)	(2,002)	-	(61,287)
Infrastructure	(6,797,567)	(543,891)	3,868	(7,337,590)
Lease assets- Machinery & equipment	(381,854)	(190,374)	234,435	(337,793)
Subscription assets	(26,488)	(91,957)	105,951	(12,494)
Total accumulated depreciation	<u>(13,042,452)</u>	<u>(1,400,114)</u>	<u>374,406</u>	<u>(14,068,160)</u>
Total capital assets being depreciated, net	<u>15,580,210</u>	<u>213,024</u>	<u>(10,632)</u>	<u>15,782,602</u>
Governmental activities capital assets, net	<u>\$ 19,079,805</u>	<u>\$ 907,725</u>	<u>\$ (705,333)</u>	<u>\$ 19,282,197</u>

NOTE 7 CAPITAL ASSETS (CONTINUED)

Depreciation and amortization of lease and subscription assets was charged to functions/programs of the City as follows:

Governmental Activities:	
General government	\$ 303,573
Public safety	317,012
Physical environment	<u>779,529</u>
Total depreciation expense, governmental activities	<u><u>\$ 1,400,114</u></u>

NOTE 8 RETIREMENT PLANS

Employees Defined Contribution Plans

The City is a participant in the Florida Municipal Pension Trust Fund, a multiple employer 401(a) defined contribution plan. The plan is established and administered by and can be amended under the authority of the Florida League of Cities, Inc. All full-time employees are eligible to participate in the plan the first full month from date of hire. As soon as an employee is eligible to participate in the plan, contributions are made by the City. Under this plan, the City contributes 20% of eligible wages for police officers and 16% for all other eligible employees. The contribution rate is established by the City Commission. Employees do not participate in the plan funding. Employees are 100% vested upon completion of one year of service.

No fixed benefits are paid or payable upon retirement. At September 30, 2025, there were 34 participants in the plan.

During the year ended September 30, 2025, the City contributed \$482,506 to the plan and no forfeitures were used to reduce the City's contribution. The City has no unfunded liability under this plan.

Deferred Compensation Plan

The City also participates in the Florida Municipal Pension Trust Fund 457(b) Deferred Compensation Plan, a multiple employer plan created in accordance with Internal Revenue Code Section 457 (the 457 Plan). The 457 Plan, available to all full-time employees immediately upon employment, permits participants to defer a portion of their current salary until future years. The plan is established and administered by, and can be amended under the authority of the Florida League of Cities, Inc. The City is not required and does not contribute to the 457 Plan. At September 30, 2025, there were 20 active plan participants. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All assets of these plans are held in trust for the exclusive benefit of plan participants and their beneficiaries and are not accounted for in the City's financial statements.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

Pursuant to Resolution 10-15, the City has elected not to make continuation of group health insurance through the City's current provider available to retirees and eligible dependents.

NOTE 10 LONG-TERM DEBT

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

	Beginning Balance (Restated)	Additions	Deductions	Ending Balance	Due Within One Year
Revenue bonds	\$ 210,000	\$ -	\$ (105,000)	\$ 105,000	\$ 105,000
Unamortized premium	4,205	-	(2,104)	2,101	-
Revenue note	2,122,147	-	(113,148)	2,008,999	115,501
Lease liability	780,771	637,513	(175,985)	1,242,299	225,203
Subscription Liability	-	99,951	(47,500)	52,451	52,451
Compensated absences *	245,192	37,322	-	282,514	28,251
	<u>\$ 3,362,315</u>	<u>\$ 774,786</u>	<u>\$ (443,737)</u>	<u>\$ 3,693,364</u>	<u>\$ 526,406</u>

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

Revenue Bonds - Public Offering

On September 27, 2016, the City issued \$935,000 of FMLC Refunding and Improvement Revenue Bonds, Series 2016 with interest rates ranging from 2.0% to 4.0% to refund FMLC Revenue Bonds, Series 2006. The \$935,000 loan is secured by a covenant to appropriate in the annual budget the amount of non-ad valorem revenues to satisfy repayment. In the event of default, the lender may declare all principal and accrued interest to be due and payable immediately.

Total principal and interest remaining on the Series 2016 Bonds as of September 30, 2025 is \$107,363. For the year ended September 30, 2025, total principal and interest paid was \$109,725.

Revenue Notes - Direct Borrowing

On September 25, 2020, the City issued \$2,551,281 of Capital Improvement Revenue Notes, Series 2020 with an interest rate of 2.08%. The proceeds of the Note are to be used to finance the costs of acquisition and improvement of property located within the City of Belle Isle for a future purpose. Additionally, funds may be used for stormwater improvements within the City. The \$2,551,281 loan is secured by a covenant to appropriate in the annual budget the amount of non-ad valorem revenues to satisfy repayment and that the loan shall only be used for payment of the costs of the projects. In the event of default, the lender may declare all principal and accrued interest to be due and payable immediately.

Total principal and interest remaining on the 2020 Note as of September 30, 2025 is \$2,359,327. For the year ended September 30, 2025, total principal and interest paid was \$157,282.

Revenue bonds and revenue note outstanding at year end are as follows:

Governmental Activities	Interest Rates and Dates	Maturity	Original Amount	Balance September 30, 2025
FMLC refunding revenue	2.00% - 4.00%			
Bonds, Series 2016	(4/1 & 10/1)	10/1/2026	<u>\$ 935,000</u>	105,000
Total revenue bond				105,000
Capital improvement revenue	2.08 %			
Note, Series 2020	(4/1 & 10/1)	10/1/2040	<u>\$ 2,551,281</u>	2,008,999
Total				<u>\$ 2,113,999</u>

NOTE 10 LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity are as follows:

<u>Year Ending September, 30</u>	<u>Revenue Notes</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 115,501	\$ 41,787	\$ 105,000	\$ 2,363
2027	117,904	39,385	-	-
2028	120,356	36,932	-	-
2029	122,860	34,429	-	-
2030	125,415	31,873	-	-
2031 - 2035	667,307	119,135	-	-
2036 - 2040	739,656	46,787	-	-
	<u>\$ 2,008,999</u>	<u>\$ 350,328</u>	<u>\$ 105,000</u>	<u>\$ 2,363</u>

Line of Credit

The City entered into a revolving line of credit agreement with a financial institution on July 19, 2012 for the amount of \$750,000. The interest rate is the Wall Street Journal prime rate plus 0.5% floating with a floor of 6.25% (7.75% at September 30, 2025). Repayment terms are interest only due monthly with maturity date of October 19, 2028. The line of credit is unsecured. At September 30, 2025, the City had no balance outstanding and \$750,000 available on the line of credit to draw down.

Leases

The City has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The City has entered into a master lease agreement on March 14, 2018, to lease vehicles. Individual lease terms range from 12 to 60 months, however, only the leases with terms in excess of 12 month have been recognized as other than short-term leases. These leases require monthly payments ranging from \$579.50 to \$1,544.37. There are no variable payment components of the leases. The lease liability is measured at a discount rate stated in the lease agreement or a rate of 2%, which is the City's incremental borrowing rate. As a result of the lease, the City has recorded a right to use asset with a net book value of \$670,248 as of September 30, 2025.

In July 2023, the City entered into a 10 year lease agreement to lease certain police equipment. An initial lease liability was recorded in the amount of \$703,376. As of September 30, 2025, the value of the lease liability is \$496,849. The City is required to make annual payments of \$76,769. The lease liability is measured at a discount rate of 2%, which is the City's incremental borrowing rate. The value of the right to use asset as of September 30, 2025 of \$703,376 with accumulated amortization of \$158,260 is included with lease assets in Note 7.

In November 2024, the City entered into a 10 year lease agreement to lease Axon fleet cameras. An initial lease liability was recorded in the amount of \$59,351. As of September 30, 2025, the value of the lease liability is \$52,873. The City is required to make annual payments of \$6,478. The lease liability is measured at a discount rate of 2%, which is the City's incremental borrowing rate. The value of the right to use asset as of September 30, 2025 of \$59,351 with accumulated amortization of \$5,440 is included with lease assets in Note 7.

NOTE 10 LONG-TERM DEBT (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2025, were as follows:

Year Ending September, 30	Leases	
	Principal	Interest
2026	\$ 225,203	\$ 62,617
2027	223,079	47,182
2028	227,064	32,387
2029	221,377	19,310
2030	171,860	7,890
2031-2035	173,716	5,731
	<u>\$ 1,242,299</u>	<u>\$ 175,117</u>

SBITA

In July 2025, the City entered into a 24 month subscription for the use of license plate reader software. An initial subscription liability was recorded in the amount of \$99,951. As of September 30, 2025, the value of the subscription liability is \$52,451. The City is required to make annual payments of \$53,500. The subscription liability is measured using an interest rate of 2%, which is the City's incremental borrowing rate. The value of the right to use asset as of September 30, 2025 of \$99,951 with accumulated amortization of \$12,494 is included with subscription assets in Note 7.

The future minimum subscription payments and the net present value of these subscription payments as of September 30, 2025, were as follows:

Year Ending September, 30	SBITA	
	Principal	Interest
2026	\$ 52,451	\$ -
	<u>\$ 52,451</u>	<u>\$ -</u>

NOTE 11 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; job-related illnesses or injuries to employees; and natural disasters. Risk of loss from the above is transferred by the City to various commercial insurers through the purchase of insurance. There has been no significant reduction in insurance coverage from the previous year. There have been no settlements in excess of insurance coverage in any of the prior three fiscal years.

NOTE 12 CONTINGENCIES

During the ordinary course of its operations, the City is a party to various claims, legal actions, and complaints. In addition, although the outcome of these lawsuits is not presently determinable, in the opinion of the City's management and legal counsel, these matters are not anticipated to have a material financial impact on the City.

NOTE 13 RELATED PARTIES

The City has authority to appoint 2 seats (out of a total of 9) to the Board of Directors of the City of Belle Isle Charter Schools Inc. (see Note 14). The City has no ability to impose its will upon the Charter Schools and the Charter Schools are not fiscally accountable to the City. Therefore, the Charter Schools are not considered component units of the City.

NOTE 14 LEASE AGREEMENT

In October 2012, the Charter Schools entered into an educational facilities lease agreement with the City. In October 2021, the lease agreement was modified as a result of the charter school bond payoff. The new agreement is a thirty-seven year lease, effective on the bond payoff date for the use of the City owned charter school buildings. Under the new lease agreement, an initial lease receivable was recorded in the amount of \$16,489,820. The lessee is required to make annual payments of \$334,827. The annual payments are subject to an annual CPI increase, not to exceed 2% per annum.

The lease has an interest rate of 0%. As of September 30, 2025, the value of the lease receivable and deferred inflows of resources is \$15,472,713 and the City recognized lease revenue of \$343,272 during the fiscal year under the revised lease agreement.

Total minimum future lease payments to be received by the City are as follows:

Fiscal Year Ending	Principal	Interest
2026	\$ 347,621	\$ -
2027	352,057	-
2028	356,582	-
2029	361,198	-
2030	365,906	-
2031 - 2035	1,903,510	-
2036 - 2040	2,036,161	-
2041 - 2045	2,221,381	-
2046 - 2050	2,452,588	-
2051 - 2055	2,707,861	-
2056 - 2060	2,367,848	-
	\$ 15,472,713	\$ -

Following is a schedule of approximate cost and accumulated depreciation of capital assets under leases:

Land, buildings, and equipment	\$ 9,041,456
Accumulated depreciation	(2,829,237)
Capital assets held for lease	\$ 6,212,219

Required Supplementary Information

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 4,639,731	\$ 4,639,731	\$ 4,755,004	\$ 115,273
Franchise fees and utility taxes	586,500	586,500	747,949	161,449
Licenses and permits	231,300	401,300	436,446	35,146
Intergovernmental	1,883,854	2,927,121	3,150,500	223,379
Fines and forfeitures	681,000	681,000	957,295	276,295
Charges for services	1,383,156	1,553,347	1,614,152	60,805
Investment income	1,000	1,000	76,051	75,051
Miscellaneous	-	15,830	39,584	23,754
Total revenues	9,406,541	10,805,829	11,776,981	971,152
Expenditures:				
Current:				
General Government:				
Legislative	43,300	43,300	24,987	18,313
Executive	3,150	3,150	2,359	791
Finance and administrative	773,272	766,147	733,492	32,655
Other general government	931,700	1,465,018	1,354,967	110,051
Total general government	1,751,422	2,277,615	2,115,805	161,810
Public Safety:				
Law enforcement	4,086,803	5,019,425	4,700,313	319,112
Fire control	2,822,111	2,822,111	2,814,235	7,876
Total public safety	6,908,914	7,841,536	7,514,548	326,988
Physical Environment:				
Roads and streets	1,219,437	1,400,308	1,082,847	317,461
Solid waste disposal	812,000	812,000	807,950	4,050
Total physical environment	2,031,437	2,212,308	1,890,797	321,511
Debt Service:				
Principal	214,000	394,982	441,633	(46,651)
Interest	50,000	99,051	97,906	1,145
Total debt service	264,000	494,033	539,539	(45,506)
Total expenditures	10,955,773	12,825,492	12,060,689	764,803
Excess (deficiency) of revenues over expenditures	(1,549,232)	(2,019,663)	(283,708)	1,735,955
Other Financing Sources (Uses):				
Leases issued	-	743,464	637,513	(105,951)
Subscriptions issued	-	-	99,951	99,951
Total other financing sources (uses)	-	743,464	737,464	(6,000)
Net change in fund balance	(1,549,232)	(1,276,199)	453,756	1,729,955
Fund balance, beginning	4,494,090	4,494,090	4,494,090	-
Fund balance, ending	\$ 2,944,858	\$ 3,217,891	\$ 4,947,846	\$ 1,729,955

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Stormwater Fund
Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 301,722	\$ 301,722	\$ -
Charges for services	465,612	465,612	476,025	10,413
Investment income	-	-	9,124	9,124
Total revenues	465,612	767,334	786,871	19,537
Expenditures:				
Current:				
Physical environment	506,384	808,106	599,760	208,346
Total expenditures	506,384	808,106	599,760	208,346
Excess (deficiency) of revenues over expenditures	(40,772)	(40,772)	187,111	227,883
Net change in fund balance	(40,772)	(40,772)	187,111	227,883
Fund balance, beginning	47,236	47,236	47,236	-
Fund balance, ending	\$ 6,464	\$ 6,464	\$ 234,347	\$ 227,883

Notes to Required Supplementary Information

Year Ended September 30, 2025

The governmental funds' budgets are prepared on a budgetary basis, whereby the City may include a portion of the prior year's fund balance represented by unappropriated liquid assets remaining in the fund as a budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior periods' excess of revenues over expenditures.

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**Combining and Individual Fund
Statements and Schedules**

Nonmajor Special Revenue Funds

Transportation Impact Fee Special Revenue Fund

This fund is used to account for collected impact fees on new development which are restricted for use in funding road construction directly related to new growth.

Law Enforcement Education Special Revenue Fund

This fund is used to account for revenues received pursuant to Florida Statutes which imposes a \$2.00 court cost against persons convicted for violations of criminal statutes. Funds must be used to educate and train law enforcement personnel.

Parks Impact Fee Special Revenue Fund

This fund is used to account for collected impact fees on new development which are restricted for the purpose of administering, planning, acquisition, expansion and development of additional land, amenities, and facilities for public parks and recreation purposes.

General Impact Fee Special Revenue Fund

This fund is used to account for collected impact fees on new development which are restricted solely for administering, planning, acquisition, expansion, and development of additional land, facilities, vehicles and equipment for general government facilities.

Nonmajor Capital Projects Fund

Capital Equipment Replacement Fund

This fund is used to account for replacements of capital equipment used by the city.

City of Belle Isle, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Transportation Impact Fee	Law Enforcement Education	Parks Impact Fee Fund	General Impact Fee Fund	Total Special Revenue Funds		
Assets:							
Cash and cash equivalents	\$ 134,798	\$ 28,431	\$ 2,360	\$ 3,091	\$ 168,680	\$ 15,452	\$ 184,132
Total assets	\$ 134,798	\$ 28,431	\$ 2,360	\$ 3,091	\$ 168,680	\$ 15,452	\$ 184,132
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Fund Balances:							
Restricted for:							
Transportation impacts	134,798	-	-	-	134,798	-	134,798
Law enforcement education	-	28,431	-	-	28,431	-	28,431
Capital projects	-	-	2,360	3,091	5,451	-	5,451
Assigned	-	-	-	-	-	15,452	15,452
Total fund balances	134,798	28,431	2,360	3,091	168,680	15,452	184,132
Total liabilities and fund balances	\$ 134,798	\$ 28,431	\$ 2,360	\$ 3,091	\$ 168,680	\$ 15,452	\$ 184,132

City of Belle Isle, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended September 30, 2025

	Special Revenue Funds						Capital Projects Fund	Total Nonmajor Governmental Funds
	Transportation Impact Fee	Law Enforcement Education	Parks Impact Fee Fund	General Impact Fee Fund	Total Special Revenue Funds	Capital Equipment Replacement Fund		
Revenues:								
Impact fees	\$ 3,936	\$ -	\$ 1,562	\$ 2,046	\$ 7,544	\$ -	\$ 7,544	
Fines and forfeitures	-	10,281	-	-	10,281	-	10,281	
Investment earnings	2,709	377	17	22	3,125	320	3,445	
Total revenues	6,645	10,658	1,579	2,068	20,950	320	21,270	
Expenditures:								
Current:								
Public safety	-	7,004	-	-	7,004	-	7,004	
Total expenditures	-	7,004	-	-	7,004	-	7,004	
Excess (deficiency) of revenues over expenditures	6,645	3,654	1,579	2,068	13,946	320	14,266	
Net change in fund balances	6,645	3,654	1,579	2,068	13,946	320	14,266	
Fund balances, beginning	128,153	24,777	781	1,023	154,734	15,132	169,866	
Fund balances, ending	\$ 134,798	\$ 28,431	\$ 2,360	\$ 3,091	\$ 168,680	\$ 15,452	\$ 184,132	

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Transportation Impact Fee Fund
Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ -	\$ -	\$ 3,936	\$ 3,936
Investment income	500	500	2,709	2,209
Total revenues	500	500	6,645	6,145
Expenditures:				
Current:				
Physical environment	65,000	-	-	-
Total expenditures	65,000	-	-	-
Excess (deficiency) of revenues over expenditures	(64,500)	500	6,645	6,145
Net change in fund balance	(64,500)	500	6,645	6,145
Fund balance, beginning	128,153	128,153	128,153	-
Fund balance, ending	\$ 63,653	\$ 128,653	\$ 134,798	\$ 6,145

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Law Enforcement Education Fund
Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 4,000	\$ 4,000	\$ 10,281	\$ 6,281
Investment income	300	300	377	77
Total revenues	4,300	4,300	10,658	6,358
Expenditures:				
Current:				
Public safety	20,000	20,000	7,004	12,996
Total expenditures	20,000	20,000	7,004	12,996
Excess (deficiency) of revenues over expenditures	(15,700)	(15,700)	3,654	19,354
Net change in fund balance	(15,700)	(15,700)	3,654	19,354
Fund balance, beginning	24,777	24,777	24,777	-
Fund balance, ending	\$ 9,077	\$ 9,077	\$ 28,431	\$ 19,354

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Parks Impact Fee Fund
Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ -	\$ -	\$ 1,562	\$ 1,562
Investment income	-	-	17	17
Total revenues	-	-	1,579	1,579
Expenditures:				
Current:				
Physical environment	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	1,579	1,579
Net change in fund balance	-	-	1,579	1,579
Fund balance, beginning	781	781	781	-
Fund balance, ending	\$ 781	\$ 781	\$ 2,360	\$ 1,579

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Impact Fee Fund
Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ -	\$ -	\$ 2,046	\$ 2,046
Investment income	-	-	22	22
Total revenues	-	-	2,068	2,068
Expenditures:				
Current:				
Physical environment	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	2,068	2,068
Net change in fund balance	-	-	2,068	2,068
Fund balance, beginning	1,023	1,023	1,023	-
Fund balance, ending	\$ 1,023	\$ 1,023	\$ 3,091	\$ 2,068

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Equipment Replacement Fund
Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 200	\$ 200	\$ 320	\$ 120
Total revenues	<u>200</u>	<u>200</u>	<u>320</u>	<u>120</u>
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>200</u>	<u>200</u>	<u>320</u>	<u>120</u>
Net change in fund balance	<u>200</u>	<u>200</u>	<u>320</u>	<u>120</u>
Fund balance, beginning	<u>15,132</u>	<u>15,132</u>	<u>15,132</u>	<u>-</u>
Fund balance, ending	<u>\$ 15,332</u>	<u>\$ 15,332</u>	<u>\$ 15,452</u>	<u>\$ 120</u>

Statistical Section

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

Contents

Page

Financial Trends

41

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

Revenue Capacity

46

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

Debt Capacity

50

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

There are no limitations placed upon the amount of debt the *City of Belle Isle* may issue by either the City Charter or the City's Code of Ordinances or by Florida Statutes.

The *City of Belle Isle* has no general obligation bonds outstanding.

Demographic and Economic Information

53

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

Operating Information

55

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

City of Belle Isle, Florida
Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental Activities:										
Net investment in capital assets	\$ 8,475,455	\$ 6,012,551	\$ 6,819,323	\$ 8,560,971	\$ 8,518,272	\$ 8,172,436	\$ 16,045,825	\$ 15,655,211	\$ 15,961,771	\$ 15,870,890
Restricted	3,574,581	1,180,583	1,084,890	464,127	578,578	785,388	238,340	568,745	201,970	403,027
Unrestricted	2,608,122	2,380,829	1,359,354	2,283,889	2,377,681	3,089,376	3,873,418	3,299,096	4,315,051	4,680,784
Total governmental activities net position	\$ 14,658,158	\$ 9,573,963	\$ 9,263,567	\$ 11,308,987	\$ 11,474,531	\$ 12,047,200	\$ 20,157,583	\$ 19,523,052	\$ 20,478,792	\$ 20,954,701

City of Belle Isle, Florida
Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Expenses										
Governmental Activities:										
General government	\$ 1,326,981	\$ 2,000,529	\$ 2,281,821	\$ 1,028,547	\$ 1,333,531	\$ 1,238,951	\$ 1,696,238	\$ 3,198,355	\$ 2,041,607	\$ 2,422,986
Public safety	2,669,212	2,827,193	3,152,637	3,502,256	3,669,342	4,108,254	4,672,622	5,599,416	6,133,282	6,953,134
Physical environment	1,273,663	1,491,093	1,591,156	2,199,798	2,245,131	2,451,847	2,543,679	2,651,244	2,858,847	2,586,724
Human Services	9,161,001	-	-	-	-	-	-	-	-	-
Interest on long-term debt	644,253	585,303	560,511	570,192	592,145	579,866	612,696	132,573	116,610	95,348
Total governmental activities expense	\$ 15,075,110	\$ 6,904,118	\$ 7,586,125	\$ 7,300,793	\$ 7,840,149	\$ 8,378,918	\$ 9,525,235	\$ 11,581,588	\$ 11,150,346	\$ 12,058,192
Program Revenues										
Governmental Activities:										
Charges for Services:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 466,450	\$ 483,442	\$ 512,081
Public safety	56,471	92,006	119,566	235,533	150,349	355,192	755,789	1,145,954	1,297,813	1,275,966
Physical environment	1,040,533	1,252,569	1,056,529	1,128,850	1,238,589	1,325,819	1,273,305	1,425,788	1,633,569	1,706,152
Human services	199,136	-	-	-	-	-	-	-	-	-
Interest on long-term debt	957,249	963,674	984,844	1,018,908	1,036,641	1,047,373	1,033,608	-	-	-
Operating grants and contributions	368,188	236,272	279,947	1,443,033	334,030	596,427	888,901	1,063,400	535,408	657,568
Capital grants and contributions	384,035	7,934	5,000	401,166	61,366	11,786	29,563	82,148	1,035,710	933,684
Total Governmental Activities Program:										
Revenues	\$ 3,005,612	\$ 2,552,455	\$ 2,445,886	\$ 4,227,490	\$ 2,820,975	\$ 3,336,597	\$ 3,981,166	\$ 4,183,740	\$ 4,985,942	\$ 5,085,451
Total governmental activities net expense	\$ (12,069,498)	\$ (4,351,663)	\$ (5,140,239)	\$ (3,073,303)	\$ (5,019,174)	\$ (5,042,321)	\$ (5,544,069)	\$ (7,397,848)	\$ (6,164,404)	\$ (6,972,741)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes	\$ 2,574,866	\$ 2,711,321	\$ 2,912,422	\$ 3,104,093	\$ 3,370,685	\$ 3,535,115	\$ 3,763,201	\$ 4,079,655	\$ 4,474,954	\$ 4,755,004
Franchise and utility taxes	388,501	395,702	410,481	416,555	454,588	560,621	585,835	642,375	672,044	747,949
Intergovernmental-unrestricted	10,611,076	1,366,176	1,441,977	1,516,204	1,280,834	1,447,019	1,823,413	1,847,003	1,815,595	1,868,514
Investment income and Miscellaneous	160,661	63,298	64,963	81,871	78,611	72,235	60,676	115,266	146,185	128,204
Special items	-	-	-	-	-	-	7,421,327	79,018	11,366	-
Total governmental activities	\$ 13,735,104	\$ 4,536,497	\$ 4,829,843	\$ 5,118,723	\$ 5,184,718	\$ 5,614,990	\$ 13,654,452	\$ 6,763,317	\$ 7,120,144	\$ 7,499,671
Change in Net Position:										
Governmental Activities	\$ 1,665,606	\$ 184,834	\$ (310,396)	\$ 2,045,420	\$ 165,544	\$ 572,669	\$ 8,110,383	\$ (634,531)	\$ 955,740	\$ 526,930

City of Belle Isle, Florida

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Fees and Utility Tax</u>	<u>Total</u>
2016	2,574,866	388,501	2,963,367
2017	2,711,321	373,060	3,084,381
2018	2,912,422	384,446	3,296,868
2019	3,104,093	416,555	3,520,648
2020	3,370,685	454,588	3,825,273
2021	3,535,115	560,621	4,095,736
2022	3,763,201	585,835	4,349,036
2023	4,079,655	642,376	4,722,031
2024	4,474,955	672,044	5,146,999
2025	4,755,004	747,949	5,502,953

City of Belle Isle, Florida

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>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,250	\$ 2,025	\$ 4,507	\$ 11,999	\$ 890
Assigned	303,662	202,394	490,772	-	-	-	325,370	846,266	1,549,232	1,105,909
Unassigned	2,245,970	2,284,723	982,369	2,371,023	2,536,904	3,192,006	3,696,533	2,840,446	2,932,859	3,841,047
Total general fund	\$ 2,549,632	\$ 2,487,117	\$ 1,473,141	\$ 2,371,023	\$ 2,536,904	\$ 3,198,256	\$ 4,023,928	\$ 3,691,219	\$ 4,494,090	\$ 4,947,846
All Other Governmental Funds:										
Nonspendable	\$ 113,381	\$ -	\$ -	\$ 1,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	4,542,011	2,133,139	1,886,604	1,421,602	4,045,523	2,189,874	668,780	568,745	201,970	403,027
Assigned	-	-	-	27,000	18,131	19,016	19,773	14,783	15,132	15,452
Unassigned	-	-	-	-	(36,802)	-	(13,969)	(265,046)	-	-
Total all other governmental funds	\$ 4,655,392	\$ 2,133,139	\$ 1,886,604	\$ 1,450,392	\$ 4,026,852	\$ 2,208,890	\$ 674,584	\$ 318,482	\$ 217,102	\$ 418,479

City of Belle Isle, Florida
Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:										
Taxes:										
Property	\$ 2,574,866	\$ 2,711,321	\$ 2,912,422	\$ 3,104,093	\$ 3,370,685	\$ 3,535,115	\$ 3,763,201	\$ 4,079,655	\$ 4,474,954	\$ 4,755,004
Franchise and utility	388,501	373,060	410,481	416,555	454,588	560,621	585,835	642,375	672,044	747,949
Licenses and permits	214,627	358,957	232,092	172,845	248,296	189,613	182,088	265,802	380,764	436,446
Intergovernmental revenues	11,363,299	1,610,382	1,726,924	2,965,570	1,676,230	2,151,934	2,741,877	2,987,527	3,383,299	3,452,222
Charges for services	1,051,372	890,294	895,126	2,185,075	2,138,399	2,194,670	2,335,228	1,906,519	2,066,839	2,090,177
Impact fees	11,730	104,390	31,460	4,290	1,430	4,290	2,862	5,024	3,414	7,544
Fines and forfeitures	18,411	13,576	17,417	21,081	37,454	243,109	542,524	865,871	967,221	967,576
Investment Income	14,500	20,839	19,319	29,388	20,201	4,968	8,351	21,957	76,426	88,620
Miscellaneous	1,111,915	1,006,133	1,036,488	52,483	58,410	44,826	52,325	93,309	69,759	39,584
Total revenues	16,749,221	7,088,952	7,281,729	8,951,380	8,005,693	8,929,146	10,214,291	10,868,039	12,094,720	12,585,122
Expenditures:										
General government	1,136,552	1,945,805	2,101,282	1,290,432	1,114,817	1,181,554	1,384,697	2,968,325	1,811,739	2,115,805
Public safety	2,577,934	2,884,526	3,289,668	3,440,099	3,612,318	4,020,454	4,911,991	6,330,060	5,963,743	7,521,552
Physical environment	2,124,541	1,259,598	2,706,740	2,626,584	2,155,709	1,907,088	3,205,756	2,659,092	2,833,096	2,490,557
Human services	9,418,861	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	285,919	235,356	303,916	556,597	324,831	383,337	1,366,462	455,747	481,033	441,633
Interest and fiscal charges	645,508	575,093	570,311	575,998	596,981	582,424	615,254	135,131	119,168	97,906
Capital outlay	-	-	-	-	9,977	2,057,899	-	9,025	310,695	-
Total expenditures	16,189,315	6,900,378	8,971,917	8,489,710	7,814,633	10,132,756	11,484,160	12,557,380	11,519,474	12,667,453
Excess Revenues Over Expenditures	559,906	188,574	(1,690,188)	461,670	191,060	(1,203,610)	(1,269,869)	(1,689,341)	575,246	(82,331)
Other Financing Sources:										
Sale of general capital assets	-	-	-	-	-	47,000	168,086	76,722	5,139	-
Line of credit	-	-	250,000	-	-	-	-	-	-	-
Leases	-	-	179,677	-	-	-	393,149	923,808	121,106	637,513
Subscriptions issued	-	-	-	-	-	-	-	-	-	99,951
Transfer in	-	-	-	-	-	-	-	104,058	-	-
Transfer out	-	-	-	-	-	-	-	(104,058)	-	-
Bonds/Notes issued	1,081,000	-	-	-	2,551,281	-	-	-	-	-
Premium on bonds	21,036	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow	(918,250)	-	-	-	-	-	-	-	-	-
Total other financing sources	183,786	-	429,677	-	2,551,281	47,000	561,235	1,000,530	126,245	737,464
Net change in fund balance	\$ 743,692	\$ 188,574	\$ (1,260,511)	\$ 461,670	\$ 2,742,341	\$ (1,156,610)	\$ (708,634)	\$ (688,811)	\$ 701,491	\$ 655,133
Debt service as a % of noncapital expenditures	6.70%	12.75%	12.39%	16.34%	12.96%	12.56%	20.46%	5.49%	5.89%	4.88%

Assessed Value and Estimated Value of Taxable Property

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value(1)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2016	595,651,703	17,857,310	613,509,013	4.4018	614,146,295	99.90%
2017	620,289,033	17,137,421	637,426,454	4.4018	637,008,672	99.93%
2018	660,858,252	23,410,913	684,269,165	4.4018	684,329,205	99.99%
2019	703,209,512	26,794,880	730,004,392	4.4018	731,373,629	99.81%
2020	763,905,552	29,388,882	793,294,434	4.4018	794,985,303	99.79%
2021	807,261,537	32,581,139	839,842,676	4.4018	842,860,574	99.64%
2022	844,961,144	33,714,846	878,675,990	4.4018	881,194,409	99.71%
2023	920,542,530	34,801,048	955,343,578	4.4018	957,891,012	99.73%
2024	1,004,931,801	37,351,269	1,042,283,070	4.4018	1,045,718,431	99.67%
2025	1,069,617,374	37,821,983	1,107,439,357	4.4018	1,109,529,596	99.81%

Note:

(1) Breakdown between residential & commercial not available

Source:

Orange County Property Appraiser

Property Tax Rates Direct and Overlapping Governments

Last Ten Fiscal Years

Fiscal Year	Direct(1)	Overlapping(2)					Total Direct & Overlapping Rates
	City of Belle Isle	Orange County	School Board	County Library	St. Johns WMD	Lake Conway MSTU	
2016	4.4018	4.4347	8.2180	0.3748	0.3023	0.4107	18.1423
2017	4.4018	4.4347	7.8110	0.3748	0.2885	0.4107	17.7215
2018	4.4018	4.4347	7.4700	0.3748	0.2724	0.4107	17.3644
2019	4.4018	4.4347	7.2990	0.3748	0.2562	0.4107	17.1772
2020	4.4018	4.4347	7.1090	0.3748	0.2414	0.4107	16.9724
2021	4.4018	4.4347	6.8570	0.3748	0.2287	0.4107	16.7077
2022	4.4018	4.4347	6.7370	0.3748	0.2189	0.4107	16.5779
2023	4.4018	4.4347	6.4620	0.3748	0.1974	0.4107	16.2814
2024	4.4018	4.4347	6.4210	0.3748	0.1793	0.5750	16.3866
2025	4.4018	4.4347	6.4640	0.3748	0.1793	0.5750	16.4296

Millage Rates (\$1 per \$1,000 of taxable value)

Notes:

(1) The direct rate is for operating millage. There is no debt service millage.

(2) Overlapping rates are those of local and county governments that apply to property owners within the City of Belle Isle.

Source:

Orange County Property Appraiser

City of Belle Isle, Florida

Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
RMI HQ LLC	34,468,618	1	3.22%	-	-	-
Duke Energy Florida Inc	17,232,937	2	1.61%	6,341,991	2	1.03%
SJS Belle Isle Commons LLC	10,826,120	3	1.01%	6,929,864	1	1.13%
Thirumala Hotels LLC	9,645,607	4	0.90%	-	-	-
Sri Balaji Hotels LLC	7,965,373	5	0.74%	5,213,408	5	0.85%
Regal Marine Industries Inc	7,623,107	6	0.71%	6,085,291	4	0.99%
Tiger Orlando Belle Isle LLC	6,926,197	7	0.65%	-	-	-
McCoy Federal Credit Union	6,164,572	8	0.58%	3,539,337	7	0.58%
Capital Lodging LLC	6,044,170	9	0.57%	3,863,056	6	0.63%
Klingensmith Associates LLC	5,700,644	10	0.53%	-	-	-
Legacy Holdings	-	-	-	6,156,913	3	1.00%
Marketing Business Associates	-	-	-	3,015,703	8	0.49%
Siddhi-Vinayak Inc.	-	-	-	2,732,896	9	0.45%
Harrell Roberts	-	-	-	2,396,284	10	0.39%
	<u>112,597,345</u>		<u>10.53%</u>	<u>46,274,743</u>		<u>7.54%</u>

Source:

Orange County Property Appraiser

2016 City of Belle Isle Annual Financial Report

City of Belle Isle, Florida
Property Tax Levies and Collections
 Last Ten Fiscal Years

	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 2,702,361	\$ 2,574,866	95.28%	\$ -	\$ 2,574,866	95.28%
2017	2,807,923	2,711,321	96.56%	-	2,711,321	96.56%
2018	3,012,280	2,912,422	96.68%	-	2,912,422	96.68%
2019	3,214,400	3,104,093	96.57%	-	3,104,093	96.57%
2020	3,493,858	3,370,685	96.47%	-	3,370,685	96.47%
2021	3,697,452	3,535,115	95.61%	-	3,535,115	95.61%
2022	3,868,139	3,763,201	97.29%	-	3,763,201	97.29%
2023	4,206,487	4,079,655	96.98%	-	4,079,655	96.98%
2024	4,593,302	4,474,954	97.42%	-	4,474,954	97.42%
2025	4,875,880	4,755,004	97.52%	-	4,755,004	97.52%

Ratios of Outstanding Debt By Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income(1)	Per Capita
	Revenue Bonds	Revenue Notes	Lease Liabilities	SBITA Liabilities			
2016	10,181,036	-	11,023	-	10,192,059	3.89%	1,558
2017	9,953,933	-	667	-	9,954,600	3.26%	1,486
2018	9,711,829	-	116,428	-	9,828,257	3.10%	1,415
2019	9,459,725	-	59,831	-	9,519,556	2.56%	1,293
2020	9,192,621	2,551,281	-	-	11,743,902	3.11%	1,592
2021	8,910,517	2,447,944	-	-	11,358,461	3.32%	1,616
2022	413,413	2,341,573	336,293	-	3,091,279	0.82%	439
2023	316,309	2,232,989	918,307	52,451	3,520,056	0.77%	486
2024	214,207	2,122,147	780,771	-	3,117,125	0.71%	427
2025	107,101	2,008,999	1,242,299	52,451	3,410,850	0.74%	468

Notes:

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

(1) See Demographic and Economic Statistics for personal income and population data

City of Belle Isle, Florida

Direct and Overlapping Governmental Activities Debt

As of September 30, 2025

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable(1)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Orange County Board of County Commissioners(2)	2,286,463,000	0.51%	11,660,961
Orange County School Board(3)	907,119,563	0.47%	4,263,462
Direct Debt:			
City of Belle Isle	3,410,850	100.00%	3,410,850
Total Direct and Overlapping Debt	<u>3,196,993,413</u>		<u>19,335,273</u>

Notes:

(1) Ratio of assessed valuation of taxable property within the City of Belle Isle to the taxable value of each overlapping governmental unit based on 2025 DR-403V data provided by the Orange County Property Appraiser.

(2) Debt outstanding as of September 30, 2024 for Orange County.

(3) Debt outstanding as of June 30, 2024 for the School Board.

Source:

Assessed value data used to estimate applicable percentage provided by the Orange County Property Appraiser (Form DR-403V).

Debt outstanding obtained from the Annual Comprehensive Financial Reports of the respective governmental units.

City of Belle Isle, Florida
Pledged - Revenue Coverage
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>2012 Lease Revenue Bonds</u>			
	<u>Lease Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2016	957,249	140,000	555,898	1.38
2017	963,674	145,000	548,400	1.39
2018	984,844	155,000	540,400	1.42
2019	1,018,908	165,000	531,900	1.46
2020	1,036,641	175,000	522,825	1.49
2021	1,047,373	185,000	513,200	1.50
2022	1,033,608	195,000	503,025	1.48
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-

Note:
 The 2012 lease revenue bonds were redeemed in 2022.

City of Belle Isle, Florida
Demographic and Economic Statistics
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Education Level in years of Formal Schooling</u>	<u>Unemployment Rate</u>
2016	6,541	262,320,264	40,104	47.90	14.20	4.40%
2017	6,701	305,599,105	45,605	48.50	13.60	3.50%
2018	6,944	316,750,560	45,615	49.00	14.20	3.30%
2019	7,365	371,917,770	50,498	48.30	14.50	2.30%
2020	7,378	377,414,212	51,154	48.40	14.60	7.30%
2021	7,027	341,659,767	48,621	48.90	14.50	7.27%
2022	7,042	376,493,488	53,464	48.30	14.50	2.70%
2023	7,239	454,710,546	62,814	38.50	14.70	3.10%
2024	7,293	438,972,963	60,191	44.60	14.40	3.20%
2025	7,293	458,401,515	62,855	44.40	14.44	3.30%

Source:
 Orlando Economic Partnership
 Bureau of Economic and Business Research, University of Florida
 United States Census Bureau

Principal Employer

Current Year and Nine Years Ago

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Regal Marine	671	1	9.20%	500	1	7.64%
Cornerstone Charter	198	2	2.71%	108	2	1.65%
McCoy Federal Credit Union	85	3	1.17%	-	-	-
City of Belle Isle	40	4	0.55%	-	-	-
Wawa	37	5	0.51%	-	-	-
Advance Auto Parts	29	6	0.40%	-	-	-
Wendy's	25	7	0.34%	13	9	0.20%
Wyndham Gardens	25	8	0.34%	-	-	-
Comfort Suites	22	9	0.30%	12	10	0.18%
Crunch Fitness	15	10	0.21%	-	-	-
La Petite	-	-	-	17	3	0.26%
CVS	-	-	-	17	4	0.26%
Starbucks	-	-	-	17	5	0.26%
Quality Inn	-	-	-	17	6	0.26%
RaceTrac	-	-	-	15	7	0.23%
Days Inn	-	-	-	14	8	0.21%
	<u>1,147</u>		<u>15.73%</u>	<u>730</u>		<u>11.16%</u>

Source:

Local Employer Survey

2016 City of Belle Isle Annual Financial Report

City of Belle Isle, Florida

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

<u>Function</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Government	5	5	5	5	5	5	6	6	6	5
<u>Public Safety</u>										
Police	16	17	17	21	21	21.3	26.3	26.3	26.8	26.8
Fire	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-	-
Public Works	2	2	3	3	3	3	5	5	6	6
Total	23.0	24.0	25.0	29.0	29.0	29.3	37.3	37.3	38.8	37.8

Operating Indicators by Function

Last Ten Fiscal Years

<u>Function</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>General Government</u>										
Building Permits	899	650	1,017	1,030	824	970	812	840	787	883
Rental licenses issued	157	319	201	252	511	368	369	331	263	297
Occupational licenses issued	185	244	150	221	243	141	195	172	145	179
Lien searches processed	*	*	*	215	192	215	142	118	208	120
Employees paid	38	38	43	43	40	37	49	47	43	43
AP checks issued	*	*	*	837	768	788	840	850	808	793
Code violations	*	*	*	751	714	561	229	260	181	487
<u>Public Safety</u>										
Calls for service	*	*	*	5,912	5,796	5,730	5,094	4,904	4,594	4,902
Case reports	*	*	*	292	683	800	603	853	190	869
Arrests	*	*	*	168	106	328	317	374	920	477
Traffic citations	*	*	*	486	1,339	2,140	1,789	3,148	3,272	3,272
Marine citations	*	*	*	142	162	472	381	290	436	488
Parking citations				63	425	311	229	99	18	18
DUI citations	*	*	*	8	25	37	33	39	41	47
Information reports	*	*	*	10	19	27	103	176	135	83
Crash reports	*	*	*	90	79	142	116	120	115	108
Trespass reports	*	*	*	29	38	56	53	53	63	87
Advance training attended	*	*	*	29	17	3	33	39	57	26
<u>Public Works</u>										
Streets paved (miles)	25.00	-	0.01	1.50	-	26.24	-	0.08	0.08	-
Sidewalks built/repared (feet)	212.50	2,289.00	922.50	2,554.00	49.00	107.00	1,521.00	5,916.00	11,662.00	6,706.00
Work orders processed	*	*	*	60	93	90	85	22	78	84

Note:

* Data not available

Source:

City Departments

Capital Asset Statistics by Function

Last Ten Fiscal Years

<u>Function</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>General Government</u>										
Number of employees	*	*	*	29	32	32	41	41	39	40
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	*	*	*	22	23	23	22	22	23	23
Patrol vessels	*	*	*	2	2	2	2	2	3	3
Police officers (all sworn)	*	*	*	17	18	18	22	22	22	22
<u>Parks and Recreation</u>										
Number of parks	3	3	10	10	10	10	10	13	13	13
<u>Public Works</u>										
Streets, paved (miles)	25.00	25.00	26.24	26.24	26.24	26.24	30.07	31.00	31.00	31.00
Streets, unpaved (miles)	0.03	0.03	1.00	1.00	1.00	0.02	0.24	0.16	0.16	0.16
Street lights	740	740	741	701	703	705	705	705	701	701
Stormwater pump stations	*	*	*	1	1	1	1	1	1	1

Note:

* Data not available

Source:

City Departments

Internal Control and Compliance Section



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

The Honorable Mayor and City Commissioners
City of Belle Isle, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the *City of Belle Isle, Florida*, 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 April 29, 2026.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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 over financial reporting 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 of Belle Isle's* financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of the Report

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

McDermitt Davis

Orlando, Florida
April 29, 2026



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MANAGEMENT LETTER

Honorable Mayor and City Commission
City of Belle Isle, Florida

Report on the Financial Statements

We have audited the financial statements of the *City of Belle Isle, Florida*, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 29, 2026

Auditor's Responsibility

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; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

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

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the *City of Belle Isle, Florida*. It is management's responsibility to monitor the *City of Belle Isle, Florida'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 includes a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City geographical boundaries during the fiscal year under audit.

The City did have a PACE program operate within the City during the fiscal year ending September 30, 2025.

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

See Attached Listing

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

See Attached Listing

Additional Matters

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

Purpose of this Letter

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

McDermitt Davis

Orlando, Florida
April 29, 2026

PACE Programs

Florida PACE Funding Agency (Alliance NGR)

Residential Property Owner:

www.alliancenrg.com

855-509-9922

information@alliancenrg.com

Commercial Property Owner:

www.counterpointesre.com

855-431-4400

inquiry@counterpointesre.com

Green Corridor Property Assessment Clean Energy District

Ygrene Energy Fund

305-569-0015

855-965-7283

info@ygreneworks.com

Florida Green Finance Authority (Renew)

Renew Financial Group, LLC

844-589-7953

info@renewfinancial.com

Florida Resiliency and Energy District (FRED) Renovate America 877-747-4889

info@renovateamerica.com



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

The Honorable Mayor and City Commissioners
City of Belle Isle, Florida

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

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

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

McDermitt Davis

Orlando, Florida
April 29, 2026