

Village of Estero, Florida
Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2024



Prepared by the Finance Staff



Village of Estero, Florida

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For the Fiscal Year Ended September 30, 2024

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Introductory Section



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May 22, 2025

Joanne Ribble
Vice Mayor
District One

Honorable Mayor, Members of Village Council and Citizens of the Village of Estero
Village of Estero
Estero, Florida

Larry Fiesel
District Two

Jon McLain
Mayor
District Three

Dear Mayor, Members of Village Council, and Citizens of the Village of Estero:

Lori Fayhee
District Four

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) of the Village of Estero, Florida (Village) for the fiscal year ended September 30, 2024. Chapter 218.39 Florida Statutes requires that a complete set of financial statements be published within nine months of the fiscal year end. This report is published to fulfill that requirement.

Rafael Lopez
District Five

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

Jim Ward
District Six

George Zalucki
District Seven

In addition, the Village maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by Village Council.

Steve Sarkozy
Village Manager

Robert M.
Eschenfelder, Esq.
Village Attorney

In compliance with the laws of the State of Florida, the Village's financial statements have been independently audited by Tuscan & Company, PA, a firm of licensed certified public accountants. The independent auditor has issued an unmodified ("clean") opinion on the Village's financial statements for the fiscal year ended September 30, 2024. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The Village, incorporated on December 31, 2014, is located in the southwest part of the State in Lee County. The Village currently occupies a land area of 30 square miles and serves a population of 40,485. The Village is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by State Statute to extend its corporate limits by annexation, which may occur periodically when deemed appropriate by the governing council.

The Village operates under the Village Council-Manager form of government. Policy-making and legislative authority are vested in a governing Council consisting of the mayor, vice-mayor and five Council members, all elected on a non-partisan basis. For the initial elections, the four Council members that received the highest number of votes served four-year terms and the other three Council members served a two-year term. Thereafter, Council members serve four-year staggered terms, with three or four Council members elected every two years. The mayor, vice-mayor and five Council members are elected-at-large from seven districts. The mayor and vice-mayor are elected by a majority vote of the Council members and serve for a two-year term. The governing Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the Village Manager and Attorney. The Village Manager is responsible for carrying out the policies and ordinances of the governing Council, for overseeing the day-to-day operations of the Village, and for appointing the heads of the various departments.

The Village provides the following services: streets and roads, parks and recreation, community development, code enforcement, and general and administrative services. The Village uses the “government lite” concept of outsourcing Village services to minimize expenditures and provide exemplary services to the community.

Relevant Financial Policies

Budgetary control is established by Section 8 of the Village Charter which requires the adoption of an annual budget and supplemental amendments to increase, decrease or transfer funds within the annual budget framework. Budgetary control throughout the fiscal year is maintained through monitoring estimated purchase amounts. Budgeted amount for goods or services not received by fiscal year- end lapse and must be re-budgeted in the following year.

The Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the Village’s financial planning and control. The budget is prepared by fund, function (e.g., public safety) and department (e.g., community development).

The Village has an investment policy in place which places a priority on the safety of principal and liquidity.

The Village does not issue debt (long or short term) to finance operational costs. The Village does not have a maximum debt limit. Debt terms are matched with the life of the asset being financed. All debt service requirements are fully funded and paid each year.

Economic condition and outlook

The continued construction of residential, multi-family and commercial property resulted in a 9.0% increase in taxable property values over the prior year. The median home value is projected to increase 10% over the next five years (Lee County Economic Development-Community Profile). The Village has benefitted by the construction of a new 150,000 square foot medical clinic developed by the Lee Health Medical System. In addition, Estero is the epicenter of new residential development with over 15,000 single family homes recently permitted and in various stages of construction on our outskirts. The entirety of this new construction views Estero as their home community. These new facilities are anticipated to provide significant employment opportunities as well as economic support for existing residential, commercial and retail properties. As a result, the Village’s taxable property values are predicted to increase for the next few fiscal years; however, growth may slow as the Village nears build-out of vacant land.

The Village received approximately \$16.9 million from the Coronavirus State and Local Fiscal Recovery Funds, a part of the American Rescue Plan Act (ARPA) during fiscal year 2022. These funds are to be

utilized for infrastructure, water quality and capital improvement initiatives within the Village. Funds must be obligated by December 31, 2024, and spent by December 31, 2026.

The national and state economics are key factors in assessing the Village's financial future. Changes in the national, state and local economies can affect both revenues and expenditures due to the impact of tax receipts and the costs of providing Village services. While economic changes at the state and national level can often translate into comparable changes locally, it is important to note that the Village of Estero and the Southwest Florida region often behave differently, showing economic trends and reflecting experience that may lag or precede noticed changes elsewhere.

Long-term financial planning

As a new community, we have had the luxury of establishing a standard protocol for how major spending initiatives are to proceed. In doing so, our protocols or procedures to identify needed community projects are standardized to avoid wide fluctuations in spending and chaotic decision-making.

Specifically, the Village has established a structured approach to identify capital projects. In each of the areas where the Village has functional responsibility for local services a community-wide master planning effort has been conducted to evaluate the current condition of the service being provided, the need for additional public investment and the relative priority of the need. Master Plans have been completed in the following areas:

- Storm Water Master Plan,
- Transportation Master Plan,
- Bike and Pedestrian Master Plan, and
- Parks and Open Space Master Plan.

While each Plan has its own framework and methodology, each was developed with the same general parameters. Each was conducted by an outside consulting firm specializing in the functional area of review. Each included a significant public outreach and specific stakeholder involvement. Each process was entirely transparent with routine postings to our webpage, emails of project updates with current information distributed to various interested parties with postings of all public meetings regarding the project.

Each of the above Master Plans has been completed. As a package, they provide the basis for public policy decision-making. The process is standardized and is embedded as part of the annual budget process.

Based on these studies, the Village has adopted a 5-year Capital Improvement Plan (CIP). The entire plan was first adopted in 2019 and has been reviewed and updated each year as part of the budget process. This five-year capital budget will provide data as to when major cash infusions will be necessary. These infusions may come from the issuance of debt, grants, new revenue sources, impact fees and/or a build-up of fund balance.

In addition, each capital expenditure is accompanied by an appropriate allocation for the annual maintenance of the project being built. The policy direction is to maintain all of our capital investments at the highest level to reflect the quality of our community.

Awards and Acknowledgements

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Estero for fiscal year ended September 30, 2023. The Village has achieved this prestigious award each fiscal year since inception. In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for this certificate.

The preparation of this Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated service of the Finance staff. Their continuing effort toward improving the accounting and financial reporting systems advances the quality of information reported to the Village Council, State and Federal Agencies and the citizens of the Village of Estero. Also, special thanks should be expressed to the Village Clerk/Executive Assistant for her support. We sincerely appreciate and commend them for their contributions.

Appreciation is also extended to our external auditors, HSC/Tuscan & Company, PA, for their assistance and to the Mayor and Village Council members for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Estero finances.

Respectfully submitted,



Steven R. Sarkozy
Village Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Estero
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Village of Estero, Florida

VILLAGE OFFICIALS

As of September 30, 2024



Mayor Jon McLain, District 3

Vice-Mayor Joanne Ribble, District 1

Village Council

Larry Fiesel, District 2

Jim Ward, District 6

Lori Fayhee, District 4

George Zalucki, District 7

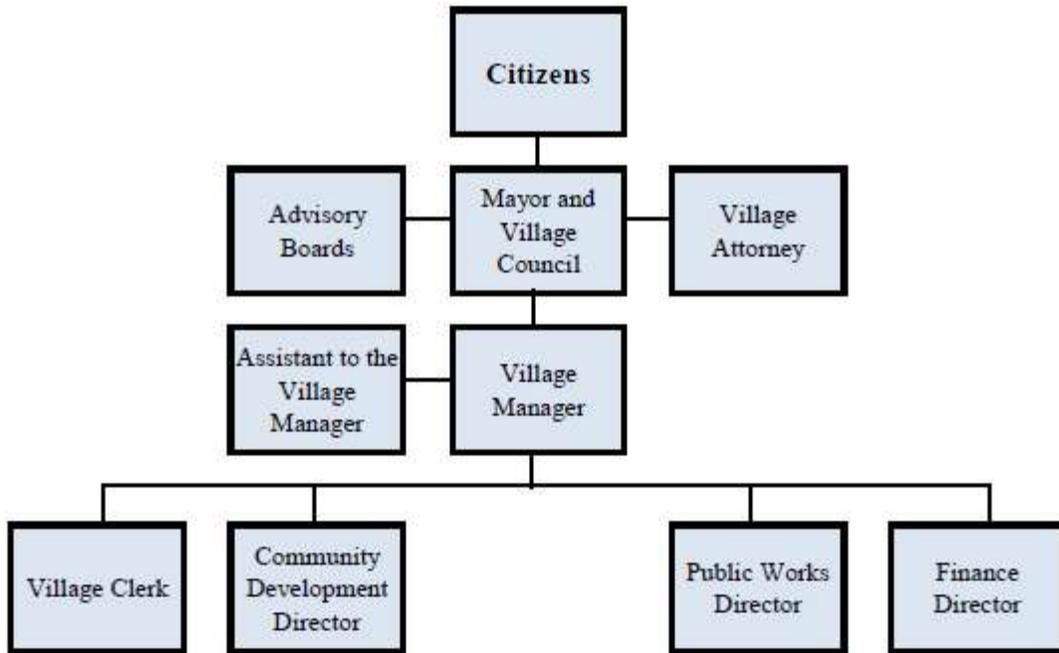
Rafael Lopez, District 5

Village Administration

Steven R. Sarkozy, Village Manager
Robert Eschenfelder, Village Attorney
Carol Sacco, Village Clerk

Village of Estero, Florida

Organizational Chart



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Financial Section

HSC/Tuscan & Company, PA

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Village Council
Village of Estero
9401 Corkscrew Palms Circle
Estero, Florida 33928

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the non-major fund of Village of Estero (the "Village") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
General Fund	Unmodified
Building Fee Fund	Unmodified
Capital Projects Fund	Unmodified
Driving Range Fund*	Unmodified

*non-major special revenue fund

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the non-major fund of Village of Estero as of September 30, 2024, 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. 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 Village, 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.

Management's Responsibility for the Financial Statements

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

Village Council
Village of Estero

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 Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 Village'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 Village'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), budgetary comparison for the general fund and building fee fund, notes to required supplementary information, and schedule of changes in the net OPEB liability and related ratios GASB 75 and notes to the schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 - management's discussion and analysis (MD&A), budgetary comparison for the general fund and building fee fund, notes to required

supplementary information, and schedule of changes in the net OPEB liability and related ratios GASB 75 and related notes to the schedule, as listed in the table of contents, 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 required supplementary information - management's discussion and analysis (MD&A), budgetary comparison for the general fund and building fee fund, notes to required supplementary information, and schedule of changes in the net OPEB liability and related ratios GASB 75 and related notes to the schedule, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Village of Estero that collectively comprise the Village's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards - year ended September 30, 2024 and related notes thereto as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards and related notes thereto for the year ended September 30, 2024 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, individual fund financial schedules and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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, the individual fund financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Village Council
Village of Estero

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village's basic financial statements. The Management's Response to Independent Auditor's Report to Management is not a required part of the basic financial statements but is required by Government Auditing Standards. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated May 22, 2025, on our consideration of the Village of Estero's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering the Village of Estero's compliance with Section 218.415, Florida Statutes.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 22, 2025, on our consideration of the Village of Estero's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Village of Estero's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "HSC/Tuscan & Company, P.A." The signature is written in a cursive, flowing style.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 22, 2025

Management's Discussion and Analysis

As management of the Village of Estero, Florida (the Village), we offer readers of the financial statements this narrative overview and analysis of the Village's financial activities for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which precedes the Management's Discussion and Analysis.

Financial Highlights

- At the close of fiscal year ended September 30, 2024, the Village's assets exceeded its liabilities, resulting in net position of \$139,681,043, all of which is related to governmental activities. Of this amount, \$31,322,330 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position of the Village's governmental activities increased \$15,151,617, or 12%.
- Total general and program revenues were \$26,468,433 and decreased by \$4,661,749.
- Total expenses were \$11,316,816 and decreased by \$5,836,727.
- The fund balance of the governmental funds decreased by \$1,929,082.
- The governmental funds reported total ending fund balance of \$42,976,318 as of September 30, 2024, of which \$21,778,327 was restricted, \$30,325 was non-spendable, \$9,669,400 was committed, \$134,000 was assigned and \$11,364,266 was unassigned.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was 101% of total General Fund expenditures and 313% of total General Fund revenue.
- The Village's total long-term debt had a net increase of \$801,975.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Village's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The report also includes supplementary information intended to provide further additional detail to support the basic financial statements themselves.

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

The *Statement of Net Position* presents information that includes all of the Village's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Evaluation of the overall economic health of the Village would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the Village's infrastructure in addition to the financial information provided in this report.

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

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, physical environment, transportation and human services. The Village does not currently have any business-type activities.

The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements. A fund is a group of related accounts that are used to maintain control over resources segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. All of the funds of the Village are governmental funds.

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

The Village has four (4) governmental funds, the General Fund, Building Fee Fund (Special Revenue), Driving Range Fund (Special Revenue), and the Capital Projects Fund. All of which are classified as major funds, except for the Driving Range Fund.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

Government-wide Overall Financial Analysis

As noted earlier, overtime net position may serve as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$139,681,043 at the close as of September 30, 2024.

Village of Estero, Florida **Summary of Net Position**

	Governmental Activities	
	2024	2023
<i>Assets:</i>		
Current and other assets	\$ 56,325,669	\$ 58,992,744
Noncurrent assets	<u>87,459,680</u>	<u>67,290,705</u>
Total assets	143,785,349	126,283,449
<i>Liabilities:</i>		
Current liabilities	3,395,460	1,743,872
Long-term liabilities	<u>708,846</u>	<u>7,151</u>
Total liabilities	4,104,306	1,751,023
<i>Deferred inflows</i>	-	3,000
<i>Net position:</i>		
Investment in capital assets	86,580,387	67,213,387
Restricted	21,778,326	17,062,050
Unrestricted	<u>31,322,330</u>	<u>40,253,989</u>
Total net position	<u>\$ 139,681,043</u>	<u>\$ 124,529,426</u>

The largest portion of net position \$86,580,387 (62%) reflects investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, furniture, and infrastructure), less any related debt to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The restricted net position amount of \$21,778,326 (16% of total net position) represents assets that are subject to external restrictions on how they are used. The remaining balance of unrestricted net position \$31,322,330; 22% of total net position), may be used to meet the government's ongoing obligations to citizens and creditors.

At fiscal year ended September 2024, the Village is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

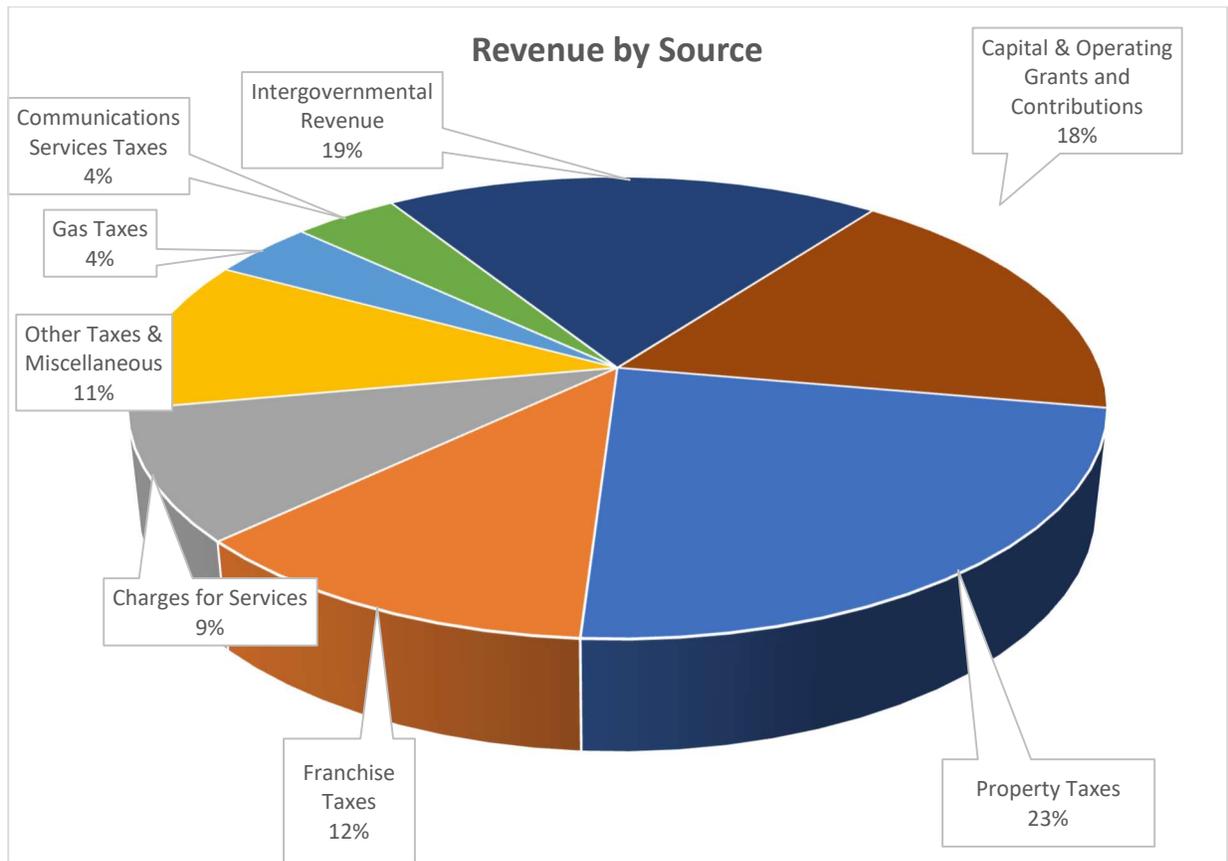
Governmental Activities. The governmental activities increased the Village’s total assets by \$17,501,900 increased the Village’s total liabilities by \$2,353,283, and increased the total net position by \$15,151,617. The increase in net position resulting from governmental activities is 12% in comparison to the prior fiscal year. The increase in the governmental activities’ net investment in capital assets is \$19,367,000, or 29%, in comparison to the prior fiscal year. The increase in net position is primarily the result of land and capital purchases which were funded using current year revenues exceeding operating expenses.

The following schedule compares the key elements of the changes in net position for the primary government for the fiscal years ended September 30, 2024 and 2023:

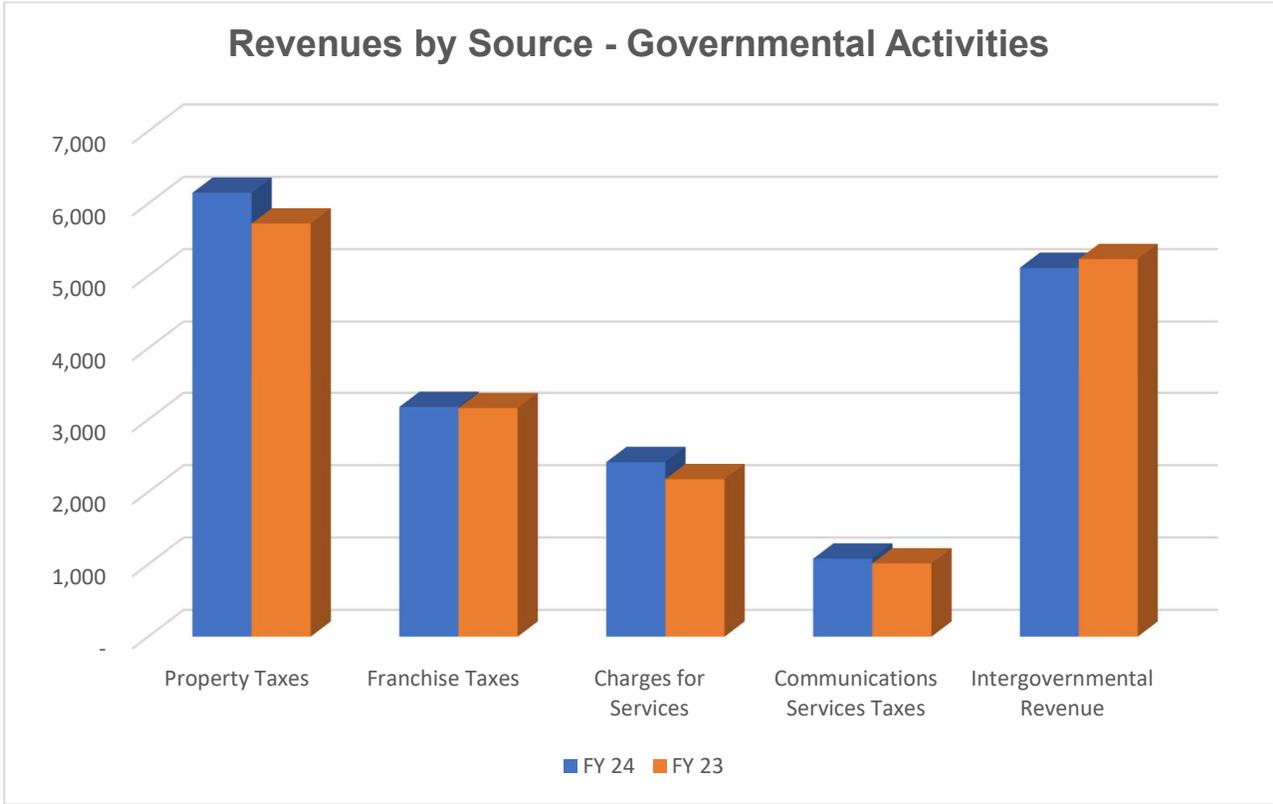
Village of Estero, Florida
Changes in Net Position

	Governmental Activities	
	2024	2023
<i>Revenues:</i>		
<i>Program Revenues:</i>		
Charges for services	\$ 2,413,273	\$ 2,177,413
Operating grants and contributions	221,747	7,129,720
Capital grants and contributions	4,407,966	4,114,318
<i>General Revenues:</i>		
Property taxes, levied for general purposes	6,150,009	5,723,923
Gas taxes	1,064,479	1,105,622
Franchise taxes	3,176,170	3,159,064
Communications services taxes	1,077,930	1,012,911
Other taxes	21,977	32,508
Intergovernmental revenue	5,113,215	5,232,920
Investment earnings	2,710,200	1,291,986
Miscellaneous	111,467	149,797
Total revenues	26,468,433	31,130,182
<i>Expenses:</i>		
General government	3,818,736	10,528,425
Public safety	1,834,711	1,469,973
Physical environment	201,820	227,947
Transportation	2,444,840	4,300,921
Human services	77,074	11,348
Culture and recreation	2,907,141	606,970
Interest and fiscal charges	32,494	7,959
Total expenses	11,316,816	17,153,543
Increase in net position	15,151,617	13,976,639
Net position - beginning, as restated	124,529,426	110,552,787
Net position - ending	\$ 139,681,043	\$ 124,529,426

The following is a chart of revenues by source for governmental activities with percent of total revenues for fiscal year ended September 30, 2024:



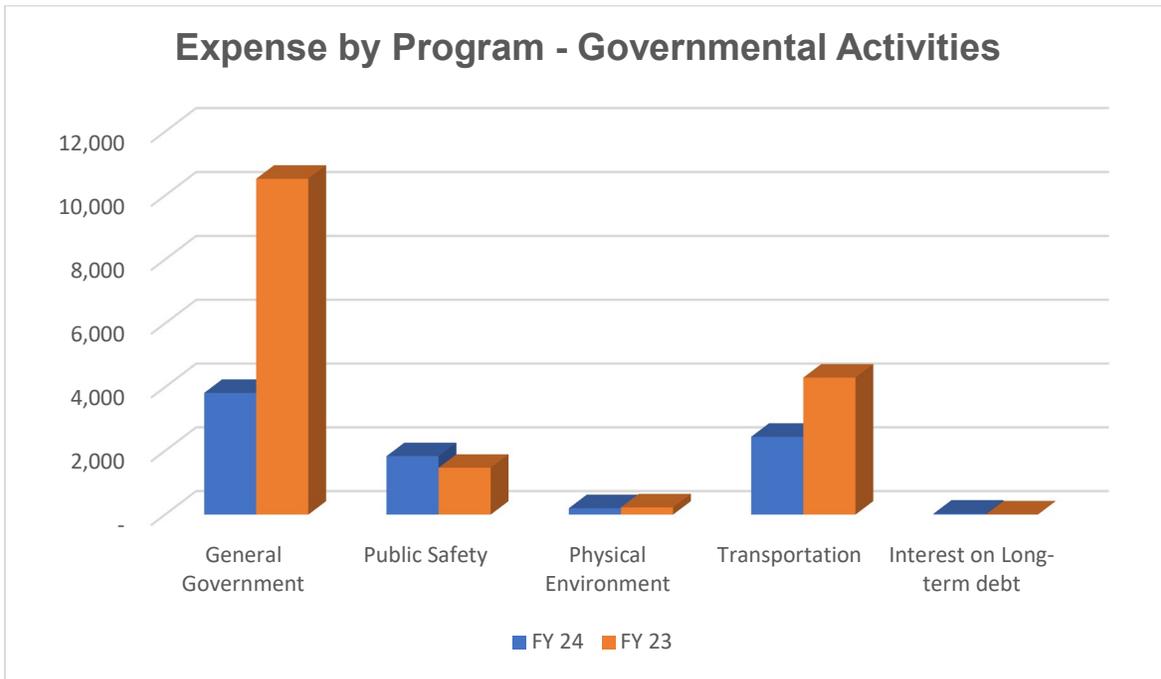
The following chart shows the significant revenues by source for governmental activities for fiscal year ended September 30, 2024 and 2023.



Revenues:

- *Property Taxes* increased in the current fiscal year due to a rise in the assessed valuation of real property within the Village.
- *Intergovernmental revenues* were down significantly in the current year as the Village received Hurricane Ian Public Assistance through the Department of Homeland Security Federal Emergency Management Agency in the prior year.

The following is a chart of significant expenses by program for governmental activities for fiscal year ended September 30, 2024 and 2023.



Expenses:

- *General government* expenses decreased \$6,709,689, 64%, primarily related to Hurricane Ian disaster recovery expenditures in the prior year..
- *Physical environment* expenses decreased \$26,127, 12%, as a result of decreased storm water maintenance.
- *Transportation* decreased \$1,856,081, 43%, as a result of landscaping expenses related to roadway projects that were completed in the prior fiscal years.

Financial Analysis of the Village’s Governmental Funds

Governmental Funds. The focus of the Village’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village’s financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village itself, or a group or individual that has been delegated authority to assign resources for use for particular purchase by the Village.

Financial Analysis of the Village's Governmental Funds (continued)

Governmental funds reported an ending fund balance of \$42,976,318. \$11,364,266 is unassigned fund balance which is available for spending at the Village's discretion, \$21,778,327 is legally restricted as to use, \$30,325 is non-spendable deposits, \$9,669,400 was committed and \$134,000 was assigned.

The total ending fund balance of governmental funds reflects a decrease of \$1,929,082. This decrease is due to one-time capital expenditures during the current fiscal year.

Major Governmental Funds

General Fund-The fund balance of the general fund had a net decrease of \$6,633,842. Revenues of \$20,961,106 exceeded expenditures of \$6,761,060 which resulted in an excess of revenues over expenditures of \$14,200,046. Additionally, \$20,833,888 was transferred to the Capital Projects Fund.

Building Fee Fund-The fund balance of the building fee activity had a net decrease of \$88,693 as expenditures of \$1,897,098 exceeded the revenues of \$1,808,405. In the current fiscal year, permit activity and related revenue for new construction was higher when compared to the prior year. The fund balance will be carried forward to provide funding for future inspections and investment in new software. The building fee funds are restricted for use on building code compliance.

Capital Projects Fund-The fund balance of the capital projects had a net increase of \$4,804,970 as revenues of \$5,667,101 and the transfers in from the general fund of \$20,833,888 were greater than the sum of the expenditures of \$21,696,019.

General Fund Budgetary Highlights

Final budget compared to Actual Results. The most significant differences between final budget and actual revenues are as follows:

<u>Revenue source</u>	<u>Final budget</u>	<u>Actual revenues</u>	<u>Difference</u>
Intergovernmental revenues	\$ 7,451,960	\$ 7,589,398	\$ 137,438
Franchise taxes	2,625,000	3,176,170	551,170
Investment earnings	600,000	1,860,561	1,260,561

- *Intergovernmental Revenues* in the current fiscal year were more than budget primarily as a result of using funds from the Coronavirus State and Local Fiscal Recovery Funds, a part of the American Rescue Plan Act (ARPA) during fiscal year 2024.
- *Franchise taxes* were more than budgeted due to the current fiscal year being the second year of collection for gas franchise taxes. Without historical data, these revenues were budgeted using the best available data.
- *Investment earnings* increased significantly due to a change in investment strategy and an elevated interest rate environment.

The most significant differences between final budget and actual expenditures are as follows:

<u>Expenditures</u>	<u>Final budget</u>	<u>Actual expenditures</u>	<u>Difference</u>
General government	\$ 5,022,600	\$ 3,578,756	\$ 1,443,844

- *General government* services in the current fiscal year were less than budget primarily as a result of less than anticipated operating costs.

Original Budget Compared to Final Budget

The most significant difference from the original budget as compared to the final budget was a budget amendment to appropriate the available fund balance in all funds.

Capital Assets and Debt Administration

Capital Assets. Non-depreciable capital assets can include land, artwork, and construction in progress. Depreciable assets can include buildings, improvements other than buildings, machinery and equipment, and infrastructure. The following is a schedule of the Village's capital assets as of September 30, 2024 and 2023:

Village of Estero, Florida
Capital Assets

	Governmental Activities	
	2024	2023
Land	\$ 48,063,072	\$ 33,063,072
Buildings and building improvements	1,926,908	1,521,436
Machinery and equipment	158,285	158,285
Infrastructure	37,137,938	37,137,938
Intangible right to use	982,478	951,818
Construction in progress	<u>14,358,656</u>	<u>8,181,233</u>
Total capital assets	102,627,337	81,013,782
Accumulated depreciation	<u>(15,167,657)</u>	<u>(13,723,077)</u>
Total capital assets, net	<u>\$ 87,459,680</u>	<u>\$ 67,290,705</u>

Additional information on the Village's capital assets can be found in Note 5 on page 36.

Debt Administration

As of September 30, 2024, and 2023, \$879,293 and \$77,318 were outstanding, respectively. Additional information on the Village's long-term debt can be found in Note 6 on page 37.

Village of Estero, Florida
Outstanding Debt

	Governmental Activities	
	2024	2023
Lease payable	<u>\$ 879,293</u>	<u>\$ 77,318</u>
	<u>\$ 879,293</u>	<u>\$ 77,318</u>

Economic Factors and Next Year's Budget Rates

The following were factors considered when next year's budget was prepared:

- The Village had the Parks and Recreation Master Plan completed. The Estero Community Park Expansion will begin next fiscal year.
- The Village has funded a project on Corkscrew Road that will have path, landscaping, and street lighting improvements which will begin next year.
- The Village will improve River Ranch Road. This project includes drainage, roadway and Bike and Pedestrian improvements.
- Bicycle and Pedestrian improvements are scheduled to continue on Williams Road for the Sandy Lane and Broadway in FY2024-25.
- The Village continues the improvements in stormwater and drainage issues which exist around the Village. Current projects include the Villages of Country Creek Bypass Swale, Dry Creek Bed Sediment Removal, Estero River Sediment Removal and Trailside Drainage Improvements.
- The Village is committed to the "government-light" concept and has budgeted to continue using consultants or interlocal agreements for legal representation, permit issuance, planning and development review, law enforcement, physical environment, and transportation expenditures.
- Several utility extension projects are underway to connect residents to central water and sewer to better protect water resources.
- In FY2022-23 The Village received funding from the American Rescue Plan Act of 2021 of \$16.9 million to assist with the recovery and fund future infrastructure projects. Through September 30, 2024, the Village has used approximately \$6.9 million dollars towards land acquisition. The remaining funds are anticipated to be used for land acquisition and capital projects.

Request for Information

This financial report is designed to provide the reader an overview of the Village. Questions regarding any information provided in this report should be directed to: Village of Estero, Finance Department, 9401 Corkscrew Palms Circle, Estero, Florida, 33928, phone (239) 221-5035.

Basic Financial Statements

Village of Estero, Florida
Statement of Net Position
September 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 44,876,112
Restricted - cash and cash equivalents	10,256,912
Receivables (net)	455,144
Due from other governments	576,635
Prepays	130,541
Deposits	30,325
Noncurrent assets:	
Capital assets:	
Non-depreciable	62,421,728
Depreciable (net)	<u>25,037,952</u>
Total noncurrent assets	<u>87,459,680</u>
Total assets	<u><u>143,785,349</u></u>
LIABILITIES	
Current Liabilities:	
Accounts payable	1,972,111
Accrued liabilities	404,590
Due to other governments	585,197
Customer deposits	256,912
Current portion of long-term obligations	<u>176,650</u>
Total current liabilities	<u>3,395,460</u>
Noncurrent liabilities:	
OPEB Liability	6,203
Due in more than one year	<u>702,643</u>
Total liabilities	<u><u>4,104,306</u></u>
NET POSITION	
Net investment in capital assets	86,580,387
Restricted for:	
Culture and recreation capital improvements	2,273,580
Highways and streets capital improvements	18,995,793
Parks and public land acquisition	154,202
Building code compliance	354,751
Unrestricted	<u>31,322,330</u>
Total net position	<u><u>\$ 139,681,043</u></u>

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

Village of Estero, Florida
Statement of Activities
September 30, 2024

Functions/Programs	Program Revenues			Net (Expense)	
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position	
			Capital Grants and Contributions	Total Governmental Activities	
Primary government:					
Governmental activities:					
General government	\$ 3,818,736	\$ 360,483	\$ (3,804)	\$ -	\$ (3,462,057)
Public safety	1,834,711	1,780,755	-	-	(53,956)
Physical environment	201,820	-	-	-	(201,820)
Transportation	2,444,840	-	225,551	3,928,416	1,709,127
Human services	77,074	-	-	-	(77,074)
Culture and recreation	2,907,141	272,035	-	479,550	(2,155,556)
Interest and fiscal charges	32,494	-	-	-	(32,494)
Total governmental activities	<u>\$ 11,316,816</u>	<u>\$ 2,413,273</u>	<u>\$ 221,747</u>	<u>\$ 4,407,966</u>	<u>\$ (4,273,830)</u>
General revenues:					
Taxes:					
Property, levied for general purposes					\$ 6,150,009
Gas					1,064,479
Franchise					3,176,170
Communications services					1,077,930
Local business					21,977
Intergovernmental revenues					5,113,215
Investment earnings					2,710,200
Miscellaneous					111,467
Total general revenues					<u>19,425,447</u>
Change in net position					15,151,617
Net position - beginning					<u>124,529,426</u>
Net position - ending					<u>\$ 139,681,043</u>

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

Village of Estero, Florida

Balance Sheet

Governmental Funds

September 30, 2024

	General	Special Revenue Building Fee	Capital Projects	Nonmajor Governmental Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 21,407,547	\$ 373,579	\$ 22,954,706	\$ 140,280	\$ 44,876,112
Restricted cash and cash equivalents	10,256,912	-	-	-	10,256,912
Receivables (net)	292,459	22,987	139,698	-	455,144
Due from other governments	576,635	-	-	-	576,635
Deposits	14,525	-	15,800	-	30,325
Total assets	<u>\$ 32,548,078</u>	<u>\$ 396,566</u>	<u>\$ 23,110,204</u>	<u>\$ 140,280</u>	<u>\$ 56,195,128</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Liabilities:					
Accounts payable	\$ 291,904	\$ 3,098	\$ 1,670,829	\$ 6,280	\$ 1,972,111
Accrued liabilities	404,590	-	-	-	404,590
Due to other governments	546,481	38,716	-	-	585,197
Customer deposits	256,912	-	-	-	256,912
Total liabilities	<u>1,499,887</u>	<u>41,814</u>	<u>1,670,829</u>	<u>6,280</u>	<u>3,218,810</u>
Deferred Inflows of Resources:					
Unearned revenues	10,000,000	-	-	-	10,000,000
Total deferred inflows of resources	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
Fund balances:					
Nonspendable	14,525	-	15,800	-	30,325
Restricted for:					
Culture and recreation capital improvements	-	-	2,273,580	-	2,273,580
Highways and streets capital improvements	-	-	18,995,793	-	18,995,793
Parks and public land acquisition	-	-	154,202	-	154,202
Building code compliance	-	354,752	-	-	354,752
Committed to reserves	9,669,400	-	-	-	9,669,400
Assigned for driving range	-	-	-	134,000	134,000
Unassigned	11,364,266	-	-	-	11,364,266
Total fund balances	<u>21,048,191</u>	<u>354,752</u>	<u>21,439,375</u>	<u>134,000</u>	<u>42,976,318</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,548,078</u>	<u>\$ 396,566</u>	<u>\$ 23,110,204</u>	<u>\$ 140,280</u>	<u>\$ 56,195,128</u>

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

Village of Estero, Florida
**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position**
September 30, 2024

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

Fund balances - total governmental funds	\$	42,976,318
--	----	------------

Prepaid expenditures for insurance and similar services extending over more than one accounting period are not allocated between or among accounting periods, but are accounted for as expenditures of the period of acquisition in the governmental funds		130,541
--	--	---------

Amounts received from other governments are not earned in the current period as they have not been appropriated to a specific project and are reported as unearned revenues in the funds		10,000,000
--	--	------------

Capital assets used in governmental activities are not financial		
Non-depreciable capital assets	62,421,728	
Depreciable capital assets	40,205,609	
Less accumulated depreciation	<u>(15,167,657)</u>	
		87,459,680

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Operating lease liability, due within one year	(176,650)	
Operating lease liability, due in more than one year	(702,643)	
Total other postemployment benefit (OPEB) liability	<u>(6,203)</u>	<u>(885,496)</u>

Net position of governmental activities	\$	<u><u>139,681,043</u></u>
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The notes to the financial statements are an integral part of this statement.

Village of Estero, Florida

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2024

	General	Special Revenue Building Fee	Capital Projects	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES					
Taxes					
Property	\$ 6,150,009	\$ -	\$ -	\$ -	\$ 6,150,009
Gas	617,904	-	446,575	-	1,064,479
Franchise	3,176,170	-	-	-	3,176,170
Communications services	1,077,930	-	-	-	1,077,930
Local business	21,977	-	-	-	21,977
Licenses and permits	800	1,779,762	-	-	1,780,562
Impact fees	-	-	4,031,441	-	4,031,441
Intergovernmental revenues	7,589,398	-	-	-	7,589,398
Charges for services	360,483	-	-	272,035	632,518
Fines and forfeitures	193	-	-	-	193
Investment earnings	1,860,561	28,643	812,560	8,438	2,710,202
Other income	105,681	-	376,525	5,785	487,991
Total revenues	<u>20,961,106</u>	<u>1,808,405</u>	<u>5,667,101</u>	<u>286,258</u>	<u>28,722,870</u>
EXPENDITURES					
Current:					
General government	3,578,756	-	-	-	3,578,756
Public safety	8,788	1,825,923	-	-	1,834,711
Physical environment	186,320	-	15,500	-	201,820
Transportation	2,424,939	-	257,047	-	2,681,986
Human services	77,074	-	-	-	77,074
Culture and recreation	109,938	-	74,000	297,775	481,713
Capital outlay	198,458	34,965	21,349,472	-	21,582,895
Debt service	-	-	-	-	-
Principal retirement	149,817	30,686	-	-	180,503
Interest	26,970	5,524	-	-	32,494
Total expenditures	<u>6,761,060</u>	<u>1,897,098</u>	<u>21,696,019</u>	<u>297,775</u>	<u>30,651,952</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,200,046</u>	<u>(88,693)</u>	<u>(16,028,918)</u>	<u>(11,517)</u>	<u>(1,929,082)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	20,833,888	-	-
Transfers out	<u>(20,833,888)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(20,833,888)</u>	<u>-</u>	<u>20,833,888</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(6,633,842)	(88,693)	4,804,970	(11,517)	(1,929,082)
Fund balances - beginning	<u>27,682,033</u>	<u>443,445</u>	<u>16,634,405</u>	<u>145,517</u>	<u>44,905,400</u>
Fund balances - ending	<u>\$ 21,048,191</u>	<u>\$ 354,752</u>	<u>\$ 21,439,375</u>	<u>\$ 134,000</u>	<u>\$ 42,976,318</u>

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

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

For the Year Ended September 30, 2024

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

Net change in fund balances - total governmental funds \$ (1,929,082)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which expenditures for capital assets exceeded depreciation in the current period.

Expenditures for capital assets	21,582,895	
Depreciation	<u>(2,396,398)</u>	19,186,497

The repayment of the principal of long-term debt consumes the current financial resources of the governmental funds but issuing debt increases long-term liabilities in the statement of net position. Repayments on bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal retirement		180,503
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Other postemployment benefit (OPEB) expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Change in OPEB Liability.

		948
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Expenditures for insurance and similar services extending over more than one accounting period are not allocated between or among accounting periods in the governmental funds, but are accounted for as expenditures of the period of acquisition. This amount represents the increase in prepaids at September 30, 2024, from September 30, 2023.

		(32,813)
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Revenues in the statement of revenues, expenditures and changes in fund balances reported in the statement of activities. This item represents the change caused by the "available" revenue recognition criteria.

		<u>(2,254,436)</u>
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Change in net position of governmental activities		<u>\$ 15,151,617</u>
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The notes to the financial statements are an integral part of this statement.

Village of Estero, Florida
Notes to the Financial Statements
September 30, 2024

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Note 1 - Summary of Significant Accounting Policies

Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the Village of Estero, Florida (“Village”) are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the Village’s financial activities for the fiscal year ended September 30, 2024.

Reporting Entity

The Village was incorporated on December 31, 2014, pursuant to House Bill 1373 and amended on June 30, 2015, by House Bill 983. The Village operates under a Village Council-Manager form of government and consists of seven districts, each represented by an elected council member with each member elected-at-large. The Village Manager is hired by a majority vote of the Council. As of September 30, 2024, the Village of Estero has provided the following services to the Village residents: public works, streets and roads, building permit services, planning and zoning, parks and recreation, code enforcement and general and administrative services.

The Village of Estero uses the “government lite” concept of outsourcing Village services to minimize expenditures and provide exemplary services to the community.

Governmental Accounting Standards Board (GASB) Statement No. 14, *Financial Reporting Entity* as amended requires the financial statements of the Village (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Blended component units, although legally separate entities are, in substance, part of the government’s operations and so the data from these units are combined with data of the primary government. Based on the criteria established in GASB Statement No. 14 as amended, there are no component units required to be included or included in the Village’s financial statements.

(a) Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Village as a whole. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes and Village general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. The Village does not currently have any business-type activities or component units.

Notes to the Financial Statements

September 30, 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

(a) Government-wide and Fund Financial Statements (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Fund financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds, if applicable.

(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. This generally includes the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property tax revenues are recognized in the year for which they are levied, while grants are recognized when grantor eligibility requirements are 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 Village considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales and franchise taxes, intergovernmental revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major funds in the governmental fund financial statements:

The *General Fund* is the operating fund of the Village. It accounts for all financial resources, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes and other governmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

The *Building Fee Fund* is considered as a special revenue fund and accounts for the resources collected for building permits fees levied within the Village's limits. This revenue is restricted for use enforcing the Florida Building Code.

Note 1 - Summary of Significant Accounting Policies (Continued)

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The *Capital Projects Fund* accounts for resources accumulated to provide for capital projects. The capital projects fund accounts for gas tax and road and park impact fees levied within the Village which are restricted for use on road and park capital improvements.

The Village reports the following non-major funds in the governmental fund financial statements:

The *Driving Range Fund* is considered a special revenue fund and accounts for resources collected for operating the Golf Coast Driving Range located on the Village owned property on 9000 Williams Road, Estero, FL 33928. The Driving Range ceased operations in April 2024.

(c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

Cash and Investments

Cash and cash equivalents consist of amounts in cash on hand and cash on deposit with financial institutions including certificates of deposit.

In March of 2024, Village Council updated its investment policy to allow management to invest any surplus funds in its control in the following:

Village of Estero, Florida
Notes to the Financial Statements
September 30, 2024

Village and Investment Manager Authorized Investment- Sector Type	Minimum Rating Requirement	Maturity Limits	Maximum Allocation	Individual Issuer Limit
Cash and Cash Equivalents	N/A	NA	100%	N/A
United States Government Securities	N/A	5 Years	100%	N/A
United States Government Agencies	N/A	5 Years	50%	N/A
Federal Instrumentalities (United States Government Sponsored Enterprises "GSE")*	N/A	5 Years	75%	40%
Interest Bearing Time Deposit or Savings Accounts	N/A	1 Year	20%	10%
Repurchase Agreements**	N/A	90 Days	25%	10%
Registered Investment Companies (Money Market Mutual Funds)	AAAm (or equivalent)	N/A	20%	10%
Intergovernmental Investment Pools (Stable Net Asset Value)	AAAm (or equivalent)	N/A	80%	N/A
Intergovernmental Investment Pools (Floating Net Asset Value)	AAAF (or equivalent)	N/A	40%	N/A
Florida PRIME Fund	AAAm	NA	25%	N/A
Investment Manager Authorized Investment- Sector Type	Minimum Rating Requirement	Maturity Limits	Maximum Allocation	Individual Issuer Limit
Mortgage Backed Securities "MBS"*	AA	5 Years	20%	15%
State and/or Local Government Taxable and/or Tax-Exempt Debt	Single "A" category by two NRSROs****	5 Years	30%	5%
Commercial Paper***	A-1 by S&P and P-1 by Moody's	270 Days	20%	5%
Corporate Notes***	Single "A" category by any NRSROs****	5 Years	25%	5%
Asset-Backed Securities (ABS)***	Double "A" category by any two NRSROs****	5 Years	20%	5%

*The combined maximum amount of available funds invested in Federal Instrumentalities and mortgage-backed securities will not exceed seventy five percent (75%).

**Securities authorized for collateral are negotiable direct obligations of the United States Government, Government Agencies, and Federal Instrumentalities with maturities under five (5) years and must have a market value for the principal and accrued interest of 102 percent of the value and for the term of the repurchase agreement.

***The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the total allocation to Commercial Paper, Corporate Notes, and Asset Backed Securities shall not exceed forty percent (40%).

****National Recognized Statistical Rating Organization (NRSRO).

Investments for the Village are reported at amortized cost which approximates fair value.

Note 1 - Summary of Significant Accounting Policies (Continued)

Receivables

Receivables as of year-end for the government’s general fund are reported net of allowance for uncollectibles. As of September 30, 2024, the allowance for uncollectible receivables was \$0 as management believes all receivables to be fully collectible.

(c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (continued)

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in the government-wide financial statements. In the fund financial statements, the purchases method is used as such expenditures are reported when payments are completed.

Capital Assets

Capital assets include property, buildings, furniture, equipment, vehicles, software, and infrastructure assets. Capital assets used in governmental fund types of the Village are recorded at cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. Capital assets are reported in the government-wide financial statements in the applicable governmental column. Interest incurred during construction is not capitalized on general capital assets.

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.

The threshold for capitalizing furnishings and equipment is \$5,000 or more and useful lives in excess of one year. The threshold for capitalizing intangible assets is \$25,000 or more and useful lives in excess of one year. The threshold for capitalizing infrastructure and capital improvement projects is \$50,000 or more and useful lives in excess of one year.

Infrastructure assets are defined as public domain capital assets such as roads, bridges, sidewalks, traffic signals, easements and similar items that are immovable and of value only to the governmental unit.

Depreciation and amortization is calculated using the straight-line method over the estimated useful lives of the related assets. The ranges of the useful lives are as follows:

Asset	Years
Buildings and building improvements	5-20
Improvements other than buildings	7-50
Machinery and equipment	3-10
Infrastructure	10-50
Intangible software	3-5

Notes to the Financial Statements

September 30, 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

(c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (continued)

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 Village does not have any items that qualify for reporting in this category.

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.

Compensated Absences

Employees can accrue paid time off (PTO). Any unused PTO at September 30 is paid out up to certain stated limits, unused PTO is not paid out at termination, therefore, no such amounts are accrued at September 30.

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

Net Position/Fund Balances

Net position in government-wide fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net positions represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or b) imposed by law through State Statute.

The Village has adopted a fund balance policy which includes a minimum level of fund balance of three months of general fund operating expenditures. If the unassigned fund balance falls below the minimum level, the Village Manager will prepare and submit a plan for committed and/or assigned fund balance reduction, expenditure reductions and/or revenue increases to the Council. The Council shall take action necessary to

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position/Fund Balances (Continued)

restore the unassigned fund balance to acceptable levels within no more than two years. The Village was in compliance with the fund balance policy at September 30, 2024.

(c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (continued)

The governmental fund financial statements fund balance is reported in five classifications.

Nonspendable	Nonspendable fund balances include amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. Including items that are not expected to be converted to cash, such as inventories and prepaid amounts.
Restricted	Restricted fund balances include amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors, grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Village's restricted fund balances have constraints placed on the uses of resources by State Statute.
Committed	Committed fund balances are classified as such as a result of Village Council taking formal action and adopting an ordinance which can only be modified or rescinded by subsequent formal action. An ordinance is the Village's highest level of decision-making authority. The Village adopted an ordinance establishing reserve accounts which are presented as committed fund balance.
Assigned	Assigned fund balances are constrained by the Village's intent to be used for specific purposes but are neither restricted nor committed. As part of the budget process, the Village has allocated amounts to debt reduction which are presented as assigned fund balance.
Unassigned	Unassigned fund balance is the residual classification for the general fund. This classification represents spendable fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

(d) Revenues and expenditures/expenses

Program Revenues

Amounts reported as program revenues include: (1) charges for services which report fees, fines and forfeitures and other charges to users of the Village's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which

Notes to the Financial Statements

September 30, 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

(d) Revenues and expenditures/expenses (continued)

fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported under general revenue.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Village to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

GASB Statement No. 96 Subscription Based Information Technology Arrangements (SBITAs)

In May 2020, the GASB issued Statement No. 96 (*Subscription Based Information Technology Arrangements (SBITAs)*), which defined the SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires the recognition of a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, when the subscription asset is placed into service. The subscription liability should be measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example interest expense) in the subsequent financial reporting periods. The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term. This pronouncement did not require the restatement of the September 30, 2022, net position. The Village, however, determined that its current technology arrangements did not meet the pronouncements recording criteria at September 30, 2024.

GASB Statement No. 94 Public-Private and Public-Public Partnerships

In March 2020, the GASB issued Statement No. 94 (*Public-Private and Public-Public Partnerships and Arrangements*) to bring a uniform guidance on how to report public-private and public-public partnerships and arrangements, recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for asserts being transferred.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangement in which a government compensates an operator for services such as designing, constructing financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this Statement are effective for the Village's financial statements for the year ended September 30, 2023. The Village, however, had no arrangements that met this Statement's reporting criteria and/or the related arrangement costs were considered immaterial at September 30, 2024.

Note 2 - Cash

As of September 30, 2024, the carrying amount of the Village's deposits was \$12,047,290, and the bank balance was \$12,492,754. The Village's deposits consist of demand deposit accounts. These demand deposits are held by a bank that qualifies as a public depository under the Public Depository Security Act of the State of Florida as required by Chapter 280. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof and, therefore, the Village is not exposed to custodial credit risk.

Note 3 - Cash Equivalents

The Village has funds invested in the Florida Cooperative Liquid Assets Securities System (FLCLASS) which the Village considers a cash equivalent. The pool's investments are recorded at amortized cost and total \$43,085,734 and are available for immediate withdrawal.

The Village had restricted cash and cash equivalents of \$10,256,912 that consists of unearned revenue of \$10,000,000 and customer deposits of \$256,912.

(a) General Description

The FLCLASS is an independent local government investment pool administered by an appointed Board of Trustees comprised of eligible Participants of the FLCLASS program.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, FLCLASS currently does not meet all of the necessary criteria to elect to measure all of the investments in FLCLASS at amortized cost, therefore FLCLASS reports at fair value and is exempt from the GASB Statement No. 72, Fair Value Measurement and Application.

(b) Investment Policies

All FLCLASS investment policies can be found at <https://flclass.com/flclass/>.

Village investment in FLCLASS was made in accordance with the provisions of Section 218.415(17), Florida Statutes "Investment of Local Government Surplus Funds".

(c) Credit Quality Disclosure

FLCLASS is rated by Standards and Poor's. The current rating is AAAm.

(d) Interest Rate Risk Disclosure

The dollar weighted average days to maturity (WAM) of FLCLASS at September 30, 2024, is 30 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of FLCLASS at September 30, 2024, is 83 days.

(e) Foreign Currency Risk Disclosure

FLCLASS was not exposed to any foreign currency risk during the period from October 1, 2023, through September 30, 2024.

Notes to the Financial Statements

September 30, 2024

Note 3 - Cash Equivalents (Continued)

(f) Securities Lending Disclosure

FLCLASS did not participate in a securities lending program in the period from October 1, 2023, through September 30, 2024.

(g) Limitations or Restrictions on Withdrawals Disclosure

With regard to the redemption gates relating to FLCLASS, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

(h) Liquidity

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for FLCLASS to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

(i) Redemption Fees

As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

(j) Financial Statements

FLCLASS provides financial statements for FLCLASS for the fiscal year ended December 31, 2024, and are available at <https://flclass.com/flclass/>.

Note 4 - Receivables, Prepaids, and Accrued Liabilities

(a) Receivables

Receivables as of September 30, 2024, for the governmental funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	Building Fee	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<i>Receivables:</i>					
Accounts (gross)	\$ 292,459	\$ 22,987	\$ 139,698	\$ -	\$ 455,144
Allowance for uncollectible receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 292,459</u>	<u>\$ 22,987</u>	<u>\$ 139,698</u>	<u>\$ -</u>	<u>\$ 455,144</u>

(b) Prepaids

Prepaid assets for the Village total \$130,541 at September 30, 2024.

(c) Accrued Liabilities

Accrued liabilities as of September 30, 2024, are as follows:

	General
<i>Accrued liabilities:</i>	
Wages, benefits and taxes	\$ 65,282
Construction bond deposit	<u>339,308</u>
Total accrued liabilities	<u>\$ 404,590</u>

(d) Customer Deposits

Customer deposits are received in advance for planning and zoning professional services as required by the Village cost recovery program. Deposits are required prior to commencement of the professional services and any amounts received in excess of professional service costs are refunded at completion of planning and zoning process.

Customer deposits as of September 30, 2024, total \$256,912 and are offset by restricted cash.

Village of Estero, Florida
Notes to the Financial Statements
September 30, 2024

Note 5 - Capital Assets

Capital asset activity for the year ended September 30, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Adjustments/ Transfers/ Reclassifications	Ending Balance
<i>Governmental Activities:</i>					
Capital assets not being depreciated:					
Land	\$33,063,072	\$15,000,000	\$ -	\$ -	\$48,063,072
Construction in progress	8,181,233	6,582,895	-	(405,472)	14,358,656
Total capital assets not being depreciated	<u>41,244,305</u>	<u>21,582,895</u>	-	(405,472)	<u>62,421,728</u>
Capital assets being depreciated:					
Buildings and building improvements	1,521,436	-	-	405,472	1,926,908
Machinery and equipment	158,285	-	-	-	158,285
Infrastructure	37,137,938	-	-	-	37,137,938
Intangible right to use	951,818	982,478	(951,818)	-	982,478
Total capital assets being depreciated	<u>39,769,477</u>	<u>982,478</u>	<u>(951,818)</u>	<u>405,472</u>	<u>40,205,609</u>
Less accumulated depreciation for:					
Buildings and building improvements	839,330	92,870	-	-	932,200
Machinery and equipment	158,285	-	-	-	158,285
Infrastructure	11,824,172	2,138,375	-	-	13,962,547
Intangible right to use	901,290	165,153	(951,818)	-	114,625
Total accumulated depreciation	<u>13,723,077</u>	<u>2,396,398</u>	<u>(951,818)</u>	<u>-</u>	<u>15,167,657</u>
Total capital assets being depreciated, net	<u>26,046,400</u>	<u>(1,413,920)</u>	<u>-</u>	<u>405,472</u>	<u>25,037,952</u>
Total governmental activities capital assets, net	<u>\$67,290,705</u>	<u>\$20,168,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$87,459,680</u>

Depreciation expense was charged to functions/programs of the primary government for the year ended September 30, 2024, as follows:

	<u>General</u>
General government	\$ 236,072
Public safety	-
Physical environment	3,881
Transportation	<u>2,156,445</u>
Total depreciation expense-governmental activities	<u>\$ 2,396,398</u>

Note 6 - Long-term Debt

The annual debt service requirements as of September 30, 2024, are as follows:

<u>Years ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 176,650	\$ 54,434	\$ 231,084
2026	189,064	42,020	\$ 231,084
2027	202,346	28,738	\$ 231,084
2028	216,567	14,517	\$ 231,084
2029	94,666	1,619	96,285
Total	<u>\$ 879,293</u>	<u>\$ 141,328</u>	<u>\$ 1,020,621</u>

The changes in long-term debt during fiscal year ended September 30, 2024, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Lease payable	\$ 77,318	\$ 982,478	\$ (180,503)	\$ 879,293	\$ 176,650
Total Governmental Activities	<u>\$ 77,318</u>	<u>\$ 982,478</u>	<u>\$ (180,503)</u>	<u>\$ 879,293</u>	<u>\$ 176,650</u>

The Lease Payable was recalculated upon amendment to the lease on March 1, 2024. The Village used the incremental borrowing rate of 6.81% which was the 30-Year Mortgage rate on March 1, 2024.

Interest expenditures for the year ended September 30, 2024, were \$32,494.

Note 7 - Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan

Plan Description. The Village administers a single-employer defined benefit plan (the “Plan”) that provides the opportunity to obtain health insurance to its retired full-time employees and their dependents upon reaching the normal retirement age of 65 and 8 years if service or 33 years of service. Pursuant to the provisions of section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the Village may continue to participate in the Village’s fully insured health and hospitalization plan for medical and prescription drug coverage. No assets are accumulated in a trust or otherwise that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided. The Village does not contribute toward the benefits (insurance premiums) of retired employees and there have been no substantive Plan provision changes since the last full valuation, which was dated October 1, 2020. Therefore, there is no explicit subsidy. An interim valuation was completed for fiscal year ending September 30, 2024, on October 1, 2024.

Notes to the Financial Statements

September 30, 2024

Note 7 - Other Postemployment Benefits (OPEB) (Continued)

Employees covered by benefits terms. The Village has 7 full-time active employees with 6 currently covered by the benefit terms, no inactive employees currently receive benefits, and no inactive employees are entitled to receive benefits.

The Village has elected to use the alternative measurement method and engaged an actuary to determine the liability using the alternative measurement method for postemployment healthcare benefits other than pensions as of September 30, 2024, which was the seventh year healthcare benefits were provided to employees.

Funding Policy. The Village OPEB benefits are unfunded and recorded on the “pay as you go” basis. As of September 30, 2024, there are no retirees receiving this benefit, and with the availability of more cost effective health insurance plans, it is not anticipated that there will be future participation that would be a material cost to the Village. This liability, which is no longer considered a likely cost, is not being funded by the Village. Therefore, the Plan does not issue a publicly available financial report and all required disclosures are presented herein.

As required by 112.0801, Florida Statutes, the Village offers the insurance coverage to the retirees at a premium cost of no more than the premium cost applicable to active employees. This results in a Village subsidy of the premium rates paid by retirees as it allows them to participate in the Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees.

The Village’s total OPEB liability of \$6,203 was measured as of September 30, 2024, and was determined by an actuarial valuation as of that date. The change in the OPEB liability was a decrease of \$948 (OPEB expense), which was recognized during the fiscal year ended September 30, 2024. The General Fund and Building Fee Fund will be used to liquidate the OPEB liability.

Total OPEB Liability

Actuarial Methods and Assumptions. The total OPEB liability as of September 30, 2024, was determined using the following actuarial assumptions and other inputs were applied to all periods included in the measurement:

Valuation Date	October 1, 2023
Measurement Date	September 30, 2024
Inflation	2.4%
Salary increases (payroll growth)	3.25%
Discount rate	4.06% (2024) 4.87% (2023)
Health care trend rates	8.0% for 2024; decreasing 0.5% per year to an ultimate rate of 4.5% for 2032 and later years
Retirees’ share of benefit-related cost	100%
Funding Policy	Pay-as-you-go cash basis
Mortality	Pub 2010 Scale MP-2021

The discount rate was based upon a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The prior valuation used a discount rate of 4.87% as of September 30, 2023. The current full valuation uses a discount rate of 4.06% as of September 30, 2024. The impact of this change is a slight decrease in liabilities. The discount rate will be updated annually to reflect market conditions as of the Measurement Date.

Note 7 - Other Postemployment Benefits (OPEB) (Continued)

The actuarial assumptions used in the valuation represent a reasonable long-term expectation of future OPEB outcomes. As national economic and Village experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

The Village subsidizes the premium rates paid by retirees by allowing them to participate at blended premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, retiree claims are expected to result in higher costs to the plan on average than those of active employees.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Per GASB Statement No. 75 paragraph 43(a) since the Village used the alternative measurement method the effects of assumptions are recognized immediately. As such, since the Plan holds no assets their deferred inflows/outflows are zero.

Changes in the total OPEB liability.

	<u>Amounts</u>
Total OPEB liability at beginning of year	\$ 7,151
Changes for the year:	
Service cost	417
Interest	369
Changes in assumptions and other inputs	(4,764)
Difference between expected and actual experience	3,030
Net change in total OPEB liability (OPEB Credit)	(948)
Total OPEB liability at end of year	\$ 6,203

Changes of assumptions and other inputs reflect a change in the discount rate from 4.87% as of October 1, 2023, and 4.06% as of September 30, 2024. The discount rate was updated from the prior valuation rate and will be updated annually to reflect market conditions as of the Measurement Date. Healthcare trends were reset to an initial rate of 8% from 7%. The healthcare coverage rate was reduced from 40% to 20% (taken from the bottom of the page, below the OPEB table).

Sensitivity of the total OPEB liability to change in the discount rate. The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be in it were calculated using a discount rate that is 1-percentage-point lower (3.06%) or 1-percentage-point higher (5.06%) than the current discount rate:

	1% Decrease (3.06%)	Discount Rate (4.06%)	1% Increase (5.06%)
Total OPEB Liability	\$ 6,642	\$ 6,203	\$ 5,798

Notes to the Financial Statements

September 30, 2024

Note 7 - Other Postemployment Benefits (OPEB) (Continued)

Sensitivity of the total OPEB liability to change in the healthcare cost trend rates. The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.50%) or 1-percentage-point higher (9.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (7.00% decreasing to 3.50%)	Healthcare Cost Trend Rates (8.00% decreasing to 4.50%)	1% Increase (9.00% decreasing to 5.50%)
Total OPEB Liability	\$ 5,648	\$ 6,203	\$ 6,831

Note 8 - Retirement Plans

The Village offers a Defined Contribution Retirement 401(a) Plan (the “Plan”) to its full-time employees through the Florida Municipal Pension Trust Fund (FMPTF). The Plan is a 401(a) money purchase plan and the Village is a participating employer in the FMPTF trust agreement. The Plan was established on August 31, 2016, with a Village contribution effective date of October 1, 2016.

The Plan’s assets are administered by FMPTF and the Plan is operated under a trust agreement which may be amended by the Master Trustees of the FMPTF. The Village does not exercise any control over the Plan assets or the trust agreement.

The Village’s Plan provisions and contributions requirements are established and may be amended by the Village Council.

In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

The Plan does not have age or service requirements and vesting is immediate for Plan participants. The Plan eligibility provisions require funding percentages applied to the salaries of those participating. The required funding percentages and the Village contribution is determined annually during the budget process by Village Council. Normal retirement age is 70.5.

For fiscal year ended September 30, 2024, the Village’s retirement contribution reported as expenditures were \$114,802 or 7.25% of covered payroll. The employee contribution requirement was 2.5% of applicable compensation.

The Village, also, offers a 457(b) Deferred Compensation Plan to all employees through the Florida Municipal Pension Trust Fund (FMPTF). The Village is a participating employer in the FMPTF trust agreement which allows for salary deferrals with no employer contributions.

Further information regarding the Florida Municipal Pension Trust Fund, including financial statements, is available via request to publicrecordstal@flcities.com or in writing to Florida Municipal Pension Trust Fund, Attn: Office of General Counsel, 301 S. Bronough St., Suite 300, Tallahassee, FL 32301.

Note 9 - Interfund Transfers

Interfund transfers for the year ended September 30, 2024, consisted of the following:

	<i>Transfers In Funds:</i>			
General	Capital Projects Fund	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<i>Transfers Out Funds:</i>				
General	\$ -	\$ 20,833,888	\$ -	\$ -
	\$ -	\$ 20,833,888	\$ -	\$ 20,833,888

Transfers are used to move unrestricted general fund and debt service proceeds to finance various programs that the government must account for in other funds in accordance with budgetary authorization. These could include amounts provided as subsidies or matching funds for various grant programs, capital projects and debt service payments.

Note 10 - Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village participates in the public entity risk pool administered by the Florida League of Cities, Inc. for general/professional liability, property, health insurance and workers compensation. The Village pays an annual premium for these insurance programs. Participation in this risk pool is non-assessable. There were no significant reductions in insurance coverage since the inception of the Village nor were there any settlements that exceed insurance coverage amounts for the fiscal year ended September 30, 2024, or the prior three years.

The Florida League of Cities, Inc. published financial report for the year ended September 30, 2024, can be obtained from the Florida League of Cities, Inc., Public Risk Service, 135 East Colonial Drive, Orlando, Florida 32801.

The Village retains the risk of loss up to a deductible amount (ranging from \$0 to \$35,000) with the risk of loss in excess of this amount transferred to the pool with limits of liability of up to \$5,000,000 per occurrence.

Notes to the Financial Statements

September 30, 2024

Note 11 - Operating Leases – Right of Use (ROU) Asset

The Village is currently committed to various operating leases for office space and equipment with terms in excess of one year. The lease for office space meets the recording requirements of GASB Statement No. 87. The future minimum rental payments as of September 30, 2024, were as follows:

<u>Years ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 176,650	\$ 54,434	\$ 231,084
2026	189,064	42,020	231,084
2027	202,346	28,738	231,084
2028	216,567	14,517	231,084
2029	94,666	1,619	96,285
Total	<u>\$ 879,293</u>	<u>\$ 141,328</u>	<u>\$ 1,020,621</u>

Rent expense for the fiscal year ended September 30, 2024, totaled \$345,010.

At September 30, 2024, the net Lease Intangible Right of Use asset of \$171,740 was amortized by \$121,212 during the year ended September 30, 2024, using an interest rate of 6.81%. The net Lease Payable of \$257,039 was amortized by \$179,721 during the year ended September 30, 2024.

On March 1, 2024, the Village amended the lease agreement for office space which provides a location for the Village administration and community development offices. The lease amendment expanded the square footage and extended the term of the lease to 5 years which expires February 2024. The Village has the option to renew for two additional terms of five years.

As of September 30, 2024, the monthly rent for office space is \$19,257 plus common area maintenance estimated with annual increases of the greater of 2.5% or consumer price index.

Note 12 - Stewardship, Compliance and Accountability

Property Taxes

The billing and collection of all property taxes is performed for the Village by the Lee County Tax Collector. Property taxes are levied after formal adoption of the Village’s budget and become due and payable on November 1 of each year. Discounts are allowed for payment of property taxes before March 1 of the following year. Taxes are recognized as revenue when levied to the extent that they result in current receivables. On April 1, any unpaid taxes become delinquent. If the taxes are still unpaid in May, tax certificates are then offered for sale to the general public. The proceeds collected are remitted to the Village.

Key dates in the property tax cycle (latest date, where appropriate) are as follows:

- July 1 ♦ Assessment roll validated
- September 30 ♦ Millage resolution approved and taxes levied following certificate of assessment roll
- October 1 ♦ Beginning of fiscal year for which tax is to be levied
- November 1 ♦ Property taxes due and payable (levy date) with various discount provisions through March 31
- April 1 ♦ Taxes become delinquent

Note 12 - Stewardship, Compliance and Accountability (Continued)

June 1 ♦ Tax certificates sold by Lee County, Florida Tax Collector

For the year September 30, 2024, the total tax rate was 0.74 mils per \$1,000 of assessed taxable property value. For the fiscal year ending September 30, 2024, the levy is based on taxable property values totaling \$8,680,149,665, Property tax revenue is recognized in the fiscal year for which the taxes are levied.

No accruals for the property tax levy becoming due in November 2024 are included in the accompanying financial statements since taxes are levied for the subsequent fiscal year and are not considered available at September 30, 2024.

At September 30, 2024, delinquent property taxes are not material to the basic financial statements of the Village and, therefore, have not been accrued as taxes receivable.

Note 13 - Commitments and Contingencies

Contracts. The Village has outstanding commitments for professional service contracts for planning, engineering and legal services and are reported in the General Fund and Capital Projects Fund at September 30, 2024. The outstanding commitment at September 30, 2024 is as follows:

	Contract Amount	Incurred to Date	Retainage	Balance to Complete, Including Retainage
General Fund				
General government	\$ 644,951	\$ 524,619	\$ -	\$ 120,332
Physical environment	143,880	91,385	-	52,495
Transportation	511,780	401,832	-	109,948
Recreation and culture	77,220	25,012	-	52,208
Building Fund	-	-	-	-
Capital Projects Fund	7,858,466	4,902,185	102,233	3,058,514
	\$ 9,236,297	\$ 5,945,034	\$ 102,233	\$ 3,393,497

Note 14 - Subscription Liability

The Village entered into multiple subscription-based information technology arrangements for various software. The Village has not recorded any subscription liability as they are not considered material at September 30, 2024.

Note 15 - Significant Events

The Village purchased 69 acres of land which closed on January 30, 2024, for \$15 million.

The Village ceased the driving range operations in April 2024.

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Required Supplementary Information

Village of Estero, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

General Fund

For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Property	\$ 6,077,400	\$ 6,077,400	\$ 6,150,009	\$ 72,609
Gas	635,000	635,000	617,904	(17,096)
Franchise	2,625,000	2,625,000	3,176,170	551,170
Communications services	975,000	975,000	1,077,930	102,930
Local business	25,000	25,000	21,977	(3,023)
Licenses and permits	1,250	1,250	800	(450)
Intergovernmental revenues	7,451,960	7,451,960	7,589,398	137,438
Charges for services	266,000	266,000	360,483	94,483
Fines and forfeitures	250	250	193	(57)
Investment earnings	600,000	600,000	1,860,561	1,260,561
Other income	96,000	96,000	105,681	9,681
Total current year revenues	18,752,860	18,752,860	20,961,106	2,208,246
Prior year carry forward	38,362,664	27,682,033	-	(27,682,033)
Total revenues	57,115,524	46,434,893	20,961,106	(25,473,787)
EXPENDITURES				
Current:				
General government	5,022,600	5,022,600	3,578,756	1,443,844
Public safety	238,110	238,110	8,788	229,322
Physical environment	575,000	575,000	186,320	388,680
Transportation	2,688,410	2,688,410	2,424,939	263,471
Human services	40,000	40,000	77,074	(37,074)
Culture and recreation	297,850	297,850	109,938	187,912
Capital outlay	110,000	110,000	198,458	(88,458)
Debt service				
Principal retirement	-	-	149,817	(149,817)
Interest	-	-	26,970	(26,970)
Carry forward (out)	16,897,639	16,897,639	-	16,897,639
Total expenditures	25,869,609	25,869,609	6,761,060	19,108,549
Excess of revenues over expenditures	31,245,915	20,565,284	14,200,046	(6,365,238)
OTHER FINANCING USES				
Transfers out	(31,245,915)	(20,565,284)	(20,833,888)	(268,604)
Total other financing uses	(31,245,915)	(20,565,284)	(20,833,888)	(268,604)
Net change in fund balances	\$ -	\$ -	(6,633,842)	\$ (6,633,842)
Fund balances - beginning			27,682,033	
Fund balances - ending			\$ 21,048,191	

The notes to the required supplementary information are an integral part of this schedule.

Village of Estero, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Building Fee Fund
For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 1,212,000	\$ 1,707,000	\$ 1,779,762	\$ 72,762
Investment earnings	17,250	45,250	28,643	(16,607)
Total current year revenues	1,229,250	1,752,250	1,808,405	56,155
Prior year carry forward	657,623	443,445	-	(443,445)
Total revenues	<u>1,886,873</u>	<u>2,195,695</u>	<u>1,808,405</u>	<u>(387,290)</u>
EXPENDITURES				
Current:				
Public safety	1,393,750	1,968,750	1,825,923	142,827
Capital outlay	150,000	150,000	34,965	115,035
Debt service				
Principal retirement	-	-	30,686	(30,686)
Interest	-	-	5,524	(5,524)
Carry forward (out)	343,123	76,945	-	76,945
Total expenditures	<u>1,886,873</u>	<u>2,195,695</u>	<u>1,897,098</u>	<u>298,597</u>
Excess of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>(88,693)</u>	<u>(88,693)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(88,693)</u>	<u>\$ (88,693)</u>
Fund balances - beginning			<u>443,445</u>	
Fund balances - ending			<u>\$ 354,752</u>	

The notes to the required supplementary information are an integral part of this schedule.

Village of Estero, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Capital Projects Fund

For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Gas	\$ 435,250	\$ 435,250	\$ 446,575	\$ 11,325
Impact fees	1,073,500	1,073,500	4,031,441	2,957,941
Investment earnings	127,750	127,750	812,560	684,810
Other income	65,000	65,000	376,525	311,525
Total current year revenues	1,701,500	1,701,500	5,667,101	3,965,601
Prior year carry forward	14,970,870	16,634,405	-	(16,634,405)
Total revenues	16,672,370	18,335,905	5,667,101	(12,668,804)
EXPENDITURES				
Current:				
Physical environment	-	-	15,500	(15,500)
Transportation	-	-	257,047	(257,047)
Culture and recreation	-	-	74,000	(74,000)
Capital outlay	35,455,903	35,455,903	21,349,472	14,106,431
Carry forward (out)	12,462,382	14,125,917	-	14,125,917
Total expenditures	47,918,285	49,581,820	21,696,019	27,885,801
Excess of revenues over (under) expenditures	(31,245,915)	(31,245,915)	(16,028,918)	15,216,997
OTHER FINANCING SOURCES				
Transfers in	31,245,915	31,245,915	20,833,888	(10,412,027)
Total other financing sources	31,245,915	31,245,915	20,833,888	(10,412,027)
Net change in fund balances	\$ -	\$ -	4,804,970	\$ 4,804,970
Fund balances - beginning			16,634,405	
Fund balances - ending			\$ 21,439,375	

The notes to the required supplementary information are an integral part of this schedule.

Notes to Required Financial Statements

For the Year Ended September 30, 2024

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are legally enacted through passage of a resolution required by Village Charter and as required by the State of Florida.

The level of control whereby expenditures cannot legally exceed the total amount budgeted is at the fund level and the annual budgets serve as the legal authorization for expenditures. The Village Council may establish or terminate departments by ordinance. As of September 30, 2024, the Council has established one department for community development.

For the year ended September 30, 2024, the Village of Estero adopted a budget for the General Fund, Building Fee Fund, Capital Projects Fund, and the Driving Range Fund.

Budget amounts, as shown in the fund financial statements, are as originally adopted and as finally amended by the Council. The Council may, by resolution, provide for the transfer of all or part of any unencumbered appropriations balance from one department, fund, service, strategy or organizational unit to the appropriation for other departments or organizational units or a new appropriation within 60 days after year end. The Village Manager may transfer funds among programs within a department, fund, service, strategy, or organizational unit and shall report such transfers to the Council, in writing, in a timely manner.

The Village has no funds in which expenditures exceeded appropriations.

Village of Estero, Florida

Schedule of Changes in the Net OPEB Liability and Related Ratios and Notes to the Schedule

Last Ten Fiscal Years

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service cost	\$ 2,650	\$ 1,484	\$ 1,653	\$ 2,868	\$ 2,988	\$ 464	\$ 417
Interest	580	483	511	762	873	370	369
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(3,719)	-	7,382	600	(28,861)	(30)	(4,764)
Changes in assumptions and other inputs	(2,677)	501	6,566	(42)	(636)	(945)	3,030
Benefit payments	-	-	-	-	-	-	-
Net change in total OPEB liability	(3,166)	2,468	16,112	4,188	(25,636)	(141)	(948)
Total OPEB liability - beginning	13,326	10,160	12,628	28,740	32,928	7,292	7,151
Total OPEB liability - ending	<u>\$ 10,160</u>	<u>\$ 12,628</u>	<u>\$ 28,740</u>	<u>\$ 32,928</u>	<u>\$ 7,292</u>	<u>\$ 7,151</u>	<u>\$ 6,203</u>
Covered-employee payroll	\$ 706,888	\$ 830,408	\$ 682,386	\$ 715,291	\$ 745,500	\$ 1,079,409	\$ 1,582,835
Total OPEB liability as a percentage of covered-employee payroll	1.44%	1.52%	4.21%	4.60%	0.98%	0.66%	0.39%

Notes to the schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 .

Changes of assumptions. The actuarial assumptions used in the September 30, 2023 valuation represent a reasonable long-term expectation of future OPEB outcomes. Discount rate changed from 4.15% in 2018 to 3.58% at September 30, 2019 then to 2.41% at September 30, 2020 to 2.43% at September 30, 2021 to 4.77% at September 30, 2022 then to 4.87% at September 30, 2023 then to 4.06% at September 30, 2024. Health care trend was reset to 8% from 7%. The health care coverage election rate was reduced from 40% to 20%. As national economic and Village experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Village will present information for only those years for which information is available.

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Individual Fund Financial Schedules

Village of Estero, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Nonmajor Governmental Fund – Driving Range Fund

For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 357,815	\$ 357,815	\$ 272,035	\$ (85,780)
Investment earnings	5,750	5,750	8,438	2,688
Other income	5,940	5,940	5,785	(155)
Total current year revenues	369,505	369,505	286,258	(83,247)
Prior year carry forward	123,951	145,517	-	(145,517)
Total revenues	493,456	515,022	286,258	(228,764)
EXPENDITURES				
Current:				
Culture and recreation	357,505	357,505	297,775	59,730
Capital outlay	135,951	157,517	-	157,517
Total expenditures	493,456	515,022	297,775	217,247
Excess of revenues over expenditures	-	-	(11,517)	(11,517)
Net change in fund balances	\$ -	\$ -	(11,517)	\$ (11,517)
Fund balances - beginning			145,517	
Fund balances - ending			\$ 134,000	

Statistical Section

This part of the Village of Estero'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 Village's overall financial health.

Contents	Page
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	56
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	58
<i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	60
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	68
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	70

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

The Village of Estero was incorporated on December 31, 2014. Therefore, fiscal year 2015 is the first year of operations. Ten-year historic data will be accumulated and reflected in future year's financial statements.

Village of Estero, Florida
Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (unaudited)

Schedule 1

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental/Primary Government Activities										
Investment in capital assets	\$ 30,322	\$ 471,087	\$ 25,896,783	\$ 24,798,963	\$ 29,089,008	\$ 38,568,728	\$ 41,861,098	\$ 64,858,901	\$ 67,213,387	\$ 86,580,387
Restricted	559,136	2,312,410	5,514,939	9,714,291	12,243,096	11,742,357	11,753,713	13,236,213	17,062,050	21,778,326
Unrestricted	582,076	5,503,844	13,155,253	21,312,574	23,550,463	24,724,400	29,681,636	32,457,673	40,253,989	31,322,330
Total governmental activities/ primary government net position	<u>\$ 1,171,534</u>	<u>\$ 8,287,341</u>	<u>\$ 44,566,975</u>	<u>\$ 55,825,828</u>	<u>\$ 64,882,567</u>	<u>\$ 75,035,485</u>	<u>\$ 83,296,447</u>	<u>\$ 110,552,787</u>	<u>\$ 124,529,426</u>	<u>\$ 139,681,043</u>

Note: The Village of Estero does not have business-type activities; therefore, net positions of governmental activities equal total primary government net positions.

Village of Estero, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

Schedule 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 536,623	\$ 2,289,683	\$ 2,617,224	\$ 2,788,737	\$ 3,401,752	\$ 3,203,219	\$ 3,782,713	\$ 3,198,109	\$ 10,528,425	\$ 3,818,736
Public safety	1,080	887,642	1,317,701	1,196,671	1,085,537	1,322,971	1,298,406	1,324,224	1,469,973	1,834,711
Physical environment	6,596	306,643	436,856	345,096	115,558	191,691	1,625,322	363,253	227,947	201,820
Transportation	-	2,548,077	2,237,548	2,196,698	2,412,108	2,904,122	2,494,198	3,513,673	4,300,921	2,444,840
Human services	-	48,428	48,428	22,756	33,879	37,932	49,523	41,972	11,348	77,074
Culture and recreation	-	-	-	-	129,032	88,794	72,756	147,500	606,970	2,907,141
Interest and issuance cost	5,150	-	-	-	608,273	762,353	692,018	479,239	7,959	32,494
Total governmental activities/primary government expenses	549,449	6,080,473	6,657,757	6,549,958	7,786,139	8,511,082	10,014,936	9,067,970	17,153,543	11,316,816
Program Revenues										
Governmental activities:										
Charges for services:										
General government	138	168,073	313,409	279,144	195,212	200,901	250,390	389,657	398,437	360,483
Public safety	-	685,873	1,306,426	1,334,561	1,021,456	1,188,320	1,011,972	1,152,376	1,457,972	1,780,755
Culture and recreation	-	-	-	-	-	-	-	13,146	321,004	272,035
Operating grants and contributions	62,027	-	176,414	177,777	176,336	212,849	723,146	155,768	7,129,720	221,747
Capital grants and contributions	497,081	1,431,918	29,267,345	3,322,274	1,830,982	3,360,893	732,890	2,175,135	4,114,318	4,407,966
Total governmental activities/primary government program revenues	559,246	2,285,864	31,063,594	5,113,756	3,223,986	4,962,963	2,718,398	3,886,082	13,421,451	7,042,986
General Revenues										
Governmental activities:										
Taxes										
Property, levied for general purposes	-	4,589,279	4,699,042	4,819,043	4,955,863	5,054,886	5,109,211	5,280,762	5,723,923	6,150,009
Gas	-	892,944	734,682	749,468	759,317	686,769	932,098	982,493	1,105,622	1,064,479
Franchise	-	1,713,134	2,224,309	2,288,523	2,333,614	2,280,032	2,319,395	2,670,762	3,159,064	3,176,170
Communication services	-	340,416	719,940	794,969	866,260	909,318	869,653	972,497	1,012,911	1,077,930
Local business taxes	6,242	22,640	22,028	22,561	23,047	19,624	20,919	20,997	32,508	21,977
Intergovernmental revenues	1,155,305	3,329,066	3,326,662	3,522,911	3,894,401	4,241,552	6,190,304	2,169,901	5,232,920	5,113,215
Investment earnings	190	18,481	119,081	407,796	680,027	319,602	8,284	69,708	1,291,986	2,710,200
Gain on sale of capital assets	-	-	-	-	-	86,685	-	-	-	-
Miscellaneous	-	4,456	28,053	89,784	106,363	102,569	107,636	879,952	149,797	111,467
Total governmental activities/primary government	1,161,737	10,910,416	11,873,797	12,695,055	13,618,892	13,701,037	15,557,500	32,574,072	17,708,731	19,425,447
Change in Net Position										
Total governmental activities/primary government	\$ 1,171,534	\$ 7,115,807	\$ 36,279,634	\$ 11,258,853	\$ 9,056,739	\$ 10,152,918	\$ 8,260,962	\$ 27,392,184	\$ 13,976,639	\$ 15,151,617

Village of Estero, Florida

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(unaudited)

Schedule 3

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Non-spendable	\$ -	\$ 14,533	\$ 14,633	\$ 14,633	\$ 14,633	\$ 15,201	\$ 14,945	\$ 14,625	\$ 14,525	\$ 14,525
Restricted	62,027	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	5,124,700	6,044,700	6,266,700	3,840,100	4,505,700	9,669,400
Unassigned	580,773	5,568,981	13,118,237	21,257,077	14,625,120	14,228,047	18,042,232	16,133,361	23,161,808	11,364,266
Total General Fund	\$ 642,800	\$ 5,583,514	\$ 13,132,870	\$ 21,271,710	\$ 19,764,453	\$ 20,287,948	\$ 24,323,877	\$ 19,988,086	\$ 27,682,033	\$ 21,048,191
All Other Governmental Funds										
Non-spendable, reported in:										
Capital projects fund									\$ 15,800	\$ 15,800
Restricted	\$ 497,109	\$ 2,312,410	\$ 5,514,939	\$ 9,714,291	\$ 12,243,096	\$ 11,742,357	\$ 11,753,713	\$ 13,236,213	\$ 17,062,050	21,778,327
Assigned, reported in:										
Debt service fund	-	- 0	-	-	4,040,555	4,179,199	5,304,466	-	-	-
Driving range fund	-	-	-	-	-	-	-	123,261	145,517	134,000
Unassigned	-	(101,439)	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 497,109	\$ 2,210,971	\$ 5,514,939	\$ 9,714,291	\$ 16,283,651	\$ 15,921,556	\$ 17,058,179	\$ 13,359,474	\$ 17,223,367	\$ 21,928,127

Village of Estero, Florida

Changes In Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(unaudited)

Schedule 4

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 6,242	\$ 7,558,413	\$ 8,576,415	\$ 8,852,341	\$ 9,114,437	\$ 9,121,444	\$ 9,251,276	\$ 9,927,511	\$ 11,034,028	\$ 11,490,565
Licenses and permits	-	685,873	1,306,158	1,854,018	1,020,666	1,187,400	1,011,429	1,152,046	1,457,755	1,780,562
Impact fees	497,081	1,431,918	2,596,943	2,802,274	1,830,982	1,432,917	441,935	1,977,097	4,094,405	4,031,441
Intergovernmental	1,217,332	3,329,066	3,326,662	3,522,911	3,894,401	4,241,552	6,955,483	9,742,576	12,362,640	7,589,398
Charges for services	-	167,589	313,409	279,144	195,212	200,901	250,390	402,803	719,441	632,518
Fines and forfeitures	138	484	268	543	790	920	543	330	217	193
Investment earnings	190	18,481	119,081	407,796	680,027	319,602	8,284	69,708	1,291,986	2,710,202
Contributions from private sources	-	-	-	-	-	89,307	290,954	53,695	-	-
Miscellaneous						\$ -				
Other	-	4,456	28,053	89,784	106,363	102,570	107,636	879,952	169,710	487,991
Total revenues	<u>1,720,983</u>	<u>13,196,280</u>	<u>16,266,989</u>	<u>17,808,811</u>	<u>16,842,878</u>	<u>16,696,613</u>	<u>18,317,930</u>	<u>24,205,718</u>	<u>31,130,182</u>	<u>28,722,870</u>
Expenditures										
General government	537,675	2,264,950	2,534,379	2,737,183	3,225,843	2,964,950	3,664,593	3,009,102	10,366,015	3,578,756
Public safety	1,080	875,992	1,300,626	1,177,337	1,064,991	1,305,996	1,285,350	1,315,941	1,470,180	1,834,711
Physical environment	6,596	306,643	436,856	433,352	112,001	191,691	241,108	359,372	225,316	201,820
Transportation	-	2,548,077	1,021,378	457,090	784,925	1,243,529	2,216,002	1,567,819	2,174,350	2,681,986
Human services	-	48,428	48,428	22,756	33,879	37,932	49,523	41,972	11,348	77,074
Culture/recreation	-	-	-	-	129,032	128,094	71,846	147,655	610,866	481,713
Capital outlay	30,573	497,614	71,998	642,901	25,371,816	9,247,823	4,225,884	7,945,956	4,526,587	21,582,895
Debt service						\$ -				
Principal	-	-	-	-	768,416	1,641,295	670,459	17,091,587	179,721	180,503
Interest and issuance cost	5,150	-	-	-	289,872	770,588	720,613	760,810	7,959	32,494
Total expenditures	<u>581,074</u>	<u>6,541,704</u>	<u>5,413,665</u>	<u>5,470,619</u>	<u>31,780,775</u>	<u>17,531,898</u>	<u>13,145,378</u>	<u>32,240,214</u>	<u>19,572,342</u>	<u>30,651,952</u>
Excess (deficiency) of revenues over expenditures	1,139,909	6,654,576	10,853,324	12,338,192	(14,937,897)	(835,285)	5,172,552	(8,034,496)	11,557,840	(1,929,082)
Other Financing Sources (Uses)										
Transfers in	-	-	90,849	494,611	30,546,595	11,178,860	4,925,024	19,778,472	3,620,030	-
Transfers out	-	-	(90,849)	(494,611)	(30,546,595)	(11,178,860)	(4,925,024)	(19,778,472)	(3,620,030)	-
Proceeds from debt	-	-	-	-	20,000,000	996,685	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000,000</u>	<u>996,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,139,909</u>	<u>\$ 6,654,576</u>	<u>\$ 10,853,324</u>	<u>\$ 12,338,192</u>	<u>\$ 5,062,103</u>	<u>\$ 161,400</u>	<u>\$ 5,172,552</u>	<u>\$ (8,034,496)</u>	<u>\$ 11,557,840</u>	<u>\$ (1,929,082)</u>
Debt service as a percentage of noncapital expenditures	-	-	0.00%	0.0%	16.5%	29.1%	15.6%	73.5%	12%	2.3%

Village of Estero, Florida
Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (unaudited)

Schedule 5

Fiscal Year Ended September 30	Real Property			Personal Property	Less: Allowable Exemptions ²	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Market (Just) Value	Taxable Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Other Property						
2015 ¹	-	-	-	-	-	-	-	-	-
2016	5,962,856,036	690,966,701	158,665,392	150,308,030	1,284,789,616	5,675,825,842	0.8398	6,960,615,458	81.54%
2017	6,443,023,813	782,939,531	192,602,734	166,973,374	1,459,920,847	6,097,421,427	0.7998	7,557,342,274	80.68%
2018	6,889,049,163	741,778,217	213,442,459	180,814,659	1,539,523,465	6,484,202,557	0.7798	8,023,726,022	80.81%
2019	6,869,267,079	741,713,355	206,437,254	189,025,467	1,386,361,871	6,649,259,073	0.7750	8,035,620,944	82.75%
2020	6,916,404,302	762,528,773	352,626,099	203,210,714	1,474,537,084	6,808,708,418	0.7726	8,283,245,502	82.20%
2021	6,948,839,857	780,170,014	369,099,608	219,883,673	1,460,850,590	6,906,637,833	0.7726	8,367,488,423	82.54%
2022	7,317,007,658	840,319,265	406,615,395	235,269,948	1,667,873,721	7,189,827,701	0.7700	8,857,701,422	81.17%
2023	9,478,859,306	907,458,934	440,550,316	244,564,824	3,202,792,112	7,929,707,459	0.7500	11,132,499,571	71.23%
2024	11,898,000,521	1,100,427,418	445,210,424	275,930,231	5,100,424,298	8,680,149,665	0.7400	13,780,573,963	62.99%

Source: Lee County Property Appraiser.

Note: Real property is reassessed every year.

¹ The Village of Estero was incorporated December 31, 2014. Therefore, fiscal year 2015 is the first year of operations; however, property taxes were not assessed by the Village of Estero until fiscal year 2016. Ten-year historic data will be accumulated and reflected in future year's financial statements.

² Allowable exemptions include the assessment differential value of capped parcels which is more commonly known as the "Save our Homes" and exemptions.

Village of Estero, Florida

Property Tax Rates – Direct and Overlapping Governments

(Per \$1,000 of Assessed Value)

Last Ten Fiscal Years

(unaudited)

Schedule 6

Fiscal Year	Village of Estero, Florida			Lee County			Overlapping Rates ²				Total Direct & Overlapping Rates	
	Operating Millage	Debt Service Millage	Total Village Millage	General Revenue	Library Fund	Total Lee Cty	School			Estero Fire District ³		Other ⁴
							Local Board	State Law	Total School			
2015 ¹	-	-	-	-	-	-	-	-	-	-	-	-
2016	0.8398	-	0.8398	4.1506	0.5956	4.7462	2.2480	5.0370	7.2850	2.1881	0.6605	14.8798
2017	0.7998	-	0.7998	4.0506	0.5956	4.6462	2.2480	4.7410	6.9890	2.1500	0.6361	15.2211
2018	0.7798	-	0.7798	4.0506	0.5956	4.6462	2.2480	4.4310	6.6790	2.1300	0.6542	14.8892
2019	0.7750	-	0.7750	4.0506	0.4956	4.5462	2.2480	4.1530	6.4010	2.1300	0.6205	14.4727
2020	0.7726	-	0.7726	4.0506	0.4956	4.5462	2.2480	3.8990	6.1470	2.1300	0.5958	14.1916
2021	0.7726	-	0.7726	4.0506	0.4956	4.5462	2.2480	3.8100	6.0580	2.1300	0.5729	14.0797
2022	0.7700	-	0.7700	3.8623	0.4714	4.3337	2.2480	3.6430	5.8910	2.1300	0.5640	13.6887
2023	0.7500	-	0.7500	3.7623	0.4714	4.2337	2.2480	3.3090	5.5570	2.1300	0.5220	13.1927
2024	0.7400	-	0.7400	3.7623	0.4714	4.2337	2.2480	3.1820	5.4300	2.1600	0.5212	13.0849

Source: Lee County Property Appraiser.

Note: The Village's operating millage tax rate may be increased only by a majority vote of the Village Council.

¹ The Village of Estero was incorporated December 31, 2014. Therefore, fiscal year 2015 is the first year of operations; however, property taxes were not assessed by the Village of Estero until fiscal year 2016. Ten-year historic data will be accumulated and reflected in future year's financial statements.

² Overlapping rates are those of the local and county governments that apply to property owners within the Village of Estero. Not all overlapping rates apply to all Village of Estero property owners.

³ The Village of Estero has three Fire Districts within its boundaries. Estero Fire Rescue District, 2.1300 millage rate, San Carlos Park Fire District, 2.7500 millage rate, and Bonita Springs Fire District 1.9466 millage rate.

⁴ Other consists of Lee County Mosquito Control, Lee County Hyacinth Control, South Florida Water Management District and West Coast Inland Navigation District.

Village of Estero, Florida

Principal Property Taxpayers

Current Fiscal Year and Nine Fiscal Years Ago
(unaudited)

Schedule 7

Taxpayer	2024			2015 ¹		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Coconut Point Developers LLC	\$ 116,190,925	1	1.47%	-	-	-
Miromar Outlet West LLC	88,356,162	2	1.11%	-	-	-
Fort Myers Reef Acquisitions	65,381,850	3	0.82%	-	-	-
Reserve at Coconut Point LLC	54,516,529	4	0.69%	-	-	-
Hertz Corporation	54,022,061	5	0.68%	-	-	-
Lee Everblades LLC	51,059,775	6	0.64%	-	-	-
CV Fort Myers Borrower LLC	50,820,000	7	0.64%	-	-	-
Lee Terracap LLC	34,150,432	8	0.43%	-	-	-
Coconut Road Estero Apartments	33,212,363	9	0.42%	-	-	-
Lee County Home Associates IV	32,468,531	10	0.41%	-	-	-
Total	\$ 580,178,628		7.31%	\$ -		0.00%

Source: Lee County Property Appraiser.

¹ The Village of Estero was incorporated December 31, 2014. Therefore, fiscal year 2015 was the first year of operations; however, property taxes were not assessed by the Village of Estero until fiscal year 2016. Ten-year historic data will be accumulated and reflected in future year's financial statements.

Village of Estero, Florida
Property Tax Levies and Collections
 Last Ten Fiscal Years
 (unaudited)

Schedule 8

Fiscal Year Ended Sep 30	Total Tax Levy For Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ²	Percentage of Levy		Amount	Percentage of Levy
2015 ¹	-	-	0.00%	-	-	0.00%
2016	4,766,559	4,588,424	96.26%	(14,372)	4,574,052	95.96%
2017	4,876,718	4,699,042	96.36%	(29,960)	4,669,082	95.74%
2018	5,056,381	4,819,043	95.31%	44,332	4,863,375	96.18%
2019	5,153,176	4,954,539	96.17%	1,324	4,955,863	96.17%
2020	5,260,408	4,956,095	94.21%	(232)	4,955,863	94.21%
2021	5,310,460	5,109,211	96.21%	(155)	5,109,211	96.21%
2022	5,536,495	5,280,762	95.36%	(1,114)	5,279,648	95.36%
2023	5,947,281	5,696,704	96.24%	27,219	5,723,923	96.24%
2024	6,423,311	6,150,009	95.75%	-	6,150,009	95.75%

Source: Lee County Tax Collector.

¹ The Village of Estero was incorporated December 31, 2014. Therefore, fiscal year 2015 was the first year of operations; however, property taxes were not assessed by the Village of Estero until fiscal year 2016. Ten-year historic data will be accumulated and reflected in future year's financial statements.

² Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of the levy. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Accordingly, taxes collected will not be 100% of tax levy. Taxes become delinquent on April 1 of each year, and tax certificates for the full amount of any unpaid taxes and assessments are sold at public auction prior to June 1 of each year. The proceeds collected are remitted to the Village.

Village of Estero, Florida

Ratios Of Outstanding Debt by Type

Last Ten Fiscal Years

(unaudited)

Schedule 9

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	Revenue Bonds	Notes, Loans and Agreements Payable	Lease Payable			
2015 ¹	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	19,231,584	-	19,231,584	0	-
2020	-	-	17,590,289	-	17,590,289	0.0%	531
2021	-	-	16,919,830	-	16,919,830	0.0%	455
2022	-	-	-	257,039	257,039	0.0%	7
2023	-	-	-	77,318	77,318	0.0%	2
2024	-	-	-	879,293	879,293	0.0%	20

Note: When applicable, details regarding the Village's outstanding debt can be found in the notes to the financial statements.

¹ *The Village of Estero was incorporated December 31, 2014. Therefore, fiscal year 2015 was the first year of operations. Ten-year historic data will be accumulated and reflected in future year's financial statements.*

² *See schedule 13 for personal income and population data. These ratios are calculated using personal income and population for prior calendar year.*

Village of Estero, Florida

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(unaudited)

Schedule 10

Fiscal Year	General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total		
2015 ¹	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-
2024	-	-	-	0.00%	-

Note: When applicable, details regarding the Village's outstanding debt can be found in the notes to the financial statements.

¹ *The Village of Estero was incorporated December 31, 2014. Therefore, fiscal year 2015 was the first year of operations, Ten-year historic data will be accumulated and reflected in future year's financial statements.*

Village of Estero, Florida

Direct And Overlapping Governmental Activities Debt

As of September 30, 2024

(unaudited)

Schedule 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Lee County	\$ 235,990,000 ¹	22.8% ²	\$ 53,805,720
Village direct debt			<u>879,293</u>
Total direct and overlapping debt			<u><u>\$ 54,685,013</u></u>

¹ Lee County Clerk of Court, Finance Division

² Determined by dividing:

"Total Taxable Assessed Valuation" from Schedule 5

\$ 8,680,149,665

by the "Total Taxable Assessed Value" of Lee County

\$ 38,039,559,000

³ See Schedule 9 herein.

⁴ Lee County Property Appraiser

Village of Estero, Florida
Legal Debt Margin Information
 Last Ten Fiscal Years
 (unaudited)

Schedule 12

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Legal debt limit ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to limit	153,500	-	-	-	19,231,584	17,590,289	16,919,830	-	257,039	77,318
Legal debt margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

¹ No legal debt limit has been established for the Village.

Village of Estero, Florida
Demographic And Economic Statistics
 Last Ten Fiscal Years
 (unaudited)

Schedule 13

Fiscal Year	Population		Lee County ¹	Village of Estero		Lee County ¹	Village of Estero
	Village of Estero ¹	Lee County ¹	Total Personal Income (in thousands) ²	Per Capita Personal Income ¹	Median Age ¹	School Enrollment ³	Unemployment Rate ³
	2015	30,118	665,562	29,096,374	43,717	60.2	79,446
2016	30,565	680,255	29,738,708	43,717	60.2	79,446	4.5%
2017	30,945	698,185	35,534,824	50,896	60.2	79,446	4.6%
2018	31,806	713,618	37,787,500	52,952	61.0	79,446	4.0%
2019	32,412	734,890	39,146,855	53,269	61.7	79,446	3.4%
2020	33,120	750,493	40,284,963	53,678	64.2	95,578	6.4%
2021	37,213	782,579	46,647,969	59,608	65.8	95,023	4.0%
2022	37,842	802,178	50,725,726	63,235	59.9	97,264	3.0%
2023	42,943	822,453	52,007,815	63,235	60.0	100,169	3.9%
2024	42,943	840,698	58,375,547	69,437	48.0	101,369	3.1%

Data Sources:

- ¹ *Lee County Economic Development*
- ² *Determined by multiplying population by per capita income.*
- ³ *Lee County School Board Impact Report*

Village of Estero, Florida
Principal Employers ²
 Current Fiscal Year and Nine Fiscal Years Ago
 (unaudited)

Schedule 14

Employer	2024 ³			2015 ¹		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Total	-		-	-		-

Source: Florida GulfCoast University

¹ The Village of Estero was incorporated December 31, 2014. Therefore, fiscal year 2015 was the first year of operations. Ten-year historic data will be accumulated and reflected in future year's financial statements as data becomes available.

² Information listed is for Lee County as statistics for Village of Estero are unavailable.

³ The Fiscal Year 2024 information for schedule 14 was not available at the time of statement issuance.

Village of Estero, Florida

Full-Time Equivalent Village Government Employees by Function

Last Ten Fiscal Years

(unaudited)

Schedule 15

	Full-time Equivalent Employees as of September 30									
Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	5	7.0	8.5	10.5	11.0	12.0	12.0	12.0	12.0	12.0
Total	5.0	7.0	8.5	10.5	11.0	12.0	12.0	12.0	12.0	12.0

Source: *Village of Estero Annual Budget as amended.*

Village of Estero, Florida
Operating Indicators by Function ²
 Last Ten Fiscal Years
 (unaudited)

Schedule 16

Function	Fiscal Year									
	2015 ¹	2016 ¹	2017 ¹	2018 ¹	2019 ¹	2020 ¹	2021 ¹	2022 ¹	2023 ¹	2024 ¹
General Government	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Note: Operating Indicators are not available for General Government function.

Source: Various Village of Estero Departments

¹ *The Village does not maintain Operating Indicators by Function; therefore, data is not available.*

Village of Estero, Florida
Capital Asset Statistics by Function ²
 Last Ten Fiscal Years
 (unaudited)

Schedule 17

Function	Fiscal Year									
	2015 ¹	2016 ¹	2017 ¹	2018 ¹	2019 ¹	2020 ¹	2021 ¹	2022 ¹	2023 ¹	2024 ¹
General Government	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

¹ *The Village does not maintain Capital Asset Statistics by Function; therefore, data is not available.*

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Single Audit Report



HSC/Tuscan & Company, PA

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

Village Council
Village of Estero
9401 Corkscrew Palms Circle
Estero, Florida 33928

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 of America, the basic financial statements of the governmental activities, each major fund and the non-major fund of the Village of Estero (the "Village") as of and for the year ended September 30, 2024, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents and have issued our report thereon dated May 22, 2025.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a

material misstatement of the basic financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

We did, however, note certain other matters that we have reported in our Independent Auditor's Report to Management dated May 22, 2025.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Estero's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards. The instance of noncompliance noted is disclosed in our Independent Auditor's Report to Management.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "HSC/Tuscan & Company, P.A." The signature is written in a cursive, flowing style.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 22, 2025

HSC/Tuscan & Company, PA

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

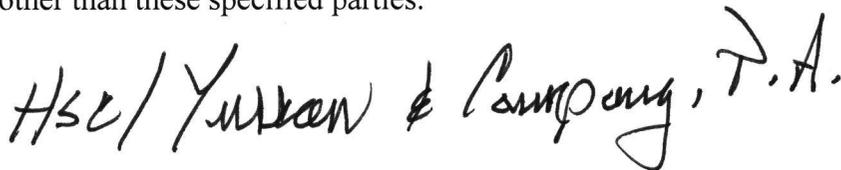
Village Council
Village of Estero
9401 Corkscrew Palms Circle
Estero, Florida 33928

We have examined the Village of Estero's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. Management is responsible for the Village of Estero's compliance with those requirements. Our responsibility is to express an opinion on the Village of Estero'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, accordingly, included examining, on a test basis, evidence about the Village of Estero'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 Village of Estero's compliance with specified requirements.

In our opinion, the Village of Estero complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

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



HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 22, 2025

VILLAGE OF ESTERO, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2024

<u>Grantor Agency/Program Title</u>	<u>Federal CFDA/ Number</u>	<u>Grantor's Number</u>	<u>Federal Expenditures</u>
FEDERAL AGENCY			
<u>U.S. Department of Treasury</u>			
<u>TYPE A - MAJOR</u>			
Passed through State of Florida			
Division of Emergency Management			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5078	\$ <u>2,254,436</u>
TOTAL EXPENDITURES OF FEDERAL FINANCIAL AWARDS			\$ <u><u>2,254,436</u></u>

VILLAGE OF ESTERO, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2024

NOTE A - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America and is in accordance with the provisions of the OMB Uniform Guidance.

Expenditures reported on the Schedule of Expenditures of Federal Awards include cash disbursements, whether capitalized or expensed, during the fiscal year as well as grant related amounts recorded as payable at year end. Revenues reported on the Schedule of Expenditures of Federal Awards include cash receipts, whether recognized or deferred, as well as grant receivables recorded at year end.

NOTE B - INDIRECT COSTS

The Village did not allocate indirect costs to Federal Awards. Costs charged to such programs were direct costs.

The Village has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

HSC/Tuscan & Company, PA

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Village Council
Village of Estero
9401 Corkscrew Palms Circle
Estero , Florida 33928

Report on Compliance for Each Major Federal Program

We have audited Village of Estero's (the "Village") compliance with the types of compliance requirements described in the OMB Compliance Supplement, as applicable, that could have a direct and material effect on each of Village of Estero's major federal program for the year ended September 30, 2024. Village of Estero's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Village of Estero's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America; and audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Village of Estero's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Village of Estero's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Village of Estero's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Report on Internal Control Over Compliance

Management of Village of Estero is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Village of Estero's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Village of Estero's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of the Report

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

HSC/Tuscan & Company, P.A.

HSC/TUSCAN & COMPANY, P.A.

Fort Myers, Florida

May 22, 2025

VILLAGE OF ESTERO, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED
COSTS - FEDERAL AWARDS
Year ended September 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued			Unmodified	
Internal control over financial reporting:				
Control deficiency(ies) identified?	_____	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	_____	Yes	<u> X </u>	No
Material weakness(es) identified?	_____	Yes	<u> X </u>	None reported
Noncompliance material to financial statements noted?	_____	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:				
Control deficiency(ies) identified?	_____	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	_____	Yes	<u> X </u>	No
Material weakness(es) identified?	_____	Yes	<u> X </u>	None reported
Type of auditors report issued on compliance for major programs			Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR, Section 200.516(a)?	_____	Yes	<u> X </u>	No

Identification of major programs (Type A):

CFDA	
<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between

Type A and Type B programs Threshold used was \$750,000.

Auditee qualified as low-risk auditee?	<u> X </u>	Yes	_____	No
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VILLAGE OF ESTERO, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED
COSTS - FEDERAL AWARDS, CONTINUED
Year ended September 30, 2024

Listing of Subrecipients and matching amounts passed-through:

None - not applicable

Section II- Financial Statement Findings

There were no deficiencies, material weaknesses, or instances of noncompliance related to the financial statements.

Section III- Federal Award Findings and Questioned Costs

There were no audit findings related to Federal Awards required to be reported by 2 CFR, Section 200.516(a).

Section IV- Status of Federal Prior Year Findings

There were no prior year findings.

Other Reports

HSC/Tuscan & Company, PA

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Village Council
Village of Estero
9401 Corkscrew Palms Circle
Estero, Florida 33928

We have audited the accompanying basic financial statements of the Village of Estero (the "Village") as of and for the year ended September 30, 2024 and have issued our report thereon dated May 22, 2025.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America and Chapter 10.550, Rules of the Florida Auditor General. 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 Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which were dated May 25, 2024, should be considered in conjunction with this report to management.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter included the following information, which is not included in the aforementioned auditor's report:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were two prior year financially significant comments. The prior year comments were repeated in the current year and appear to be resolved.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. No such recommendations were noted to improve financial management.

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address violations or noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- 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 the management letter, unless disclosed in the notes to the financial statements. The Village discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity 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 Village 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(7), Rules of the Auditor General, we have applied financial condition assessment procedures pursuant to Rule 10.556(8). It is management's responsibility to monitor the Village'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. In connection with our audit, we determined that the Village did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(5).a.
- Pursuant to Section 10.554(1)(i)5.b.2, Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. No such conditions were noted.
- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this entity (F.S. Section 218.39(3)(b)). There are no known component units required to report or included within these financial statements.
- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the entity's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Village complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes May 22, 2025, included herein.

PRIOR YEAR COMMENTS:

2022-01 Expenditures in Excess of Budget

During the audit, we noted that the Village had expenditures in excess of its final approved budget in two funds; the building fund and the driving range fund. Florida Statute Chapter 166.241(2) prohibits such excess expenditures.

We recommend the Village budget its audited carryforward in each fund which will provide a contingency and help to eliminate the potential of an over expenditure. Alternately, expenditures in excess of budget should be monitored and avoided.

2023 Addendum:

During the current year audit, we noted that the Village had expenditures in excess of its final approved budget in one fund; the driving range fund. Florida Statute Chapter 166.241(2) prohibits expenditures in excess of the approved budget.

We recommend the Village continue to budget its audited carryforward in each fund which will provide a contingency and help to eliminate the potential of an over expenditure. Alternately, expenditures in excess of budget should be monitored and the budget amended if circumstances require additional expenditures.

Current Year Addendum:

During the current year audit, we also noted that the Village had expenditures in excess of its final approved budget in one fund; the driving range fund. Florida Statute Chapter 166.241(2) prohibits expenditures in excess of the approved budget.

We would usually continue to recommend the Village continue to budget its audited carryforward in each fund which will provide a contingency and help to eliminate the potential of an over-expenditure. However, given that the driving range operations ceased in April 2024, this comment is considered resolved.

2023-01 Uncleared Bank Account Items Should be Investigated and Properly Disposed

During the audit, we noted 3 items outstanding in the operating cash account over 12 months old. Per F.S. 717.113 unclaimed items over 12 months old should be properly disposed.

We recommend that the Village investigate these items and properly dispose of them.

Current Year Addendum:

During the audit, we noted 1 item in the operating cash account over 12 months old. However, the Village has disposed of the item during the transfer to the new Tyler Munis accounting system. Per F.S. 717.113 unclaimed items over 12 months old should be properly disposed. The Village is therefore in compliance with the above Statute.

This comment is considered resolved.

CURRENT YEAR COMMENTS:

2024-01 One Quarterly Report Was Two (2) Days Late

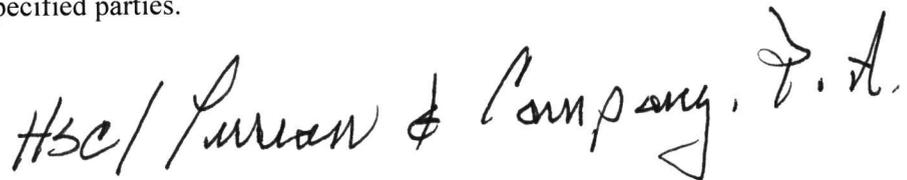
The Federal Grant CFDA 21.027 requires quarterly reporting within last day of the month following quarter end. The report for the quarter ended December 31, 2023, was filed two (2) days late. Management of the Village states the Village was understaffed at the time in the midst of an accounting software conversion. The Village is aware of the reporting requirement and is committed to timely reporting in the future.

2024-02 Journal Entries Were Posted to the General Ledger After the Audit Process Began

As the result of the software conversion, many journal entries were required during the audit process. This resulted in unbalanced funds and confusion with many large differences being noted and an extended closeout process.

Routinely, we would recommend that the Village cease to post entries once the audit has begun and wait until the end of the audit so to prevent future confusion. However, once these software issues were resolved, this likely won't be an issue in the future.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Village of Estero, management, the Auditor General of the State of Florida and other federal and state agencies. This report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "HSC/Tuscan & Company, P.A." with a stylized flourish at the end.

HSC/TUSCAN & COMPANY, P.A.

Fort Myers, Florida

May 22, 2025



May 30, 2025

Joanne Ribble
District One

Larry Fiesel
District Two

Jon McLain
Vice Mayor
District Three

Katy Errington
Mayor
District Four

Jim Boesch
District Five

Jim Ward
District Six

Jim Wilson
District Seven

Steve Sarkozy
Village Manager

Robert D. Pritt
Interim
Village Attorney

HSC/Tuscan & Company, PA
12621 World Plaza Lane, Building 55
Fort Myers, FL 33907

Re: **Management Letter for Fiscal Year Ended September 30, 2024**

This letter will confirm receipt of your management letter reviewed by us.

Current Year Comment: The Federal Grant CFDA 21.027 requires quarterly reporting within last day of the month following quarter end. The report for the quarter ended December 31, 2023, was filed two (2) days late. Management of the Village states the Village was understaffed at the time in the midst of an accounting software conversion. The Village is aware of the reporting requirement and is committed to timely reporting in the future.

Current Year Management's Response: The Village is aware the report was submitted two days late as the Finance staff was going through an accounting software conversion and had multiple vacant positions. There was no non-compliance as a result and as of today, all subsequent reports have been submitted on time.

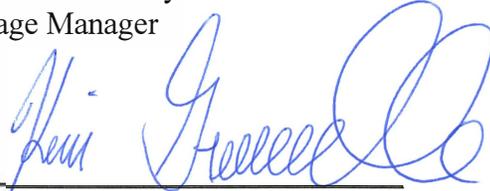
Current Year Comment: As the result of the software conversion, many journal entries were required during the audit process. This resulted in unbalanced funds and confusion with many large differences being noted and an extended closeout process.

Routinely, we would recommend that the Village cease to post entries once the audit has begun and wait until the end of the audit so to prevent future confusion. However, once these software issues were resolved, this likely won't be an issue in the future.

Current Year Management's Response: The Village believes these software issues are resolved and future audits will not include significant adjustment entires.



Steven R. Sarkozy
Village Manager



Kevin Greenville, CPA
Village Finance Director