

# **Annual Comprehensive Financial Report**

## **City of Satellite Beach, Florida**



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



**City of Satellite Beach, Florida**  
**ANNUAL COMPREHENSIVE**  
**FINANCIAL REPORT**  
For the Fiscal Year  
Ended September 30, 2025



**INTRODUCTORY SECTION**

Table of Contents.....	1
Letter of Transmittal.....	5
City Officials .....	8
Organizational Chart.....	9
Certificate of Achievement for Excellence in Financial Reporting.....	10

**FINANCIAL SECTION**

Independent Auditor’s Report .....	11
Management’s Discussion and Analysis .....	15

**Basic Financial Statements**

Government-wide Financial Statements:

Statement of Net Position .....	24
Statement of Activities.....	26

Fund Financial Statements:

Balance Sheet – Governmental Funds .....	28
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position .....	31
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	34
Statement of Fiduciary Net Position - Pension Trust Funds .....	35
Statement of Changes in Fiduciary Net Position - Pension Trust Funds .....	36

Notes to Financial Statements .....	37
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**Required Supplementary Information:**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	78
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Stormwater Utility Fund .....	80
Budgetary Notes to Required Supplementary Information .....	81
Schedule of Changes in Net Pension Liability and Related Ratios – Police Officers’ and Firefighters’ Pension Plan .....	82
Schedule of Changes in Net Pension Liability and Related Ratios – General Employees’ Pension Plan .....	84
Schedule of Contributions.....	86
Schedule of Investment Returns.....	88
Notes to Schedules.....	89
Schedule of Changes in Total OPEB Liability and Related Ratios.....	90



**FINANCIAL SECTION (Continued)**

**Other Supplementary Information:**

Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds .....	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	93
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Community Services Fund .....	94
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – American Rescue Plan Act Fund .....	95
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Beach Parking Fund.....	96
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Law Enforcement Trust Fund .....	97
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Asset Fund.....	98

**STATISTICAL SECTION**

Schedule A1 – Net Position by Component .....	102
Schedule A2 – Changes in Net Position .....	104
Schedule A3 – Fund Balances – Governmental Funds .....	108
Schedule A4 – Changes in Fund Balances – Governmental Funds.....	110
Schedule B1 – Assessed Value and Estimated Actual Value of Taxable Property .....	112
Schedule B2 – Tax Revenues by Source – Governmental Funds.....	114
Schedule B3 – Direct and Overlapping Property Tax Rates .....	116
Schedule B4 – Principal Property Taxpayers .....	118
Schedule B5 – Property Tax Levies and Collections .....	119
Schedule C1 – Ratios of Outstanding Debt by Type.....	120
Schedule C2 – Direct and Overlapping Governmental Activities Debt .....	121
Schedule C3 – Pledged Revenue Coverage .....	122
Schedule C4 – Ratios of General Bonded Debt Outstanding.....	123
Schedule C5 – Legal Debt Margin Information .....	124
Schedule D1 – Demographic and Economic Statistics.....	126
Schedule D2 – Principal Employers .....	127
Schedule E1 – Employees by Function/Program .....	128
Schedule E2 – Operating Indicators by Function/Program .....	130
Schedule E3 – Capital Asset Statistics by Function/Program .....	132



**COMPLIANCE SECTION**

Schedule of Expenditures of Federal Awards.....	133
Notes to the Schedule of Expenditures of Federal Awards .....	134
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	135
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance .....	137
Schedule of Findings and Questioned Costs.....	140
Independent Auditor’s Management Letter .....	145
Independent Accountant’s Report on Compliance with Local Government Investment Policies.....	149
Corrective Action Plan .....	151



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## CITY OF SATELLITE BEACH, FLORIDA

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Satellite Beach, FL 32937  
(321) 773-4407  
FAX: (321) 779-1388



INCORPORATED 1957

March 10, 2026

To the Honorable Mayor, Members of the Governing Council and City of Satellite Beach:

State law requires that every general-purpose local government publish, within nine months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2025.

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 has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Carr, Riggs and Ingram, L.L.C. have issued an unqualified ("Clean") opinion on the City of Satellite Beach's financial statements for the year ended September 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

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

### *Profile of the Government*

The City of Satellite Beach, incorporated in 1957, is a coastal community spanning the barrier island between the Banana River segment of the Indian River Lagoon on the west and the Atlantic Ocean on the east. It currently occupies 3.8 square miles, of which 2.9 miles are land and 617 acres are navigable water in the Banana River and the City's Canals. The population for the City of Satellite Beach was 11,493 in 2025.

The City of Satellite Beach operates under the Council-Manager form of government. This form of local government combines the strong political leadership of elected officials in the form of a council, with the strong managerial experience of a City Manager. The City has a five-member Council. All Council Members are elected to four-year terms, and elections are staggered with three elected one year, and two being elected two years later. The City of Satellite Beach Council hires/appoints the City of Satellite Beach Manager, who in turn hires City department directors.

The City of Satellite Beach provides a full range of services, including police and fire, street, and storm water maintenance, planning and zoning, recreation, and parks, as well as general administration services. The City of Melbourne provides water to the City of Satellite Beach and is responsible for the maintenance of the water lines, and Brevard County provides sewer services and is responsible for the maintenance of the sewer lines.

The annual budget serves as a foundation for the City's financial planning. Budget requests are required to be submitted to the City Manager by department directors. These requests are used as

a starting point for developing the proposed budget. The City Manager is required by City Charter to present the proposed budget to City Council. Public hearings are required to be held by City Council on the proposed budget. The annual budget must be adopted by City Council by September 30, the City's fiscal year end. Budget to actual comparisons is provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

### *Local Economy and Outlook*

The City of Satellite Beach is primarily a residential community with strong property values, a family-oriented community, and beautiful beaches (40% of the City's 2.8 miles of oceanfront property is City owned for public access). The City is approximately 96% built-out. The largest remaining tract of vacant land includes a nearly 100-acre parcel in the northeast quadrant of the City that was formerly used for Patrick Space Force Base military housing that was demolished in 2012. Although currently no plans have been submitted to the City regarding this parcel, the City has seen an increase in residential, multi-family, and commercial development on remaining available land citywide, as well as significant improvements and renovations made to existing residential properties as property values increase and the City continues to be a highly desirable community within Brevard County.

The Brevard Public School system is ranked third in the state with 98% of schools making a grade of "A" or "B", and all the schools in Satellite Beach are "A" rated. According to the Space Coast Economic Development Commission, the Space Coast area boasts 48 engineers per 1,000 workers, more than any other metro area in the state. The City's economy has benefited from its proximity to Patrick Space Force Base, Kennedy Space Center, and the growth of the rocket industry out of Cape Canaveral. The City has also been positively impacted by the relocation/expansion of major corporations within Brevard County, including Boeing, Embraer Executive Jets, General Electric, Lockheed Martin, Northrop Grumman, and the world headquarters of Harris Corporation.

### *Long-term Financial Planning and Major Initiatives*

The City of Satellite Beach prepared a five-year Capital Improvement Plan (CIP), which is updated annually. The City has not formally adopted a long-term financial plan, however the financial policies and the Capital Improvement Plan (CIP), address the City's long-term financial plans.

The latest CIP was adopted by the City Council for the Fiscal Year 2025-2026 through Fiscal Year 2029-2030. The City desires to maintain current service levels and improve upon and maintain facilities and infrastructure.

To achieve long-term plans, the City annually updates its goals and objectives for each calendar year. The City desires to continue to invest in technology and training to consistently improve service delivery and communication. City Council's goals for 2025-2026 included several major initiatives, and continued efforts on long-range goals, including working to make the City more financially sustainable, renewing City's facilities and infrastructure, seeking additional opportunities for Grants, continue to protect and restore the Indian River Lagoon, develop a citizen's academy to focus on sustainable practices and for Public Safety to continue to protect citizens, organizations, and the community by preventing them from being in danger and guarding their well-being.

### *Relevant Financial Policies*

The City of Satellite Beach has adopted comprehensive financial policies. The City of Satellite Beach has a policy that requires the adoption of a balanced annual operating budget. The City was able to maintain a positive unassigned reserve of \$987,773 for fiscal year 2024-2025 an increase of \$156,269 from the prior year. The City budgets for all positions and when there are positions that are unable to be filled immediately those funds are able to add to the City's unassigned reserves.

The City of Satellite Beach created a Stabilization Reserve Policy in 2013. This policy was created to maintain and manage the General Fund Stabilization Reserve (committed funds in the City's reserves) to help restore stability to the City's finances following several years of economic downturn. This Stabilization Reserve was established to fund expenditures incurred in response to major disasters, fund other non-routine expenditures approved by formal action of the City Council, and to protect the City's credit rating by ensuring the City's ability to continue to make prompt payments to creditors/vendors when emergencies occur. This reserve is not permitted to fund new programs or other expenditures that should be funded with operating revenues, contingences, and unassigned General Fund reserves. By October 1, 2023, at least 60 days of budgeted operating expenditures, excluding capital costs and transfers from the General Fund Balance (City reserves), are planned to be committed to the Stabilization Reserve. To use these funds, the City Council is required to formally recognize the natural disaster or other non-routine occasion before making final decisions on using the Stabilization Reserves. 80% of the net position for fiscal year 2024-2025 increased the Stabilization Reserve from \$4,417,735 to \$4,745,625. 60 days of operating expenditure for fiscal year 2024-2025 is \$2,959,025. The City met the Stabilization Reserve Policy by October 1, 2023.

#### *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Distinguished Budget Presentation Award to the City of Satellite Beach for its annual budget document dated October 1, 2025. To qualify for the Distinguished Budget Presentation Award, the City's budget document must be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The Government Finance Officers Association of the United State and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report (ACFR) dated September 30, 2025. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by government and its management. The ACFR has been judged by an impartial panel to meet the highest standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the ACFR.

The preparation of these reports would not have been possible without the skill, effort, and dedication of the entire Support Services Department. We wish to thank the City for their assistance in providing the data necessary to prepare this report. Credit is also due to the Mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Satellite Beach's finances.

Respectfully submitted,



Brittany Retherford  
City Manager

**City of Satellite Beach, Florida  
City Officials  
Year Ended September 30, 2025**

Mayor  
Steve Osmer

Vice Mayor  
Mindy Gibson

Council Members  
Mark Boyd  
Jodi Rozycki  
David Vigliotti

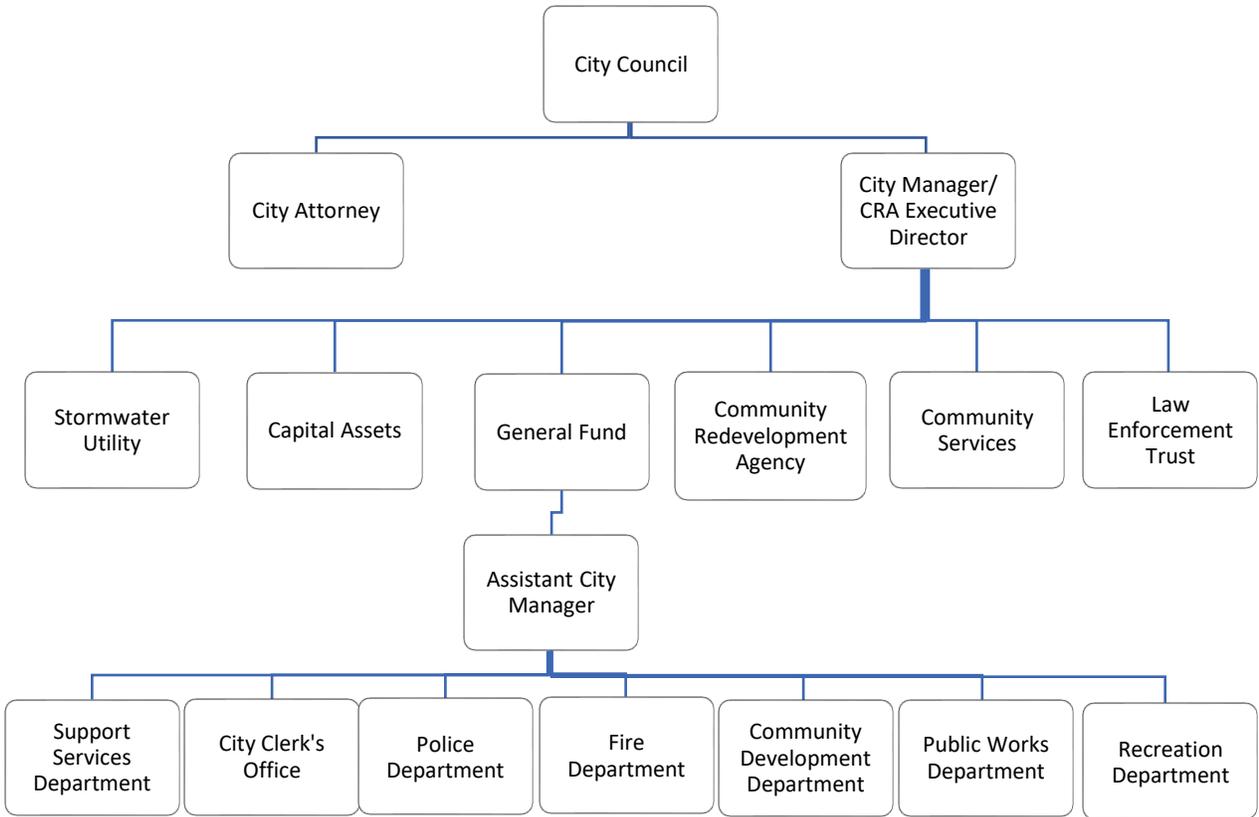
City Attorney  
James P. Beadle

City Manager  
Brittany Retherford

City Clerk  
Gwen Peirce

Comptroller  
Nick Walsh

**City of Satellite Beach, Florida  
Organizational Chart  
Year Ended September 30, 2025**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Satellite Beach  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*Christopher P. Morrill*

Executive Director/CEO



**CARR, RIGGS & INGRAM, L.L.C.**

**Carr, Riggs & Ingram, L.L.C.**

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Suite 201  
Melbourne, FL 32940

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## **INDEPENDENT AUDITOR’S REPORT**

To the City Council  
City of Satellite Beach, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

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

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

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

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

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the defined benefit pension plan information and the other postemployment benefits information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the

basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

Melbourne, Florida

March 10, 2026



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## City of Satellite Beach, Florida Management's Discussion and Analysis

As management of the City of Satellite Beach, Florida (the "City"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Satellite Beach, Florida, for the fiscal year ended September 30, 2025.

### Financial Highlights

- The assets and deferred inflows of resources of the City of Satellite Beach, Florida, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$44,128,002 (net position). Of this amount, (\$3,998,489) represents the unrestricted net deficit due to recording of the total OPEB obligation and related deferred inflows and outflows of \$4,707,266; pension liabilities and related deferred inflows and outflows of \$3,720,831; and compensated absences of \$1,128,458 which are not currently funded.
- The City's total net position increased by \$5,275,684, primarily due to increases in grants for capital assets and deferred inflows & outflows of resources related to pensions and other post-employment benefits.
- As of the close of the current fiscal year, the City of Satellite Beach, Florida's governmental funds, reported combined ending fund balances of \$9,728,377, a decrease of \$1,404,903 in comparison with the prior year. This is primarily due to the construction of a fire station.
- The City of Satellite Beach, Florida's total long-term liabilities (excluding pension and OPEB liabilities) decreased by \$607,068 during the current fiscal year. The decrease is due to a net decrease in notes payable of \$548,723; a net increase in leases of \$76,262 and a net increase in compensated absences of \$186,155.

### Overview of the Financial Statements

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Satellite Beach, Florida's finances, in a manner like a private-sector business. All the City's activities are reported as governmental activities in the government-wide financial statements.

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

## City of Satellite Beach, Florida Management's Discussion and Analysis

The government-wide financial statements can be found on pages 24-27 of this report.

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

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

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

The City of Satellite Beach, Florida, maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Assets Fund, the Stormwater Utility, and the American Rescue Plan Fund, which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation called "nonmajor funds".

The basic governmental fund financial statements can be found on pages 28-34 of this report.

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Satellite Beach, Florida's own programs. Fiduciary fund financial statements are prepared using the accrual basis of accounting.

The basic fiduciary fund financial statements can be found on pages 35-36 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-76 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the City of Satellite Beach, Florida's budgetary compliance, other postemployment benefits and pension obligations. The City of

## City of Satellite Beach, Florida Management's Discussion and Analysis

Satellite Beach, Florida adopts an annual appropriated budget for its general fund and all of its major special revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the budgets.

Required supplementary information can be found on pages 77-90 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a City's financial position. In the case of the City of Satellite Beach, Florida, assets, and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,128,002 at the close of the most recent fiscal year.

The following table reflects the condensed statement of net position:

	<b>2025</b>	<b>2024</b>
Current and other assets	\$ <b>11,179,215</b>	\$ 13,837,229
Capital assets	<b>58,406,787</b>	53,737,997
<b>Total assets</b>	<b>69,586,002</b>	67,575,226
Deferred outflows of resources	<b>1,771,648</b>	2,157,828
Long-term liabilities outstanding	<b>22,131,850</b>	23,569,234
Other liabilities	<b>1,658,334</b>	2,912,903
<b>Total liabilities</b>	<b>23,790,184</b>	26,482,137
Deferred inflows of resources	<b>3,439,464</b>	4,398,600
Net Position:		
Net investment in capital assets	<b>44,193,533</b>	37,628,617
Restricted	<b>3,932,958</b>	5,181,359
Unrestricted (deficit)	<b>(3,998,489)</b>	(3,957,659)
<b>Total net position</b>	<b>\$ 44,128,002</b>	\$ 38,852,317

By far the largest portion of the City of Satellite Beach, Florida's net position reflects its investment in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure); less any related debt used to acquire those assets still outstanding.

The City of Satellite Beach, Florida, uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Satellite Beach, Florida reports net investment in capital assets, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$3,932,958 of the City's net position represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the City of Satellite Beach, Florida, is only able to report a positive balance in its net investment in capital assets and restricted net position. The City reported an unrestricted net deficit of (\$3,998,489) primarily due to recording of the net OPEB obligation of \$4,760,375, compensated absences of \$1,128,458 and aggregate net pension liability of \$2,042,389

## City of Satellite Beach, Florida Management's Discussion and Analysis

and related deferred inflows of resources of \$3,396,981 offset by deferred outflows of resources of \$1,771,648. These liabilities are not currently funded.

The following table shows condensed revenue and expense data:

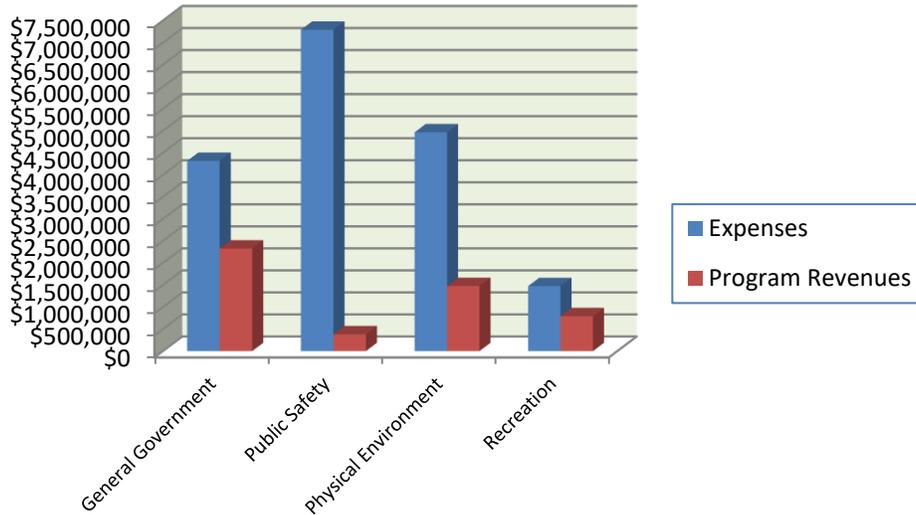
### CITY OF SATELLITE BEACH, FLORIDA'S Changes in Net Position

	2025	2024
Program Revenues:		
Charges for services	\$ 2,468,530	\$ 2,318,344
Operating grants and contributions	1,793,074	705,753
Capital grants and contributions	719,832	2,306,553
General revenues:		
Property taxes	11,923,020	11,177,907
Franchise fees and other taxes	3,656,763	3,485,113
Shared revenues not restricted to specific programs	1,845,469	1,280,034
Grants and contributions not restricted to specific programs	560,609	3,191,173
Unrestricted investment earnings	284,346	609,312
Miscellaneous	707,264	538,307
Gain on sale of assets	65,621	-
<b>Total revenues</b>	<b>24,024,528</b>	<b>25,612,496</b>
Program expenses:		
General government	4,345,749	4,237,089
Public safety	7,424,993	6,921,736
Physical environment	5,111,858	4,936,377
Recreation	1,489,992	1,314,483
Interest on long term debt	376,252	517,675
<b>Total expenses</b>	<b>18,748,844</b>	<b>17,927,360</b>
<b>Change in net position</b>	<b>5,275,684</b>	<b>7,685,136</b>
<b>Net position- beginning</b>	<b>38,852,318</b>	<b>31,167,182</b>
<b>Net position- ending</b>	<b>\$ 44,128,002</b>	<b>\$ 38,852,318</b>

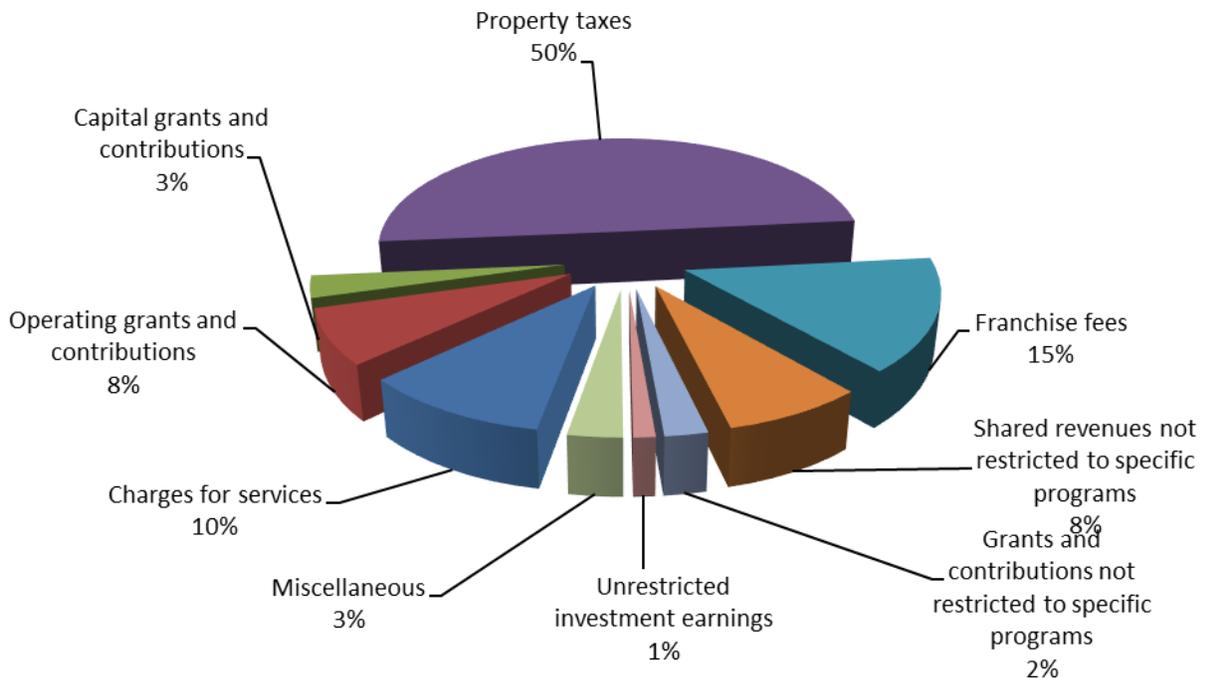
## City of Satellite Beach, Florida Management's Discussion and Analysis

The City's net position increased by \$5,275,684 during the current fiscal year.

### Statement of Activities – Government-wide Expenses and Program Revenues



### Statement of Activities – Government-wide Revenues by Source



# City of Satellite Beach, Florida Management's Discussion and Analysis

## Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City of Satellite Beach, Florida's governmental funds reported combined ending fund balances of \$9,728,377, a decrease of \$1,404,903 in comparison with the prior year. The fund balances of nonspendable, restricted or assigned indicate that it is not available for new spending because it is obligated for prepaid items \$(69,210) restricted for specific purposes \$(3,925,769) or assigned to pay for obligations previously authorized by the City \$(4,745,625). Unrestricted unassigned fund balance was \$(987,773) at year end.

The General Fund is the chief operating fund of the City of Satellite Beach, Florida. At the end of the current fiscal year, the unassigned fund balance was \$987,773, while total fund balance was \$5,795,419. The fund balance of the City of Satellite Beach, Florida's General Fund, increased by \$249,882 during the current fiscal year. The increase is primarily due to revenues being higher than estimated, and expenditures being less than estimated, primarily due to vacancies not filled during the year.

The Capital Assets Fund has a total fund balance of \$3,073,870 and all is restricted for capital asset purchases. The net \$1,600,196 decrease in fund balance during the current year in the Capital Assets Fund was due to the new fire station on Jackson Ave. being completed.

The Stormwater Utility Fund has a total fund balance of \$435,710 at year-end. The net increase of \$288,038 was primarily due to awaiting grant reimbursements for projects along with projects rolling over fiscal years.

## **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget (net increase of \$435,572 in appropriated expenditures and transfers out) can be briefly summarized as follows:

- \$92,291 in increases in the budget for General Government Services, Legislative, City Clerk's office, and Support Services
- \$102,292 in increases in Public Safety
- \$334,554 in increases in Physical Environment
- \$93,565 in decreases in Recreation
- \$200,229 in decreases in Transfers in

The increase in departmental expenditures resulted from investments in information technology upgrades, public safety equipment, and facility improvements.

## City of Satellite Beach, Florida Management's Discussion and Analysis

### Capital Asset and Debt Administration

**Capital assets.** The City of Satellite Beach, Florida's investment in capital assets as of September 30, 2025, amounts to \$58,406,787 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. The total increase in the City of Satellite Beach, Florida's investment in capital assets for the current fiscal year was approximately 8 percent.

#### CITY OF SATELLITE BEACH, FLORIDA'S Capital Assets (net of depreciation)

	2025	2024
Land	\$ 11,406,744	\$ 11,406,744
Buildings	14,645,245	5,378,965
Improvements other than buildings	5,708,891	4,756,905
Equipment	2,823,541	2,724,590
Infrastructure	22,683,367	16,615,396
Right-to-use lease assets	479,126	402,969
Construction in progress	659,873	12,452,428
Total	\$ 58,406,787	\$ 53,737,997

Additional information on the City of Satellite Beach, Florida's capital assets, can be found in Note 2 on page 53-54 of this report.

**Notes payable and financed purchases.** At the end of the current fiscal year, the City of Satellite Beach, Florida, had notes payable outstanding of \$13,702,773.

The City's notes payable balances decreased by \$537,687 during the current fiscal year.

**Lease liability.** At the end of the current fiscal year, the City of Satellite Beach, Florida, had \$486,455 in outstanding capital leases. The increase of \$76,262 is due to the city adding additional leased vehicles.

**Compensated absences.** Employees are permitted to accrue earned and unused vacation leave up to a maximum of one and one-half times the annual rate of accrual.

Sick leave is permitted to accrue up to 1,080 hours for employees who are scheduled forty (40) hours a week and 1,620 hours for employees who are scheduled for fifty-six (56) hours a week.

Upon termination, with restrictions, employees will be paid fifty percent (50%) of up to seven hundred twenty (720) hours or a maximum of three hundred sixty (360) hours of unused sick leave and one hundred percent (100%) of accrued vacation leave.

At the end of the current fiscal year, the City of Satellite Beach, Florida, had total compensated absences of \$1,128,458. Total compensated absences increased by a net amount of \$186,155 during the year.

## **City of Satellite Beach, Florida Management's Discussion and Analysis**

It is estimated that \$484,410 of these compensated absences will be due within one year based upon average usage over the three prior years.

Additional information on the City of Satellite Beach, Florida's long-term debt can be found in Note 2 on pages 55-58 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

Inflationary trends in the region compared to national indices. Among other factors, this was considered in preparing the City of Satellite Beach, Florida's budget for the 2024/2025 fiscal year.

The City of Satellite Beach, Florida, in 2024/2025 did allocate an additional \$327,890 of the total fund balance as an assigned balance to be utilized as an emergency reserve per Ordinance 936. In addition, the City increased the unassigned fund balance by \$156,269 from the previous fiscal year. In 2013 Council adopted Ordinance 936 establishing an emergency reserve to assist in managing future unforeseen circumstances. These reserves will assist the City in managing any unforeseen future economic factors that may negatively affect the City. Based on past experience FEMA reimbursement is not expected to be completely received and the City will have to take in consideration other alternatives in order to continue capital projects along with keeping up the services currently provided to our residents.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Satellite Beach, Florida's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Support Services Department, City of Satellite Beach, 565 Cassia Blvd., Satellite Beach, Florida, 32937.

## **BASIC FINANCIAL STATEMENTS**

**City of Satellite Beach, Florida**  
**Statement of Net Position - Government-wide**

<i>September 30, 2025</i>	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,588,497
Investments	2,987,082
Accounts receivable	340,708
Due from other governments	5,193,718
Prepaid items	69,210
Capital assets not being depreciated:	
Land	11,406,744
Construction in progress	659,873
Capital assets, net of accumulated depreciation/amortization:	
Buildings	14,645,245
Improvements other than buildings	5,708,891
Equipment	2,823,541
Infrastructure	22,683,367
Right-to-use lease assets	479,126
Total assets	69,586,002
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to other post employment benefits	1,337,256
Deferred outflows related to pensions	434,392
Total deferred outflows of resources	1,771,648

*The accompanying notes are an integral part of this financial statement.*

**City of Satellite Beach, Florida**  
**Statement of Net Position - Government-wide (Continued)**

<i>September 30, 2025</i>	Governmental Activities
<b>LIABILITIES</b>	
Accounts payable	832,942
Accrued expenses	575,413
Accrued interest payable	249,979
Noncurrent liabilities:	
Due within one year	
Compensated absences	484,410
Notes payable	606,296
Lease liability	157,382
Due in more than one year	
Compensated absences	644,048
Notes payable	13,107,877
Lease liability	329,073
Other post employment benefits	4,760,375
Net pension liability	2,042,389
Total liabilities	23,790,184
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred revenue - business tax receipts	42,483
Deferred inflows related to other post employment benefits	1,284,147
Deferred inflows related to pensions	2,112,834
Total deferred inflows of resources	3,439,464
<b>NET POSITION</b>	
Net investment in capital assets	44,193,533
Restricted for:	
Beach Parking	122,072
Community services	266,480
Law enforcement	34,826
Capital assets	3,073,870
Stormwater	435,710
Unrestricted (deficit)	(3,998,489)
Total net position	\$ 44,128,002

**City of Satellite Beach, Florida**  
**Statement of Activities - Government-wide**

*For the year ended September 30, 2025*

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,345,749	\$ 332,049	\$ 1,737,335	\$ 258,773
Public safety	7,424,993	327,434	54,362	-
Physical environment	5,111,858	1,017,439	300	460,438
Recreation	1,489,992	791,608	1,077	621
Interest and related costs on long-term debt	376,252	-	-	-
<b>Total governmental activities</b>	<b>\$ 18,748,844</b>	<b>\$ 2,468,530</b>	<b>\$ 1,793,074</b>	<b>\$ 719,832</b>

General revenues:

- Property taxes
- Franchise fees and other taxes
- Shared revenues not restricted to specific programs
- Grants and contributions not restricted to specific programs
- Unrestricted investment earnings
- Miscellaneous
- Gain on sale of assets

Total general revenues
Change in net position
Net position, beginning of year
Net position, end of year

*The accompanying notes are an integral part of this financial statement.*

	Net (Expense) Revenue and Change in Net Position
\$	(2,017,592)
	(7,043,197)
	(3,633,681)
	(696,686)
	<u>(376,252)</u>
	<u>(13,767,408)</u>
	11,923,020
	3,656,763
	1,845,469
	560,609
	284,346
	707,264
	65,621
	<u>19,043,092</u>
	5,275,684
	<u>38,852,318</u>
\$	<u><u>44,128,002</u></u>

**City of Satellite Beach, Florida**  
**Balance Sheet – Governmental Funds**

<i>September 30, 2025</i>	General	Capital Assets	Stormwater Utility
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,199,236	\$ -	\$ -
Investments	1,324,351	1,603,398	39,927
Accounts receivable	203,340	122,140	-
Due from other funds	2,475,220	-	-
Due from other governments	558,513	3,473,533	1,161,672
Prepaid items	62,021	-	7,189
Total assets	\$ 6,822,681	\$ 5,199,071	\$ 1,208,788
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 409,366	\$ 272,168	\$ 150,891
Accrued expenses	575,413	-	-
Due to other funds	-	1,853,033	622,187
Total liabilities	984,779	2,125,201	773,078
Deferred inflows of resources:			
Deferred revenue - business tax receipts	42,483	-	-
Fund balances:			
Nonspendable	62,021	-	7,189
Restricted	-	3,073,870	428,521
Assigned	4,745,625	-	-
Unassigned	987,773	-	-
Total fund balances (deficits)	5,795,419	3,073,870	435,710
Total liabilities and fund balances (deficits)	\$ 6,822,681	\$ 5,199,071	\$ 1,208,788

*The accompanying notes are an integral part of this financial statement.*

(formerly major)	American	Nonmajor	Total
Rescue	Plan	Funds	Governmental
			Funds
\$	-	\$ 389,261	\$ 2,588,497
	-	19,406	2,987,082
	-	15,228	340,708
	-	-	2,475,220
	-	-	5,193,718
	-	-	69,210
<b>\$</b>	<b>-</b>	<b>\$ 423,895</b>	<b>\$ 13,654,435</b>

\$	-	\$ 517	\$ 832,942
	-	-	575,413
	-	-	2,475,220
	-	517	3,883,575
	-	-	42,483
	-	-	69,210
	-	423,378	3,925,769
	-	-	4,745,625
	-	-	987,773
	-	423,378	9,728,377
<b>\$</b>	<b>-</b>	<b>\$ 423,895</b>	<b>\$ 13,654,435</b>



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**City of Satellite Beach, Florida**  
**Reconciliation of the Balance Sheet of the Governmental Funds to the**  
**Statement of Net Position**

*September 30, 2025*

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Total fund balances for governmental funds	<b>\$ 9,728,377</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<b>58,406,787</b>
Deferred outflow of resources related to pensions and other post employment benefits are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.	<b>1,771,648</b>
Deferred inflows of resources related to pensions and other post employment benefits are not recognized in the funds; however, they are recorded in the statement of net position under full accrual accounting.	<b>(3,396,981)</b>
Long-term liabilities, including OPEB liability, net pension liability, lease liability and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<b>(22,131,850)</b>
Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.	<b>(249,979)</b>
Net position of governmental activities	<b>\$ 44,128,002</b>

*The accompanying notes are an integral part of this financial statement.*

**City of Satellite Beach, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances –**  
**Governmental Funds**

	General	Capital Assets	Stormwater Utility
<b>Revenues</b>			
Taxes	\$ 14,455,441	\$ 1,124,342	\$ -
Licenses and permits	346,722	-	-
Intergovernmental	1,991,217	591,677	2,503,227
Charges for services	1,075,384	-	979,274
Fines and forfeitures	40,633	-	-
Investment and other income	270,554	80,688	7,142
<b>Total revenues</b>	<b>18,179,951</b>	<b>1,796,707</b>	<b>3,489,643</b>
<b>Expenditures</b>			
Current:			
General government	4,335,995	-	-
Public safety	8,159,307	126,943	-
Physical environment	4,255,883	65,881	259,088
Recreation	1,279,267	-	-
Capital outlay	232,240	2,164,049	2,601,294
Debt service:			
Principal retired	155,978	446,036	102,687
Interest and other	6,556	377,146	-
<b>Total expenditures</b>	<b>18,425,226</b>	<b>3,180,055</b>	<b>2,963,069</b>
Excess (deficiency) of revenues over (under) expenditures	<b>(245,275)</b>	<b>(1,383,348)</b>	<b>526,574</b>
<b>Other financing sources (uses)</b>			
Transfers in	369,771	106,854	-
Transfers out	(106,854)	(323,702)	(238,535)
Lease issuance	232,240	-	-
Net other financing sources (uses)	495,157	(216,848)	(238,535)
Net change in fund balances	249,882	(1,600,196)	288,039
Fund balances (deficits), beginning of year	5,545,537	4,674,066	147,671
Adjustments	-	-	-
Fund balances (deficits), beginning of year after adjustments	5,545,537	4,674,066	147,671
<b>Fund balances (deficits), end of year</b>	<b>\$ 5,795,419</b>	<b>\$ 3,073,870</b>	<b>\$ 435,710</b>

*The accompanying notes are an integral part of this financial statement.*

**City of Satellite Beach, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances –**  
**Governmental Funds**

(formerly major)	American Rescue Plan	Nonmajor Funds	Total Governmental Funds
	\$ -	\$ -	\$ 15,579,783
	-	-	346,722
	-	258,773	5,344,894
	-	183,416	2,238,074
	-	-	40,633
	-	117,188	475,572
	-	559,377	24,025,678
	-	-	4,335,995
	-	25,207	8,311,457
-	-	2,775	4,583,627
	-	9,237	1,288,504
	-	1,057,252	6,054,835
	-	-	704,701
	-	-	383,702
	-	1,094,471	25,662,821
	-	(535,094)	(1,637,143)
	-	323,702	800,327
	-	(131,236)	(800,327)
	-	-	232,240
	-	192,466	232,240
	-	(342,628)	(1,404,903)
	406,384	359,622	11,133,280
	(406,384)	406,384	-
	-	766,006	11,133,280
\$	-	\$ 423,378	\$ 9,728,377

*The accompanying notes are an integral part of this financial statement.*

**City of Satellite Beach, Florida**

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

*For the year ended September 30, 2025*

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Net change in fund balances - total governmental funds **\$ (1,404,903)**

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

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlay exceeds depreciation/amortization in the current period.

Capital outlay	\$ 6,054,835	
Depreciation/amortization expense	<u>(1,380,810)</u>	<b>4,674,025</b>

In the statement of activities, only the gain (loss) on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold. **(5,235)**

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. **472,461**

Some expenses, such as compensated absences and accrued interest expense are reported in the statement of activities when earned or incurred. As they do not require the use of current financial resources, they are not reported as expenditures in governmental funds until they have matured. This is the amount of such expenses reported in the statement of activities in the prior year that have matured in the current year. **(178,705)**

Expenses related to the City's net pension obligations 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. **1,685,426**

Expenses related to the City's OPEB obligation 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. **32,615**

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Change in net position of governmental activities **\$ 5,275,684**

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*The accompanying notes are an integral part of this financial statement.*

**City of Satellite Beach, Florida**  
**Statement of Fiduciary Net Position - Pension Trust Funds**

*September 30, 2025*

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**ASSETS**

Receivables:

Contributions	\$ 63,737
Due from other governments	177,990

Investments, at fair value:

Florida Municipal Investment Trust Fund	39,978,280
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Total assets	<b>40,220,007</b>
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**LIABILITIES**

-

**NET POSITION**

Net position restricted for pension benefits	\$ 40,220,007
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*The accompanying notes are an integral part of this financial statement.*

**City of Satellite Beach, Florida**  
**Statement of Changes in Fiduciary Net Position - Pension Trust Funds**

*For the year ended September 30, 2025*

**ADDITIONS**

Contributions:

Employees	\$	272,370
City		1,235,756
State		358,266

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Total contributions		1,866,392
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Investment earnings:

Net appreciation in fair value of investments		3,165,668
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Total additions		5,032,060
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**DEDUCTIONS**

Benefit payments		2,732,706
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Administrative expenses		89,825
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Total deductions		2,822,531
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<b>Change in net position</b>		<b>2,209,529</b>
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<b>Net position, beginning of year</b>		<b>38,010,478</b>
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<b>Net position, end of year</b>	<b>\$</b>	<b>40,220,007</b>
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*The accompanying notes are an integral part of this financial statement.*

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Reporting Entity***

The City of Satellite Beach, Florida (the "City") was created pursuant to Chapter 73-129, Laws of Florida, in 1957. The City currently provides the following services: public safety, stormwater management, public works, planning and zoning, community development, recreation, and general administrative services. Education, public utilities, and sanitation are administered by other governmental entities. The City is a municipal corporation governed by an elected mayor and four member governing council (the "Council"). The accompanying financial statements present the City and its component units, entities for which the City is considered financially accountable. Blended component units are, in substance, part of the primary government's operations even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The City has no discretely presented component units. The accounting policies of the City conform to generally accepted accounting principals (GAAP) as applied to governmental units. The more significant accounting policies used by the City are described below.

In evaluating the City as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification.

#### ***Blended Component Units***

The City of Satellite Beach police officers and firefighters participate in the City of Satellite Beach Police Officers' and Firefighters' Retirement System (Police Officers' and Firefighters' System). The Police Officers' and Firefighters' System functions for the benefit of these employees and are governed by a five-member pension board of trustees. The City appoints two members and the police and firefighters select two members to serve as trustees. The four-member board elects the fifth member who is appointed by City Council in a ministerial duty to serve as a trustee. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels.

The City of Satellite Beach general employees participate in the City of Satellite Beach General Employees' Retirement System (General Employees' System) if they were hired prior to September 30, 1996 or the General Employees' Money Purchase Pension Plan (Money Purchase Plan) if they were hired subsequent to September 30, 1996.

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Blended Component Units (Continued)***

Both plans function for the benefit of all regular city employees, but the General Employees' System is governed by a five-member pension board of trustees. The City appoints three members and the employees select two members to serve as trustees. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels for the General Employees' System and also is financially responsible for funding the Money Purchase Plan.

The Police Officers' and Firefighters' System and the General Employees' System are recorded as pension trust funds in the fiduciary funds. Complete financial statements for each of the individual component units may be obtained at the City's administrative offices located at:

565 Cassia Blvd  
Satellite Beach, Florida 32937

#### ***Excluded from the Reporting Entity***

The Satellite Beach Volunteer Fire Department, Inc. is a nonprofit organization separate from the City. This potential component unit is excluded from the reporting entity because the City does not exert significant influence or control over the volunteer fire department, nor does it have the right to the surplus of the volunteer fire department.

#### ***Government-Wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used which are not eliminated in the process of consolidation. *Governmental activities* are those which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental or proprietary funds are reported as separate columns in the fund financial statements. The City has no proprietary funds.

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

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

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

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

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

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

#### ***Government-Wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Fund Financial Statements***

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Assets Fund* accounts for the proceeds from utility service taxes. These funds are to be used to fund the acquisition and construction of certain capital assets and expenditures for services approved by the City Council that substitute or outsource a capital asset need identified in the capital improvements plan.

The *Stormwater Utility Fund* is used to account for the proceeds of the stormwater utility fee – an annual assessment on each property in the City – to pay for stormwater-drainage system improvements and maintenance within the City.

Additionally, the government reports the following fund types:

The *pension trust funds* account for the activities of the City's single-employer, defined benefit pension plan that covers all police and fire employees (which includes a defined contribution plan component) and its single-employer, defined benefit pension plan that covers all general employees hired prior to September 30, 1996. The plans accumulate resources for pension benefit payments to qualified employees.

The City's nonmajor governmental funds consist of a community services fund, beach parking fund, and a law enforcement trust fund.

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Fund Financial Statements (Continued)***

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

#### ***Budgetary Information***

The City has elected, as permitted by Section 2400: *Budgetary Reporting* of the GASB Codification, to disclose all budgetary information in the notes to the required supplementary information.

#### ***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity***

##### *Cash and cash equivalents*

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

##### *Investments*

Investments for the City are reported at fair value (generally based on quoted market prices) except for the positions in Public Assets for Liquidity Management (Florida PALM), the Florida Municipal Investment Trust (FMIVT), and the State of Florida State Board of Administration Local Government Surplus Trust Fund (Florida PRIME) which are local government investment pools.

These pools meet all of the specified criteria in GASB Codification Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the pools is equal to the value of the pooled shares.

##### *Receivables and payables*

*Receivables* – Receivables are comprised primarily of franchise fees and utility taxes. All receivables are considered to be fully collectible, therefore, an allowance for doubtful accounts is not considered necessary.

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)*

As provided by law, the Brevard County Property Appraiser assesses all properties for ad valorem taxing purposes and the Brevard County Tax Collector collects and distributes all taxes. Ad valorem taxes are levied based on property valuation as of January 1. The fiscal year for which ad valorem taxes are levied begins on October 1. Taxes are due beginning November 1, delinquent on April 1, and lien on May 30. Property tax revenues are recognized in the fiscal year for which they are budgeted and also become due and payable. Virtually all unpaid taxes are collected via tax sale certificates sold on or prior to June 1; therefore, no material taxes are receivable at fiscal year-end.

*Accrued expenses* – Accrued expenses primarily consist of amounts accrued for salaries and related liabilities.

*Unearned revenue* – Unearned revenue recorded on the governmental fund balance sheet and statement of net position represents amounts received before eligibility requirements are met.

#### *Interfund Activities and Transactions*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” within the fund financial statements. Long-term borrowings between funds are classified as “advances to other funds” or “advances from other funds” in the fund financial statements. These amounts are eliminated in the government-wide statement of net position.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

#### *Prepaid items*

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

#### *Capital assets*

Capital assets, which include property, plant, equipment, right-to-use lease assets and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)***

*Capital assets (Continued)*

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	20-40
Building improvements	12-20
Infrastructure	60
Vehicles	5-12
Equipment	3-18
Right-to-use lease assets	3-12

*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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has two (2) items that qualify for reporting as deferred outflows of resources, the *deferred outflows related to other postemployment benefits* (OPEB) and the *deferred outflows related to pensions*, both reported in the government-wide statement of net position. The *deferred outflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with Section P20: *Pension Activities – Reporting for Benefits through Trusts That Meet Specified Criteria* of the GASB Codification. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability (asset) in future reporting years. The *deferred outflows related to other postemployment benefits* are an aggregate of items related to pensions as calculated in accordance with Section P50: *Pension Activities – Other Postemployment Benefits* of the GASB Codification. The deferred outflows related to OPEB will be recognized as either expense or a reduction in the OPEB liability in future reporting years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)*

The City has three (3) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with Section P20: *Pension Activities – Reporting for Benefits through Trusts That Meet Specified Criteria* of the GASB Codification. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. The *deferred inflows related to other postemployment benefits (OPEB)* are an aggregate of items related to OPEB as calculated in accordance with GASB Codification Section P52: *Postemployment Benefits Other Than Pensions – Reporting Benefits Not Provided through Trusts That Meet Specified Criteria*.

The *deferred revenue - business tax receipts (BTR)* relate to a non-exchange transaction where the City has received funds, however it does not meet the requirement for recognition of revenue in the current period, and will be recognized in a future period.

#### *Compensated absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits which are eligible for payment upon separation from service with the City. All sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### *Long-Term Obligations*

In the government-wide financial statements the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, debt issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

#### *Leases*

Lease contracts that provide the City with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)*

##### *Pensions*

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### *Other Postemployment Benefits (OPEB) Liability*

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments set aside for the OPEB liability as this is a pay-as-you-go plan.

##### *Categories and Classification of Net Position and Fund Balance*

*Net position flow assumption* – Sometimes the City 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 fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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

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

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)*

##### *Categories and Classification of Net Position and Fund Balance (Continued)*

The provisions of GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

*Nonspendable fund balance* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. As of September 30, 2025, the City had no committed fund balance.

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

On August 7, 2013, the City adopted a fund balance stabilization policy. The City's General Fund stabilization reserve policy is to assign a minimum of 60 days of the prior year's operating expenditures, excluding capital outlay and transfers from the General Fund balance by October 1, 2023. 80% of the current fiscal year's additions to reserves are to be added to assigned fund balance in the General Fund and used to fund expenditures for critical services in response to major natural disasters upon City Council approval.

*Unassigned fund balance* – Unassigned fund balance is the residual classification.

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)*

##### *Revenues and Expenditures/Expenses*

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

*Property taxes* – The City is permitted by State law to levy taxes up to 10 mills on assessed valuation. However, Chapter 74-430, Laws of Florida, a special act applicable only to governmental units in Brevard County, limits the annual increase to 10% of the prior year's millage. During a Special Session in June 2007, the Florida Legislature adopted HB1B, which limits municipal property tax rates effective with the 2007-2008 fiscal year. This legislation establishes reductions in the millage rate based on a calculated growth in per capita taxes between the 2002 and 2007 fiscal years. The Legislature did authorize local governments to use the rolled back millage rate if approved by a super majority vote of the governing body. The Satellite Beach City Council levy for the fiscal year ended September 30, 2025 was 7.9812 mills.

##### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

##### *Subsequent Events*

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 10, 2026 and determined there were no events that occurred that required disclosure.

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Recently Issued and Implemented Accounting Pronouncements*

The City implemented GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The statement requires the changes to be implemented retroactively. The change to opening balances was de minimus.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement 103, *Financial Reporting Model Improvements*. This Statement was issued April 2024 to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This establishes new accounting and financial reporting requirements—or modifies existing requirements—related to Management's discussion and analysis (MD&A); unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This Statement will supersede and amend portions of GASB Statements 34 and 37. This Statement further amends portions of GASB Statements 14, 41, 42, 44, 49, 56, 58, 61, 62 and 69. Related guidance will also be superseded or amended upon implementation. Statement 103 will be effective for the fiscal year ending September 30, 2026.

GASB Statement 104, *Disclosure of Certain Capital Assets*. This Statement was issued September 2024 to provide users of government financial statements with essential information about certain types of capital assets. This requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period.

Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. Statement 104 will be effective for the fiscal year ending September 30, 2026.

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Adjustments***

The American Rescue Plan Fund became a nonmajor fund during fiscal year 2025 resulting in the following adjustments:

	American Rescue Plan	Nonmajor Funds
Fund balances (deficits), beginning of year	\$ 406,384	\$ 359,622
Adjustments	(406,384)	406,384
Fund balances (deficits), beginning of year after adjustments	\$ -	\$ 766,006

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Deposits and Investments***

*Deposits*

At September 30, 2025, the primary government’s carrying amount of deposits was \$2,588,497 including \$2,145 of petty cash, and the bank balance was \$2,287,417. As of September 30, 2025, \$250,000 of the City’s bank balances is covered by the Federal Depository Insurance Corporation (FDIC).

Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City pursuant to Section 280.08, Florida Statutes.

*Investments*

The City’s investment policies are governed by state statutes and City policy, except the City’s Police Officers’ and Firefighters’ Pension Trusts and the General Employees’ Pension Trust, which are separately managed under the direction of their respective Pension Boards and are restricted to investments as defined under State statutes; specifically, Section 175.071(a) and (b), Florida Statutes, and Section 185.06(a) and (b), Florida Statutes, and Section 112.661, Florida Statutes, respectively.

At the close of the fiscal year, the City held investments in the Local Government Surplus Funds Trust Fund (“Florida PRIME”) external investment pool. The Florida PRIME is administered by the Florida State Board of Administration (SBA), who provides regulatory oversight.

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Deposits and Investments (Continued)*

##### *Investments (Continued)*

During the year ended September 30, 2025, the City also participated in Florida Public Assets for Liquidity Management, (Florida PALM), external investment pool. The Florida PALM is a common law trust established under the laws of the State of Florida and is designed to meet the cash management and short term needs of its participants. The Fund is sponsored by the Florida School Boards Association and the Florida Association of District School Superintendents and is directed by a board of trustees.

During the year ended September 30, 2025, the investments of both of the Police Officers' and Firefighters' pension plans and the General Employees' pension plans were held with the Florida Municipal Investment Trust (FMIvT). The FMIvT is a Local Government Investment Pool (LGIP) and is considered an external investment pool for reporting purposes. The plans own shares in one or more FMIvT portfolios. The plans' investments are the FMIvT portfolios, not the individual securities held within each FMIvT portfolio.

Florida PRIME, Florida PALM and the FMIvT currently meet all necessary criteria set forth in Section In5: *Investment Pools (External)* of the GASB Codification for the City to measure its investments in these pools at amortized cost; therefore, the City's account balance in these is reported at amortized cost.

Under GASB Codification Section 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost, it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City's or pension plans access to 100 percent of their account value in the Florida PRIME, Florida PALM or FMIvT external investment pools.

The City pools the investments of its governmental funds. Investment earnings of the pool are allocated to the participating funds at the end of each month based on the ratio of each participant funds' investment to the total pooled investment.

*Custodial credit risk* – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the City places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (Continued)***

*Interest rate risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The General Employees’ and the Police Officers’ and Firefighters’ Retirement Trusts investment policies limits interest rate risk by requiring that securities mature concurrent with cash needs to meet anticipated demands, thereby avoiding the need to sell securities in the open market prior to maturity. The City’s investment policy does not address interest rate risk.

*Credit risk* – Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The City’s Police Officers’ and Firefighters’ and the General Employees’ Pension Trusts do not address credit rate risk.

*Foreign currency risk* – The City’s primary government’s and pension trust funds’ investments are not exposed to foreign currency risk. The City’s investment policy and the investment policy of the City’s pension trust funds do not address foreign currency risk.

*Concentration of credit risk* – Section 150: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments.

The City’s investment policy does not address concentration risk. The Police Officer & Pension Plan restricts the percentage of assets that may be held in the stock of any one company and the bonds issued by any one issuer.

*Fair Value* – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

- Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.
- Level 2 (L2): Inputs to the valuation methodology include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (Continued)***

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

At September 30, 2025, the City had the following investments:

Investment type	Fair Value	Weighted Average to Maturity (WAM)	Rating	Agency
Primary government:				
SBA (Florida PRIME)	\$ 129,371	47 days	AAAm	S&P
Florida PALM	2,857,711	8 days	AAAm	S&P
<u>Primary government total</u>	<u>\$ 2,987,082</u>			
Pension trust funds:				
Florida Municipal Investment Trust (FMIVT)	\$ 39,978,280	4.00	AAAf/S1 - AAf/S4	Fitch
<u>Pension trust funds total</u>	<u>\$ 39,978,280</u>			

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**Capital Assets**

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

<i>For the year ended September 30, 2025</i>	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated/ amortized				
Land	\$ 11,406,744	\$ -	\$ -	\$ 11,406,744
Construction in progress	12,452,428	5,323,315	(17,115,870)	659,873
Total capital assets, not being depreciated/amortized	23,859,172	5,323,315	(17,115,870)	12,066,617
Capital assets, being depreciated/ amortized				
Buildings	8,576,857	9,498,219	-	18,075,076
Improvements other than buildings	7,785,704	1,168,815	-	8,954,519
Equipment	8,764,539	442,239	(605,093)	8,601,685
Infrastructure	29,225,949	6,505,877	-	35,731,826
Right-to-use lease assets				
Equipment	130,098	-	(89,199)	40,899
Vehicles	625,748	232,240	(7,786)	850,202
Total capital assets being depreciated/amortized	55,108,895	17,847,390	(702,078)	72,254,207
Less accumulated depreciation/ amortization for:				
Buildings	(3,197,892)	(231,939)	-	(3,429,831)
Improvements other than buildings	(3,028,799)	(216,829)	-	(3,245,628)
Equipment	(6,039,949)	(338,053)	599,858	(5,778,144)
Infrastructure	(12,610,553)	(437,906)	-	(13,048,459)
Right-to-use lease assets				
Equipment	(108,527)	(21,571)	89,199	(40,899)
Vehicles	(244,350)	(134,512)	7,786	(371,076)
Total accumulated depreciation/ amortization	(25,230,070)	(1,380,810)	696,843	(25,914,037)
Total capital assets being depreciated/amortized, net	29,878,825	16,466,580	(5,235)	46,340,170
Governmental activities capital assets, net	\$ 53,737,997	\$ 21,789,895	\$ (17,121,105)	\$ 58,406,787

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Capital Assets (Continued)***

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

Governmental activities:	
General government	\$ 496,139
Public safety	253,150
Physical environment	432,119
Recreation	199,402
<b>Total depreciation/amortization expense - governmental activities</b>	<b>\$ 1,380,810</b>

***Interfund receivables, payables, and transfers***

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

	Due to:	
	General Fund	Total
Due from:		
Capital asset	\$ 1,853,033	\$ 1,853,033
Stormwater utility fund	622,187	622,187
<b>Total</b>	<b>\$ 2,475,220</b>	<b>\$ 2,475,220</b>

The balance from the Stormwater Utility Fund, Capital Asset Fund due to the General Fund is to cover cash shortfalls while the fund awaits receipt of State Revolving Fund (SRF) drawdowns.

Interfund transfers for the year ended September 30, 2025:

	Transfers in:			
	General Fund	Capital Asset	Nonmajor	Total
Transfers out:				
General fund	\$ -	\$ 106,854	\$ -	\$ 106,854
Capital asset fund	-	-	323,702	323,702
Stormwater utility fund	238,535	-	-	238,535
Nonmajor funds	131,236	-	-	131,236
<b>Total</b>	<b>\$ 369,771</b>	<b>\$ 106,854</b>	<b>\$ 323,702</b>	<b>\$ 800,327</b>

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Interfund receivables, payables, and transfers (Continued)*

Transfers are used to (1) move revenues from the fund that is required (per statute or budget) to collect them to the fund that is required (per statute or budget) to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) return excess revenues not expended during the year back to the General Fund at year-end in accordance with state statutes (i.e. Community Redevelopment Agency Fund).

#### *Long-Term Debt and Liabilities*

##### *Notes payable*

**Utility Tax Revenue Note, Series 2019:** On May 21, 2019, the City entered into a loan agreement with a bank in an amount of \$3,537,000 with a fixed interest rate of 2.65% to fund various capital improvement projects within the City. The note requires semi-annual interest payments ranging from \$3,154 to \$49,469 and annual principal payments ranging from \$83,000 to \$238,000 through the maturity date of June 1, 2039.

Interest payments are due each December 1 and payments of principal and interest are due each June 1. At September 30, 2025 accrued interest for the Utility Tax Revenue Note, Series 2019 is \$49,855.

**Half-Cent Sales Tax Revenue Note, Series 2019:** On July 2, 2019, the City entered into a loan agreement with a bank in an amount of \$1,463,000 with a fixed interest rate of 2.55% to fund various capital improvement projects within the City. The note requires semi-annual interest payments ranging from \$1,492 to \$18,653 and annual principal payments ranging from \$70,000 to \$117,000 through the maturity date of June 1, 2034.

Interest payments are due each December 1 and payments of principal and interest are due each June 1. At September 30, 2025 accrued interest for the Half-Cent Sales Tax Revenue Note, Series 2019 is \$16,167.

**Utility Tax Revenue Refunding Note Series 2020:** On April 6, 2020, the City entered into a loan agreement with a bank in an amount of \$1,969,000 with a fixed interest rate of 1.66% for the purpose of refunding the Utility Tax Revenue Note, Series 2015. The note requires semi-annual interest payments ranging from \$1,619 to \$15,889 and annual principal payments ranging from \$155,000 to \$195,000 through the maturity date of October 1, 2030.

Interest payments are due semi-annually each April 1 and October 1 and payments of principal and interest are due each October 1. At September 30, 2025 accrued interest for the Utility Tax Revenue Refunding Note, Series 2020 is \$17,156.

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Debt and Liabilities (Continued)***

***Notes payable (continued)***

**Florida Department of Environmental Protection, State Revolving Fund:** On February 24, 2021, the City entered into a loan agreement with the Florida Department of Environmental Protection, with a final note value of \$528,283, and a stated interest rate of 0%. The City has not imputed interest due to GASBC I30 102.f. Semiannual loan payments in the amount of \$13,207 began on March 15, 2022 and are payable semiannually thereafter on September 15 and March 15 of each year through fiscal year 2042.

**Florida Department of Environmental Protection, State Revolving Fund:** On February 16, 2022, the City entered into a loan agreement with the Florida Department of Environmental Protection, with a maximum note value of \$2,666,218, and a stated interest rate of 0%. The City has not imputed interest due to GASBC I30 102.f. The agreement allows for the City to periodically submit qualifying expenses to be reimbursed with note proceeds through completion of the project construction. Semiannual loan payments in the amount of \$62,741 are scheduled to begin on February 15, 2025 and are payable semiannually thereafter on August 15 and February 15 of each year for 40 years until the loan is paid in full. The semiannual payment amounts will be adjusted by amendment as funds are drawn on the loan.

**Capital Improvement Note Series 2023:** On September 9, 2023, the City entered into a loan agreement with a bank in an amount of \$6,000,000 with a fixed interest rate of 4.17% for the purpose of constructing a new fire station, renovating the prior fire station, and renovations to City Hall. The note requires semi-annual interest only payments ranging from \$57,865 to \$125,100 beginning December 1, 2023 through June 1, 2026. Beginning on December 1, 2026 semi-annual payments of principal and interest of \$370,000 are due each June 1 and December 1 through maturity on June 1, 2036. At September 30, 2025 accrued interest for the Utility Tax Revenue Refunding Note, Series 2020 is \$166,800.

Pledged revenues and principal and interest payments are as follows:

Note	Amount of Issue	Future Principal and Interest	Current Pledged Revenue	Current Principal & Interest	Current Percentage of Revenue
Utility Tax Revenue Note Series 2019	\$ 3,537,000	\$ 3,414,490	\$ 1,124,342	\$ 243,783	22%
Half-Cent Sales Tax Revenue Note, Series 2019	1,463,000	1,076,401	788,105	119,251	15%
Utility Tax Revenue Refunding Note, Series 2020	1,969,000	1,179,832	1,124,342	196,156	17%
Florida Department of Environmental Protection, State Revolving Fund	538,849	2,806,773	979,274	151,896	16%
Capital Improvement Note, Series 2023	6,000,000	7,649,485	20,008,465	250,200	1%

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Debt and Liabilities (Continued)***

***Financed purchase***

On July 1, 2021, the City entered into a financing agreement to purchase equipment in the amount of \$53,481 with a fixed interest rate of 3.29%. The equipment was delivered to the City and placed in service in October 2021. The agreement requires annual payments of \$11,775 including interest through the maturity date of July 1, 2026.

***Annual debt service requirements***

Annual debt service requirements to maturity for the City's notes payable are as follows:

<i>September 30,</i>	Principal	Interest	Total
2026	\$ 594,896	\$ 366,390	\$ 961,286
2027	1,101,896	351,377	1,162,896
2028	1,130,896	320,354	1,451,250
2029	1,162,896	288,278	1,451,174
2030	1,196,896	255,016	1,451,912
2031-2035	5,596,480	758,948	6,355,428
2036-2040	2,390,480	83,845	2,474,325
2041-2045	528,333	-	528,333
<b>Totals</b>	<b>\$ 13,702,773</b>	<b>\$ 2,424,208</b>	<b>\$ 15,836,604</b>

Annual debt service requirements to maturity for the City's obligation under the financed purchase agreement are as follows:

<i>Fiscal Year Ending September 30,</i>	Principal	Interest	Total
2026	\$ 11,400	\$ 375	\$ 11,775
<b>Total</b>	<b>\$ 11,400</b>	<b>\$ 375</b>	<b>\$ 11,775</b>

***Leases***

The City has entered into lease agreements to obtain the right-to-use vehicles and office equipment. The total annual rent for the leases the City paid for the fiscal year ended September 30, 2025, was \$155,978. The lease agreements have monthly payments ranging from \$256 to \$1,748, with agreements expiring in fiscal year 2025 through 2030.

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Debt and Liabilities (Continued)***

***Leases (Continued)***

The following is a schedule of minimum future lease payments from lease agreements as of September 30:

<i>Year Ending September 30:</i>	Principal	Interest	Total Future Minimum Lease Payments
2026	\$ 157,382	\$ 5,443	\$ 162,825
2027	125,253	3,275	128,528
2028	110,177	1,862	112,039
2029	67,022	753	67,775
2030	26,621	115	26,736
<b>Total</b>	<b>\$ 486,455</b>	<b>\$ 11,448</b>	<b>\$ 497,903</b>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Notes from direct borrowings:					
Notes payable -					
Capital asset fund	\$ 11,331,000	\$ -	\$ (435,000)	\$ 10,896,000	\$ 443,000
Notes Payable -					
Stormwater fund	2,909,460	-	(102,687)	2,806,773	151,896
Total notes from					
direct borrowings	14,240,460	-	(537,687)	13,702,773	594,896
Financed purchase	22,436	-	(11,036)	11,400	11,400
Lease liability	410,193	232,240	(155,978)	486,455	157,382
Compensated absences*	942,303	186,155	-	1,128,458	484,410
Total long-term					
liabilities	\$ 15,615,392	\$ 418,395	\$ (704,701)	\$ 15,329,086	\$ 1,248,088

\* shown net

For the governmental activities, compensated absences are generally liquidated by the General Fund. Notes payable – Stormwater fund is generally liquidated by the Stormwater Utility fund. The utility tax notes are liquidated by the Capital Asset fund. The Half-Cent Sales Tax Revenue Note, Series 2019 is secured by pledged General Fund revenues; however, the City intends to liquidate it by the Capital Asset fund.

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Asset Retirement Obligations***

Asset retirement obligations generally apply to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, or development and the normal operation of a long-lived asset. The City assesses asset retirement obligations on a periodic basis. If a reasonable estimate of fair value can be made, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred or a change in estimate occurs.

The City has an underground fuel storage tank which is regulated by Florida Administrative Code (FAC) 62-762, and requires certain activities if use of the fuel storage tank is discontinued. The City has determined the fair value of the liability for disposal of this item is immaterial at September 30, 2025 and, accordingly, has not recorded an asset retirement obligation for this matter.

***Governmental Fund Balances***

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are as follows:

	General Fund	Capital Asset	Stormwater Utility Fund	Nonmajor Funds
<b>Nonspendable:</b>				
Prepaid items	\$ 62,021	\$ -	\$ 7,189	\$ -
<b>Restricted for:</b>				
Community services	-	-	-	266,480
Beach parking	-	-	-	122,072
Capital assets	-	3,073,870	-	-
Law enforcement	-	-	-	34,826
Stormwater	-	-	428,521	-
<b>Committed:</b>				
<b>Assigned:</b>				
Stabilization	4,745,625	-	-	-
<b>Unassigned</b>	<b>987,773</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total fund balances</b>	<b>\$ 5,795,419</b>	<b>\$ 3,073,870</b>	<b>\$ 435,710</b>	<b>\$ 423,378</b>

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Governmental Fund Balances (Continued)***

***Net Investment in Capital Assets***

<i>September 30, 2025</i>	<b>Governmental Activities</b>
Capital assets (net)	\$ 58,406,787
Retainage payable	(12,626)
Outstanding debt related to capital assets	(14,200,628)
Net investment in capital assets	\$ 44,193,533

**Note 3: RETIREMENT PLANS**

The City maintains three retirement plans covering its regular employees. A single-employer, defined benefit pension plan that covers all regular police and fire employees, the City of Satellite Beach Police Officers’ and Firefighters’ Plan (the “Police Officers’ and Firefighters’ Plan”); a single-employer, defined benefit pension plan that covers all general employees hired prior to September 30, 1996, the City of Satellite Beach General Employees’ Retirement System (the “General Employees’ Plan”); and a defined contribution plan for general employees hired after September 30, 1996, the City of Satellite Beach Money Purchase Plan (the “Money Plan”).

***Defined Contribution Money Purchase Plan***

**Plan description and funding requirements:** The City of Satellite Beach Money Purchase Plan (the “Money Plan”) is a defined contribution pension plan established on October 1, 1996 under City Ordinance No. 655 and is administered by a third party. The Money Plan provides benefits at retirement to all full-time employees, except police officers and firefighters, hired after October 1, 1996. At September 30, 2025, there were 115 active plan members.

The Money Plan members are required to contribute 5% of their annual salary to the Money Plan, and the City is required to contribute a matching amount of 5%, except for certain senior management for which the City contributes at a higher rate. Money Plan provisions and contribution requirements are established and may be amended by the City Council. The City and the employees contributed \$219,387 and \$210,794 respectively, to the Plan for fiscal year 2025.

**Note 3: RETIREMENT PLANS (Continued)**

***Summary of Significant Accounting Policies (All Plans)***

*Basis of Accounting*

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

*Method Used to Value Investments*

All plan investments are reported at fair value. The fair value of investments in external investment pools is determined through measurement of the fair value of the underlying securities using market or market-corroborated data.

The City recognized as revenues and expenditures on-behalf payments relating to pension contributions for its public safety employees that the State of Florida paid to the retirement plan in the amount of \$358,266 to partially fund the Police Officers' and Firefighters' Plan. These contributions are funded by an excise tax, collected by the State, on property and casualty insurance gross receipts of premiums from policy holders.

*Funding policy*

The contribution requirement for the Police Officers' and Firefighters' Plan and the General Employees' Plan employer contributions are actuarially determined; employees must contribute 8.00% of pensionable earnings; employee contribution requirements may be amended by City ordinance, but the employer contribution requirement is subject to State minimums. Administrative costs are financed through investment earnings. The Pension liability is expected to be liquidated by the General Fund.

The City uses the Entry Age Normal Cost Method for the Police Officers' and Firefighters' Pension Plan to determine required contributions under its retirement system because it provides for the systematic funding of the normal cost and any unfunded actuarial accrued liabilities. This is an acceptable method to the State of Florida. The liability is being funded over a 30 year period for the Police Officers' and Firefighters' Pension Plan.

The General Employees' Pension Plan uses the Aggregate Cost Method to determine required contributions under its retirement system. This is an acceptable method to the State of Florida. Under this method, the actuarial accrued liability is equal to the accumulated assets, therefore, no unfunded accrued liability is developed.

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

***Defined Benefit Plans***

**Police Officers' and Firefighters' and General Employees' Pension Plans description:** The Police Officers' and Firefighters' Plan is governed by a Board of Trustees which is comprised of four members appointed by resolution of the City Council. The General Employees' Plan is governed by a Board of Trustees which is comprised of three members appointed by resolution of the City Council.

<i>Plan membership as of October 1, 2023:</i>	Police Officers' and Firefighters' Plan	General Employees' Plan
Inactive plan members or beneficiaries currently receiving benefits	31	16
Inactive plan members entitled to but not yet receiving benefits	21	1
Active plan members	42	3
<b>Total</b>	<b>94</b>	<b>20</b>

<i>Plan benefits</i>	Police Officers' and Firefighters' Plan	General Employees' Plan
Employees covered	Full-time firefighters and police officers employed by the City.	Only participants as of September 30, 1986 are eligible to continue participation.
Types of benefits offered	Retirement, disability, and pre-retirement death benefits.	

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

***Defined Benefit Plans (Continued)***

<i>Plan benefits</i>	<i>Police Officers' and Firefighters' Plan</i>	<i>General Employees' Plan</i>
Basic pension formula	3% of average monthly earnings multiplied by years of credited service.	3% of average earnings multiplied by Credited Service prior to October 1, 2010 plus 2% of average earnings multiplied by credited service earned after September 30, 2010.
Early retirement adjustment	Retirement benefit is reduced by 3% for each year early retirement age precedes normal retirement age.	Basic pension formula is reduced by 1/15 for each of the first 5 years plus 1/30 of the next five years for each year prior to normal retirement age.
Disability pension	For a service connected disability, the larger of basic pension formula or 42% of average earnings. For a non-service connected disability, provided the participant has earned 10 years of service, the larger of basic pension formula or 25% of average earnings.	
Pre-retirement death benefit	Basic pension formula payable for 10 years to the beneficiary of a vested participant beginning at the participant's early or normal retirement age or return of accumulated employee contributions payable to the beneficiary of a non-vested participant.	
Normal retirement age	52 with five years of service.	62 with five years of service.
Early retirement age	50 with 10 years of service.	55 with 10 years of service. Any age with 35 years of service.
Vesting requirement	100% after 5 years of service.	5 years of service.
Form of payment	Actuarially equivalent single life annuity; 10-year certain and life annuity; Actuarially equivalent 50%, 66.67%, 75%, or 100% joint and contingent annuity; or any other actuarially equivalent form of payment approved by the Board of Trustees.	
Average earnings	Average of the highest consecutive three years of pensionable earnings out of the last 10 years.	
Cost of living adjustment	No automatic cost-of-living adjustment is provided.	
Deferred Retirement Option Plan (DROP)	A DROP is available for those participants who have attained their normal retirement age. Individuals may participate in DROP for up to 60 months. DROP accounts are credited with interest based on the actual investment.	A DROP option is available for those participants who are at least age 57 and have attained early or normal retirement age. Individuals may participate in DROP for up to 60 months. DROP accounts are credited with interest based on the actual investment less a 0.1875% quarterly administrative charge.
DROP balance as of October 1, 2024	\$2,005,464	\$314,735

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

**Defined Benefit Plans (Continued)**

<i>Plan benefits</i>	<i>Police Officers' and Firefighters' Plan</i>	<i>General Employees' Plan</i>
Legal authority	Plan was established May 22, 1973 pursuant to City ordinance, and has since been amended.	Plan was established May 22, 1973 pursuant to City ordinance, and has since been amended.
Changes	No significant plan changes were adopted since the prior measurement date.	The benefit terms did not change from the prior measurement date.

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

*Net Pension Liability as of September 30, 2025*

	Police Officers' and Firefighters' Plan	General Employees' Plan
Total pension liability	\$ 32,055,931	\$ 8,955,208
Less: Fiduciary net position	(30,294,967)	(8,673,783)
<b>Net pension liability (asset)</b>	<b>\$ 1,760,964</b>	<b>\$ 281,425</b>

Plan Fiduciary Net Position as a percentage of the total pension liability (asset)	95%	97%
--	-----	-----

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of October 1, 2024 updated to September 30, 2025 using the following actuarial assumptions:

<i>Assumption</i>	<i>Police Officers' and Firefighters' Plan</i>	<i>General Employees' Plan</i>
Discount rate	7.00% per annum (2.62% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.	
Salary increases	For both plans, 4.75% per annum.	
Cost-of-living increases	For both plans, none assumed.	
Non-investment expenses	1.25% of future payroll.	1.75% of future payroll.
Future contributions	Contributions from the employer and employees are assumed to be made as legally required.	

**City of Satellite Beach, Florida  
Notes to Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

***Defined Benefit Plans (Continued)***

<i>Assumption</i>	<i>Police Officers' and Firefighters' Plan</i>	<i>General Employees' Plan</i>
Mortality basis	For non-retired participants, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year (pre-retirement mortality); for non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018.	Pre-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; post-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP- 2018 and with male ages set back one year.
Retirement	100% retirement is assumed to occur at age 52 with five years of service; participants who are age 50 with 10 years of service are assumed to retire at the rate of 2.50% per year; participants who have attained normal retirement age are assumed to retire no earlier than one year after the valuation date.	100% retirement is assumed at age 62 with five years of service or 5.00% retirement per year is assumed with 35 years of service or 2.50% retirement per year is assumed at age 55 with 10 years of service; a participant who has attained his normal retirement age as of the valuation date is assumed to retire one year later.
Other decrements	Assumed employment termination is based on the Scale 155 Table; assumed disability is based on the Wyatt 1985 Disability Study (Class 4).	Assumed employment termination is based on the Scale 155 Table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1).

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

***Defined Benefit Plans (Continued)***

<i>Assumption</i>	<i>Police Officers' and Firefighters' Plan</i>	<i>General Employees' Plan</i>
Changes	No assumption changes were made since the prior measurement period.	No assumption changes were made since the prior measurement period.

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

These ranges are combined to produce the long term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2025 are summarized in the following table:

Investment Category	Target Allocation	Expected Long-Term Real Return
Core bonds	15%	1.60% per annum
Core plus	15%	2.10% per annum
U.S. large cap equity	25%	4.60% per annum
U.S. small cap equity	14%	5.50% per annum
Non U.S. equity	21%	6.70% per annum
Core real estate	10%	5.00% per annum
<b>Total or weighted arithmetic average</b>	<b>100%</b>	<b>4.38% per annum</b>

**Discount rate:** The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

**Defined Benefit Plans (Continued)**

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
<i>Police Officers' and Firefighters' Plan</i>			
Net pension liability	\$ 5,246,007	\$ 1,760,964	\$ (1,135,323)
<i>General Employees' Plan</i>			
Net pension liability	1,024,460	281,425	(360,122)
<b>Total net pension liability</b>	<b>\$ 6,270,467</b>	<b>\$ 2,042,389</b>	<b>\$ (1,495,445)</b>

**Net pension liability and changes in the net pension liability:** The City's net pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the net pension liability for the Police Officers' and Firefighters' Plan and for the General Employees' Plan was also determined as of that date.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<i>Police Officers' and Firefighters' Plan</i>			
Reporting period ending September 30, 2024	\$ 31,117,940	\$ 28,512,822	\$ 2,605,118
Changes due to:			
Service cost	839,375	-	839,375
Expected interest growth	2,181,736	1,974,622	207,114
Unexpected interest income	-	425,802	(425,802)
Demographic experience	(27,112)	-	(27,112)
Contributions - employer	-	1,242,027	(1,242,027)
Contributions - employee	-	257,731	(257,731)
Benefit payments and refunds	(2,056,008)	(2,056,008)	-
Administrative expenses	-	(62,029)	62,029
Net changes	937,991	1,782,145	(844,154)
<b>Reporting period ending September 30, 2025</b>	<b>\$ 32,055,931</b>	<b>\$ 30,294,967</b>	<b>\$ 1,760,964</b>

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

**Defined Benefit Plans (Continued)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<i>General Employees' Plan</i>			
Reporting period ending September 30, 2024	\$ 9,216,587	\$ 8,401,256	\$ 815,331
Changes due to:			
Service cost	32,885	-	32,885
Expected interest growth	624,343	573,914	50,429
Unexpected interest income	-	110,535	(110,535)
Demographic experience	(347,438)	-	(347,438)
Contributions - Employer	-	172,862	(172,862)
Contributions - Employee	-	14,183	(14,183)
Benefit payments and refunds	(571,169)	(571,169)	-
Administrative expenses	-	(27,798)	27,798
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Net changes	(261,379)	272,527	(533,906)
<b>Reporting period ending September 30, 2025</b>	<b>\$ 8,955,208</b>	<b>\$ 8,673,783</b>	<b>\$ 281,425</b>

**Pension expense and deferred outflows and deferred inflows of resources related to pensions:**

For the year ended September 30, 2025, the City has recognized pension expense of \$61,973 and \$332,332 for the Police Officers' and Firefighters' Pension Plan and the General Employees' Pension Plan, respectively. At September 30, 2025, the City reported deferred outflows and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Police Officers' and Firefighters' Plan</i>		
Investment gain/loss	\$ -	\$ 1,276,723
Demographic gain/loss	434,392	486,189
Assumption changes	-	-
<b>Total - Police Officers' and Firefighters' Plan</b>	<b>434,392</b>	<b>1,762,912</b>
<i>General Employees' Plan</i>		
Investment gain/loss	-	349,922
<b>Total - General Employees' Plan</b>	<b>-</b>	<b>349,922</b>
<b>Total deferred outflows and deferred inflows of resources related to pensions</b>	<b>\$ 434,392</b>	<b>\$ 2,112,834</b>

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

***Defined Benefit Plans (Continued)***

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

<i>Fiscal Year Ending September 30,</i>	Police Officers' and Firefighters' Plan	General Employees' Plan
2026	\$ 86,103	\$ 116,455
2027	(682,766)	(235,492)
2028	(644,399)	(208,778)
2029	(87,458)	(22,107)
Total	\$ (1,328,520)	\$ (349,922)

The Plans' fiduciary net position has been determined on the same basis used by the pension Plans' and is equal to the market value of assets calculated under the accrual basis of accounting.

Required Supplementary Information (RSI) following the notes to the financial statements provides multi-year trend data to help determine whether the actuarial value of the Plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Defined contribution plan component – share plan:** The City has established a defined contribution plan component (the "Share Plan") as part of the City's Police Officers' and Firefighters' Pension Plan, in accordance with sections 175.351(6) and 185.35(6), Florida Statutes. The Share Plan provides special benefits to firefighters, police officers and public safety officers who are members of the defined benefit plan. The Share Plan is funded solely and entirely by insurance premium tax monies (as set forth in Chapters 175 and 185, Florida Statutes) that have been allocated to the Share Plan either by (1) mutual consent of the City and the Plan members' collective bargaining representative or (2) operation of sections 175.351(1)(a)-(f) and 185.35(1)(a)-(f), Florida Statutes. The changes and balance of the Share Plan is presented in the combining fund schedules on the following page.

**Fiduciary fund financial statements:** The City does not issue separate financial statements for the Police Officers' and Firefighters' Pension Plan or the General Employees' Pension Plan. The basic financial statements of the City include a statement of net position and a statement of changes in fiduciary net position that presents a single column for each fund type for both pension trust funds.

Both Plans hold their investments in the Florida Municipal Pension Trust Fund, an external investment pool established for the purpose of funding individually designed employee pension plans and certain other post-employment benefit plans of participating municipalities, public agencies and political subdivisions of the State of Florida. The Florida Municipal Pension Trust Fund issues a stand-alone financial report each year, which contains a Schedule of Member Balances by Plan Type that lists the Plans' balances. This report is available to the public at the Florida Municipal Pension Trust Fund's administrative office: Retirement Department, Florida League of Cities, Inc., P.O. Box 1757, Tallahassee, FL 32302.

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

**Defined Benefit Plans (Continued)**

**Combining fund information.** The pension trust funds fiduciary activity as of September 30, 2025 and the change in fiduciary net position for the year ended:

	Police Officers' and Firefighters'		General Employees'	Total
	Defined Benefit Plan	Share Plan		
<b>ASSETS</b>				
Receivables:				
Contributions	\$ 63,737	\$ -	\$ -	\$ 63,737
Due from other governments	177,990	-	-	177,990
Investments, at fair value:				
Florida Municipal Investment Trust Fund	30,053,240	1,251,257	8,673,783	39,978,280
<b>Total assets</b>	<b>30,294,967</b>	<b>1,251,257</b>	<b>8,673,783</b>	<b>40,220,007</b>
<b>LIABILITIES</b>				
Benefits payable	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>				
<b>Held in trust for pension benefits</b>	<b>\$ 30,294,967</b>	<b>\$ 1,251,257</b>	<b>\$ 8,673,783</b>	<b>\$ 40,220,007</b>

The pension trust funds change in fiduciary net position activity as of September 30, 2025 was as follows:

	Police Officers' and Firefighters'		General Employees'	Total
	Defined Benefit Plan	Share Plan		
<b>ADDITIONS</b>				
Contributions:				
Employees	\$ 257,731	\$ -	\$ 14,639	\$ 272,370
City	1,062,894	-	172,862	1,235,756
State	179,133	179,133	-	358,266
<b>Total contributions</b>	<b>1,499,758</b>	<b>179,133</b>	<b>187,501</b>	<b>1,866,392</b>
Total investment earnings:				
Net appreciation in fair value of investments	2,400,425	80,794	684,449	3,165,668
<b>Total additions</b>	<b>3,900,183</b>	<b>259,927</b>	<b>871,950</b>	<b>5,032,060</b>
<b>DEDUCTIONS</b>				
Benefit payments	2,056,009	105,528	571,169	2,732,706
Administrative expenses	62,027	-	27,798	89,825
<b>Total deductions</b>	<b>2,118,036</b>	<b>105,528</b>	<b>598,967</b>	<b>2,822,531</b>
<b>Change in net position</b>	<b>1,782,147</b>	<b>154,399</b>	<b>272,983</b>	<b>2,209,529</b>
<b>Net position, beginning of year</b>	<b>28,512,820</b>	<b>1,096,858</b>	<b>8,400,800</b>	<b>38,010,478</b>
<b>Net position, end of year</b>	<b>\$ 30,294,967</b>	<b>\$ 1,251,257</b>	<b>\$ 8,673,783</b>	<b>\$ 40,220,007</b>

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

***Pension Expense (All Plans)***

The total of the City’s pension expense for the fiscal year ended September 30, 2025 is as follows:

Plan Description	Pension Expense
Defined contribution plans:	
Money purchase plan	\$ 250,129
Police Officers' and Firefighters' share plan	91,406
Defined benefit plans:	
Police Officers' and Firefighters' plan	61,793
General Employees' plan	332,332
Total pension expense	\$ 735,660

**Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

The City follows Section P52: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria* (OPEB) of the GASB Codification, for certain postemployment health care benefits provided by the City.

***Plan description***

The City administers a single-employer defined benefit healthcare plan (the “Plan”) that provides medical insurance to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the City is required to provide eligible retirees (as defined in the City’s pension plans) the opportunity to participate in this Plan at the same cost that is applicable to active employees.

Employees and their dependents may elect to remain in the Plan upon retirement up to age 65. After age 65, the City’s insurance coverage becomes secondary to the retiree’s Medicare insurance. At the last valuation, the Plan has 13 retirees and spouses receiving benefits and has a total of 103 active participants and dependents.

Benefit provisions for the Plan were established by City Council on April 3, 1996 and may only be amended by City Council. The City has not established a trust or agency fund for the Plan. The City does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the City’s basic financial statements and the Plan does not issue stand-alone financial reports.

***Funding policy***

The City is funding the Plan on a pay-as-you-go basis. For employees hired prior to April 4, 1996, the City pays 100% of the insurance premiums for those employees’ health insurance, which represents an explicit subsidy. The OPEB liability is expected to be liquidated by the General Fund.

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***Funding policy (Continued)***

Retirees may also elect to have their dependents covered but must pay the premiums for such coverage. For employees hired April 4, 1996, and after, the employees and their dependents are required to pay 100% of the insurance premiums charged by the carrier. There is an implied subsidy in the insurance premiums for these employees because the premium charged for retirees is the same as the premium charged for active employees, who are younger than retirees on average.

For the year ended September 30, 2025, the City will recognize an OPEB income of \$32,615, which includes both an estimate of the implied subsidy contributions described above and the explicit subsidy contributions paid on behalf of eligible retirees. Contributions of plan members not eligible for an explicit subsidy totaled \$28,245 for the year ended September 30, 2025.

***Plan membership***

Plan membership as of October 1, 2023 (the valuation date) was:

	Number of covered individuals
Inactive members currently receiving benefits	13
Inactive members entitled to but not yet receiving benefits	-
Active members	103
Total	116

***Actuarial Assumptions and Other Inputs***

The OPEB liability was determined based on the following assumptions and information:

Employer’s reporting date:	September 30, 2025
Measurement date:	September 30, 2025
Valuation date:	October 1, 2024
Discount rate:	
Salary increases:	

The discount rate is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

*Cost of living increases:* Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.

*Healthcare cost trend rate:* Increases in healthcare costs are assumed to be 8.00% for the 2024/25 fiscal year graded down by 0.50% per year to 5.00% for the 2030/31 and later fiscal years.

## City of Satellite Beach, Florida Notes to Financial Statements

### Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

#### *Actuarial Assumptions and Other Inputs (Continued)*

*Implied subsidy:* Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of \$650 for the retiree and \$450 for the retiree's spouse has been assumed at age 62 for the 2024/25 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates.

*Mortality basis:* Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020.

*Retirement:* With respect to general employees, retirement is assumed to occur upon the attainment of age 62 with at least five years of service, except that those participants who have attained their normal retirement age as of the valuation date are assumed to retire one year after the valuation date; alternatively with respect to general employees, participants who have earned at least 35 years of service are assumed to retire at the rate of 5.00% per annum and participants who have attained age 55 with between 10 years of service and 35 years of service are assumed to retire at the rate of 2.50% per annum; with respect to public safety employees, retirement is assumed to occur upon the attainment of age 52 with at least five years of service, except that those participants who have attained their normal retirement age as of the valuation date are assumed to retire one year after the valuation date; alternatively with respect to public safety employees, participants who have attained age 50 with at least 10 years of service are assumed to retire at the rate of 2.50% per annum.

*Other decrements:* Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1 rates were used for general employees and Class 4 rates were used for public safety employees).

*Healthcare coverage elections:* 25% of employees who are not eligible for an explicit subsidy from the City are assumed to elect medical coverage until age 65 upon retirement or disability; 100% of employees who are eligible for an explicit subsidy from the City are assumed to elect medical coverage for life upon retirement or disability.

*Spouses and dependents:* Husbands are assumed to be three years older than wives; of those electing coverage, spousal coverage is assumed in accordance with the employee's or retiree's current election; retirees are not assumed to have any dependent children.

*COBRA:* Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***Actuarial Assumptions and Other Inputs (Continued)***

*Changes:* Since the prior measurement date, the discount rate was increased from 4.06% per annum to 4.50% per annum; the healthcare cost trend rates were increased from 6.50% for the 2024/25 fiscal year graded down to 5.00% for the 2027/28 and later fiscal years; and the implied monthly subsidy at age 62 for the 2024/25 fiscal year was changed from \$615.25 for the retiree and \$401.25 for the retiree’s spouse to \$650 for the retiree and \$450 for the retiree’s spouse.

The components of the OPEB liability at September 30, 2025 were as follows:

Total OPEB liability	Fiduciary net position	OPEB liability	Funded percentage
\$ 4,760,375	\$ -	\$ 4,760,375	0%

The changes in the OPEB liability for the year ended September 30, 2025 were as follows:

	Total OPEB Liability	Fiduciary Net Position	OPEB Liability
Balance as of September 30, 2024	\$ 4,533,392	\$ -	\$ 4,533,392
Service cost	74,091	-	74,091
Expected interest growth	203,934	-	203,934
Demographic experience	(4,335)	-	(4,335)
Benefit payments and refunds	(152,910)	-	(152,910)
Assumption changes	106,203	-	106,203
<b>Balance as of September 30, 2025</b>	<b>\$ 4,760,375</b>	<b>\$ -</b>	<b>\$ 4,760,375</b>

***Sensitivity of the OPEB liability***

The following presents the City’s OPEB liability as if it were calculated using a discount rate that is one percentage point lower or higher than the current discount rate.

	1% decrease 3.50%	Discount rate 4.50%	1% increase 5.50%
OPEB liability	\$ 5,363,592	\$ 4,760,375	\$ 4,265,508

**City of Satellite Beach, Florida**  
**Notes to Financial Statements**

**Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***Sensitivity of the OPEB liability (Continued)***

The following presents the City's OPEB liability as if it were calculated using a trend rate that is one percentage-point lower or higher than the current trend rate.

	1% decrease in trend rate (4.00% - 5.00%)	Current trend rate (5.00% - 8.00%)	1% increase in trend rate (7.00% - 8.00%)
OPEB liability	\$ 4,228,825	\$ 4,760,375	\$ 5,400,391

**Deferred inflows and outflows:** On September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Other Post Employment Benefits</i>		
Demographic gain/loss	\$ 1,262,780	\$ 923,216
Assumption changes	74,476	360,931
Total deferred outflows and deferred inflows of resources related to other post employment benefits	\$ 1,337,256	\$ 1,284,147

Future amortization of deferred inflows and outflows related to OPEB is as follows:

<i>Fiscal Year Ending September 30,</i>	
2026	\$ (157,730)
2027	(100,712)
2028	21,574
2029	133,339
2030	57,186
Thereafter	99,452
Total	\$ 53,109

**Note 5: COMMITMENTS AND CONTINGENCIES**

***Construction commitments***

The City has active or awarded construction projects with various contractors for construction projects within the City. The remaining commitment on these projects totaled \$496,568 at September 30, 2025.

**Note 6: RISK MANAGEMENT**

***Litigation***

Various suits in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the City, the liabilities that may arise from such action would not result in losses that would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial position of the City or results of operations.

***Insurance***

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance through Preferred Government Insurance Trust (PGIT). Coverage provided by PGIT includes general liability, auto liability, property and workers' compensation. Employee health insurance coverage (health, dental, vision, etc.) is provided through commercial carriers.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**City of Satellite Beach, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances –**  
**Budget and Actual – General Fund**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 14,159,031	\$ 14,422,999	\$ 14,455,441	\$ 32,442
Licenses and permits	642,850	346,722	346,722	-
Intergovernmental	1,558,548	1,820,122	1,991,217	171,095
Charges for services	978,900	1,075,384	1,075,384	-
Fines and forfeitures	45,000	40,633	40,633	-
Investment and other income	15,500	204,933	270,554	65,621
<b>Total revenues</b>	<b>17,399,829</b>	<b>17,910,793</b>	<b>18,179,951</b>	<b>269,158</b>
<b>Expenditures</b>				
Departments:				
City Clerk	300,698	302,211	300,713	1,498
Support Services	3,962,154	4,052,932	4,035,282	17,650
Community Development	500,847	561,992	556,992	5,000
Police Department	4,566,266	4,609,804	4,604,804	5,000
Fire Department	3,500,749	3,559,503	3,554,503	5,000
Public Works	3,558,079	3,856,488	3,698,891	157,597
Recreation	1,377,830	1,284,265	1,279,267	4,998
Debt service:				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>17,766,623</b>	<b>18,227,195</b>	<b>18,030,452</b>	<b>196,743</b>
<b>Excess of revenues over expenditures</b>				
	(366,794)	(316,402)	149,499	465,901
<b>Other financing sources (uses)</b>				
Transfers in	(570,000)	(369,771)	369,771	739,542
Transfers out	-	-	(106,854)	106,854
Lease proceeds	-	-	232,240	232,240
<b>Net other financing sources (uses)</b>	<b>(570,000)</b>	<b>(369,771)</b>	<b>495,157</b>	<b>1,078,636</b>
<b>Net change in fund balances</b>	<b>(936,794)</b>	<b>(686,173)</b>	<b>644,656</b>	<b>1,330,829</b>
<b>Fund balances, beginning of year</b>	<b>5,545,537</b>	<b>5,545,537</b>	<b>5,545,537</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 4,608,743</b>	<b>\$ 4,859,364</b>	<b>\$ 6,190,193</b>	<b>\$ 1,330,829</b>

**City of Satellite Beach, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances –**  
**Budget and Actual – General Fund (Continued)**

<b>Net change in fund balance budgetary basis</b>	\$ 644,656
Capital outlay for leases	(232,240)
Principal retired for leases	(155,978)
Interest and other for leases	(6,556)
<hr/>	
Net change in fund balance as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 249,882
<hr/>	

**City of Satellite Beach, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances –**  
**Budget and Actual – Stormwater Utility Fund**

<i>For the Year Ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 2,228,227	\$ 2,503,227	\$ 275,000
Charges for services	1,000,000	979,274	979,274	-
Investment and other income	1,000	7,142	7,142	-
<b>Total revenues</b>	<b>1,001,000</b>	<b>3,214,643</b>	<b>3,489,643</b>	<b>275,000</b>
<b>Expenditures</b>				
Department:				
Public Works	398,784	209,881	259,088	(49,207)
Capital outlay	39,000	2,601,293	2,601,294	(1)
Debt service:				
Principal retired	94,403	151,896	102,687	49,209
<b>Total expenditures</b>	<b>532,187</b>	<b>2,963,070</b>	<b>2,963,069</b>	<b>1</b>
<b>Excess of revenues over expenditures</b>	<b>468,813</b>	<b>251,573</b>	<b>526,574</b>	<b>275,001</b>
<b>Other financing sources (uses)</b>				
Transfers out	(325,000)	(238,535)	(238,535)	-
Proceeds from issuance of debt	-	(552,505)	-	552,505
<b>Total other financing uses</b>	<b>(325,000)</b>	<b>(791,040)</b>	<b>(238,535)</b>	<b>552,505</b>
<b>Net change in fund balances</b>	<b>143,813</b>	<b>(539,467)</b>	<b>288,039</b>	<b>827,506</b>
<b>Fund balances, beginning of year</b>	<b>147,671</b>	<b>147,671</b>	<b>147,671</b>	<b>-</b>
<b>Fund balances (deficits), end of year</b>	<b>\$ 291,484</b>	<b>\$ (391,796)</b>	<b>\$ 435,710</b>	<b>\$ 827,506</b>

**City of Satellite Beach, Florida**  
**Budgetary Notes to Required Supplementary Information**

**Note 1. Budgetary information**

*Budgetary basis of accounting*

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds, except that leases were not included in the budget. All annual appropriations lapse at fiscal year-end. Certain special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.

The City Manager or their designee may make transfers of appropriations within a department as long as the total budget of the department is not increased. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The Council made several supplemental budgetary appropriations during the year.

Encumbrance accounting is employed in governmental funds. Open commitments are recognized as expenditures in the period in which the actual goods or services are received and a liability is incurred. Encumbrances (e.g., contracts) outstanding at year end for unfulfilled obligations are cancelled and reappropriated in the succeeding year's budget. Accordingly, there were no encumbrances outstanding at year end.

**City of Satellite Beach, Florida**  
**Required Supplementary Pension Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Police Officers' and Firefighters' Pension Plan – Last Ten Fiscal Years**

<b>Police Officers' and Firefighters' Pension Plan</b>				
<i>For the year ended September 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Total Pension Liability</b>				
Service cost	\$ 839,375	\$ 773,710	\$ 682,046	\$ 650,221
Expected interest growth	2,181,736	2,007,539	1,960,815	1,911,741
Demographic experience	(27,112)	808,868	(971,415)	(901,363)
Benefit payments and refunds	(2,056,008)	(1,133,322)	(1,053,697)	(1,001,676)
Assumption changes	-	-	-	-
<b>Net change in total pension liability</b>	<b>937,991</b>	<b>2,456,795</b>	<b>617,749</b>	<b>658,923</b>
<b>Total pension liability - beginning</b>	<b>31,117,940</b>	<b>28,661,145</b>	<b>28,043,396</b>	<b>27,384,473</b>
<b>Total pension liability - ending (a)</b>	<b>32,055,931</b>	<b>31,117,940</b>	<b>28,661,145</b>	<b>28,043,396</b>
<b>Plan Fiduciary Net Position</b>				
Expected interest growth	1,974,622	1,666,091	1,531,598	1,770,236
Unexpected investment income	425,802	3,064,747	347,128	(5,208,094)
Contributions - employer	1,242,027	939,672	1,021,765	816,513
Contributions - employee	257,731	214,768	214,800	188,515
Benefit payments and refunds	(2,056,008)	(1,133,322)	(1,053,697)	(1,001,676)
Administrative expense	(62,029)	(59,104)	(62,362)	(63,327)
<b>Net change in plan fiduciary net position</b>	<b>1,782,145</b>	<b>4,692,852</b>	<b>1,999,232</b>	<b>(3,497,833)</b>
<b>Plan fiduciary net position - beginning</b>	<b>28,512,822</b>	<b>23,819,970</b>	<b>21,820,738</b>	<b>25,318,571</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 30,294,967</b>	<b>\$ 28,512,822</b>	<b>\$ 23,819,970</b>	<b>\$ 21,820,738</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 1,760,964</b>	<b>\$ 2,605,118</b>	<b>\$ 4,841,175</b>	<b>\$ 6,222,658</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>94.51%</b>	<b>91.63%</b>	<b>83.11%</b>	<b>77.81%</b>
<b>Covered payroll</b>	<b>\$ 2,731,925</b>	<b>\$ 2,561,903</b>	<b>\$ 2,344,793</b>	<b>\$ 2,247,210</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>64.46%</b>	<b>101.69%</b>	<b>206.46%</b>	<b>276.91%</b>

<b>Police Officers' and Firefighters' Pension Plan</b>					
<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 685,483	\$ 735,330	\$ 696,923	\$ 731,362	\$ 713,303	\$ 590,076
1,906,984	1,869,174	1,786,927	1,702,438	1,478,789	1,120,821
(215,450)	(339,369)	(440,088)	(353,509)	377,868	5,636
(958,620)	(1,579,307)	(864,859)	(746,538)	(699,053)	(675,359)
(1,218,128)	-	-	-	1,332,146	3,952,648
200,269	685,828	1,178,903	1,333,753	3,203,053	4,993,822
27,184,204	26,498,376	25,319,473	23,985,720	20,782,667	15,788,845
27,384,473	27,184,204	26,498,376	25,319,473	23,985,720	20,782,667
1,463,358	1,387,332	1,325,420	1,221,028	1,048,032	940,589
2,939,403	(88,898)	(317,639)	4,354	974,179	200,914
847,479	992,960	906,257	938,295	1,085,748	732,952
183,254	200,809	192,542	198,453	200,058	189,218
(958,620)	(1,579,307)	(864,859)	(746,538)	(699,053)	(675,359)
(51,075)	(52,446)	(53,067)	(42,035)	(39,960)	(36,881)
4,423,799	860,450	1,188,654	1,573,557	2,569,004	1,351,433
20,894,772	20,034,322	18,845,668	17,272,111	14,703,107	13,351,674
\$ 25,318,571	\$ 20,894,772	\$ 20,034,322	\$ 18,845,668	\$ 17,272,111	\$ 14,703,107
\$ 2,065,902	\$ 6,289,432	\$ 6,464,054	\$ 6,473,805	\$ 6,713,609	\$ 6,079,560
92.46%	76.86%	75.61%	74.43%	72.01%	70.75%
\$ 2,406,752	\$ 2,463,643	\$ 2,292,753	\$ 2,419,522	\$ 2,366,291	\$ 2,102,177
85.84%	255.29%	281.93%	267.57%	283.72%	289.20%

**City of Satellite Beach, Florida**  
**Required Supplementary Pension Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**General Employees' Pension Plan – Last Ten Fiscal Years**

<b>General Employees' Pension Plan</b>				
<i>For the year ended September 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Total Pension Liability</b>				
Service cost	\$ 32,885	\$ 37,744	\$ 30,846	\$ 51,487
Expected interest growth	624,343	608,419	606,302	593,145
Demographic experience	(347,438)	173,484	22,310	251,915
Benefit payments and refunds	(571,169)	(612,388)	(638,032)	(655,485)
Assumption changes	-	-	-	-
<b>Net change in total pension liability</b>	<b>(261,379)</b>	<b>207,259</b>	<b>21,426</b>	<b>241,062</b>
<b>Total pension liability - beginning</b>	<b>9,216,587</b>	<b>9,009,328</b>	<b>8,987,902</b>	<b>8,746,840</b>
<b>Total pension liability - ending (a)</b>	<b>8,955,208</b>	<b>9,216,587</b>	<b>9,009,328</b>	<b>8,987,902</b>
<b>Plan Fiduciary Net Position</b>				
Expected interest growth	573,914	505,169	496,387	610,794
Unexpected investment income	110,535	933,351	133,567	(1,759,721)
Contributions - employer	172,862	125,704	142,520	208,547
Contributions - employee	14,183	12,558	13,519	18,988
Benefit payments & refunds	(571,169)	(612,388)	(638,032)	(655,485)
Administrative expense	(27,798)	(25,051)	(27,961)	(33,818)
<b>Net change in plan fiduciary net position</b>	<b>272,527</b>	<b>939,343</b>	<b>120,000</b>	<b>(1,610,695)</b>
<b>Plan fiduciary net position - beginning</b>	<b>8,401,256</b>	<b>7,461,913</b>	<b>7,341,913</b>	<b>8,952,608</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 8,673,783</b>	<b>\$ 8,401,256</b>	<b>\$ 7,461,913</b>	<b>\$ 7,341,913</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 281,425</b>	<b>\$ 815,331</b>	<b>\$ 1,547,415</b>	<b>\$ 1,645,989</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>96.86%</b>	<b>91.15%</b>	<b>82.82%</b>	<b>81.69%</b>
<b>Covered payroll</b>	<b>\$ 155,282</b>	<b>\$ 167,297</b>	<b>\$ 146,663</b>	<b>\$ 241,892</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>181.23%</b>	<b>487.36%</b>	<b>1055.08%</b>	<b>680.46%</b>

General Employees' Pension Plan						
2021	2020	2019	2018	2017	2016	
\$ 47,058	\$ 66,874	\$ 70,157	\$ 64,653	\$ 63,643	\$ 78,648	
626,337	618,506	610,071	615,783	560,761	464,555	
(121,301)	62,100	(56,035)	(266,265)	101,155	147,878	
(941,634)	(566,840)	(500,343)	(507,590)	(537,145)	(515,793)	
(89,231)	-	-	-	578,190	1,275,317	
(478,771)	180,640	123,850	(93,419)	766,604	1,450,605	
9,225,611	9,044,971	8,921,121	9,014,540	8,247,936	6,797,331	
8,746,840	9,225,611	9,044,971	8,921,121	9,014,540	8,247,936	
542,988	539,357	528,037	502,616	452,897	428,775	
991,385	(16,314)	(127,283)	32,752	426,663	92,895	
282,660	288,302	306,047	354,222	349,352	341,136	
19,271	21,758	22,474	23,561	22,233	33,168	
(941,634)	(566,840)	(500,343)	(507,590)	(537,145)	(515,793)	
(26,502)	(25,858)	(25,068)	(18,525)	(24,005)	(23,534)	
868,168	240,405	203,864	387,036	689,995	356,647	
8,084,440	7,844,035	7,640,171	7,253,135	6,563,140	6,206,493	
\$ 8,952,608	\$ 8,084,440	\$ 7,844,035	\$ 7,640,171	\$ 7,253,135	\$ 6,563,140	
\$ (205,768)	\$ 1,141,171	\$ 1,200,936	\$ 1,280,950	\$ 1,761,405	\$ 1,684,796	
102.35%	87.63%	86.72%	85.64%	80.46%	79.57%	
\$ 223,181	\$ 299,375	\$ 298,165	\$ 281,381	\$ 273,990	\$ 400,181	
-92.20%	381.18%	402.78%	455.24%	642.87%	421.01%	

**City of Satellite Beach, Florida**  
**Required Supplementary Pension Information**  
**Schedule of Contributions**  
**– Last Ten Fiscal Years**

<b>Police Officers' and Firefighters' Pension Plan</b>				
<i>For the year ended September 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Actuarially determined contribution	\$ 1,242,027	\$ 939,672	\$ 992,793	\$ 816,513
Contributions recognized by the plan	1,242,027	939,672	1,021,765	816,513
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (28,972)</b>	<b>\$ -</b>
<b>Covered payroll</b>	<b>\$ 2,731,925</b>	<b>\$ 2,561,903</b>	<b>\$ 2,344,793</b>	<b>\$ 2,247,210</b>
<b>Contributions as a percentage of covered payroll</b>	<b>45.46%</b>	<b>36.68%</b>	<b>43.58%</b>	<b>36.33%</b>
<b>General Employees' Pension Plan</b>				
<i>For the year ended September 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Actuarially determined contribution	\$ 172,862	\$ 125,704	\$ 142,520	\$ 208,547
Contributions recognized by the plan	172,862	125,704	142,520	208,547
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered payroll</b>	<b>\$ 155,282</b>	<b>\$ 167,297</b>	<b>\$ 146,663</b>	<b>\$ 241,892</b>
<b>Contributions as a percentage of covered payroll</b>	<b>111.32%</b>	<b>75.14%</b>	<b>97.18%</b>	<b>86.21%</b>

<b>Police Officers' and Firefighters' Pension Plan</b>											
	<b>2021</b>		<b>2020</b>		<b>2019</b>		<b>2018</b>		<b>2017</b>		<b>2016</b>
\$	847,479	\$	998,959	\$	903,329	\$	933,442	\$	796,903	\$	732,952
	847,479		992,960		906,257		938,295		1,085,748		1,027,441
\$	-	\$	5,999	\$	(2,928)	\$	(4,853)	\$	(288,845)	\$	(294,489)
\$	2,406,752	\$	2,463,643	\$	2,292,753	\$	2,419,522	\$	2,366,291	\$	2,102,177
	35.21%		40.30%		39.53%		38.78%		45.88%		48.88%

<b>General Employees' Pension Plan</b>											
	<b>2021</b>		<b>2020</b>		<b>2019</b>		<b>2018</b>		<b>2017</b>		<b>2016</b>
\$	282,660	\$	288,302	\$	306,047	\$	354,222	\$	349,352	\$	341,136
	282,660		288,302		306,047		354,222		349,352		341,136
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	223,181	\$	299,375	\$	298,165	\$	281,381	\$	273,990	\$	400,181
	126.65%		96.30%		102.64%		125.89%		127.51%		85.25%

**City of Satellite Beach, Florida  
Required Supplementary Pension Information –  
Schedule of Investment Returns  
Last Ten Fiscal Years**

<b>Police Officers' and Firefighters' Pension Plan</b>										
<i>For the year ended September 30,</i>	<b>2025</b>	<b>2024</b>	2023	2022	2021	2020	2019	2018	2017	2016
Annual expected long-term real										
return on investments										
Weighted arithmetic average	<b>8.51%</b>	19.88%	8.59%	-13.59%	21.06%	6.55%	5.32%	7.02%	13.50%	6.21%

<b>General Employees' Pension Plan</b>										
<i>For the year ended September 30,</i>	<b>2025</b>	<b>2024</b>	2023	2022	2021	2020	2019	2018	2017	2016
Annual expected long-term real										
return on investments										
Weighted arithmetic average	<b>8.35%</b>	19.95%	8.89%	-13.17%	19.79%	6.79%	5.31%	7.46%	13.60%	8.52%

**City of Satellite Beach, Florida**  
**Required Supplementary Pension Information**  
**Notes to Schedules**

	Police Officers' and Firefighters' Plan	General Employees' Plan
Valuation date	October 1, 2024	October 1, 2024
	<i>Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which the contributions are reported.</i>	
Funding method	Entry Age Normal Cost Method	Aggregate Cost Method
Amortization method	Level dollar	Not applicable
Amortization period	30 years	15 years
Asset valuation method	Equal to the prior year's actuarial value of assets adjusted for contributions, benefit payments and expenses. This is further adjusted by the average return on the market value of assets for the preceding 4 years. The actuarial value of assets is restricted to 80% - 120% of the market value.	
Inflation	2.62% per annum	2.62% per annum
Salary increases	4.75% per annum unless actual amounts are known.	
Interest rate	7.00% per annum	7.00% per annum
Retirement age	52 with 5 years of service	62 with 5 years of service
Early retirement rate	50 with 10 years of service	55 with 10 years of service or any age with 35 years of service
Termination rates	Sex-distinct rates set forth in the Scale 155 Table.	
Disability rates	Sex-distinct rates set forth in the Wyatt 1985 Disability Study (Class 4).	Sex-distinct rates set forth in the Wyatt 1985 Disability Study (Class 1).
Mortality	Sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB.	
Expenses	Administrative expenses are assumed to be 1.25% of future payroll. The interest rate assumed is net of investment expenses and commissions.	Administrative expenses are assumed to be 1.75% of future payroll. The interest rate assumed is net of investment expenses and commissions.
Changes	None	

**City of Satellite Beach, Florida**  
**Required Supplementary OPEB Information**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**Last Eight Fiscal Years**

<i>September 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability - beginning</b>	<b>\$ 4,533,392</b>	\$ 3,770,472	\$ 4,339,884	\$ 3,172,526	\$ 4,425,353	\$ 3,728,912	\$ 5,589,327	\$ 5,413,248
Changes due to:								
Service cost	74,091	69,998	67,927	68,232	53,001	111,864	239,420	167,637
Expected interest growth	203,934	153,202	213,646	151,338	107,006	80,126	400,473	184,043
Demographic experience	(4,335)	139,661	(655,129)	52,443	(592,424)	-	(2,107,150)	-
Assumption changes	106,203	535,458	(81,360)	1,033,043	(669,910)	698,590	(51,343)	-
Benefit payments and refunds	(152,910)	(135,399)	(114,496)	(137,698)	(150,500)	(194,139)	(341,815)	(175,601)
<b>Net changes in total OPEB liability</b>	<b>226,983</b>	762,920	(569,412)	1,167,358	(1,252,827)	696,441	(1,860,415)	176,079
<b>Total OPEB liability - ending (a)</b>	<b>\$ 4,760,375</b>	\$ 4,533,392	\$ 3,770,472	\$ 4,339,884	\$ 3,172,526	\$ 4,425,353	\$ 3,728,912	\$ 5,589,327
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 152,910	\$ 135,399	\$ 114,496	\$ 137,698	\$ 150,500	\$ 194,139	\$ 341,815	\$ 175,601
Benefit payments	(152,910)	(135,399)	(114,496)	(137,698)	(150,500)	(194,139)	(341,815)	(175,601)
Net changes in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>OPEB liability - ending (a) - (b)</b>	<b>\$ 4,760,375</b>	\$ 4,533,392	\$ 3,770,472	\$ 4,339,884	\$ 3,172,526	\$ 4,425,353	\$ 3,728,912	\$ 5,589,327
Covered-employee payroll for the measurement period	\$ 7,395,741	\$ 5,696,249	\$ 5,778,542	\$ 5,580,295	\$ 4,711,851	\$ 4,167,591	\$ 4,167,591	\$ 3,755,183
OPEB Liability as a percentage of covered-employee payroll	64.37%	79.59%	65.25%	77.77%	67.33%	106.18%	89.47%	148.84%

**Notes:**

- <sup>(1)</sup> The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Pensions*, in 2018. The employer must eventually disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented only for those years which information is available.
- <sup>(2)</sup> The City does not accumulate assets in a trust that meets the criteria in paragraph 4 of GASBS No. 75 to pay related benefits.
- <sup>(3)</sup> The amounts shown in this schedule are presented for the measurement period.
- <sup>(4)</sup> There is no actuarial determined contribution to the OPEB plan.

## CITY OF SATELLITE BEACH, FLORIDA

### Nonmajor Governmental Funds and Capital Projects Funds

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Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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**Community Services Fund** – With revenues obtained primarily from donations, this fund aggregates the activity of the following six funds: the Advanced Life Support Trust Fund, the Beautification Trust Fund, the Police Donations Trust Fund, the Recreation Trust Fund, the Recycling Trust Fund and the Samsons Island Trust Fund.

These funds are used to purchase advanced life support equipment for the Satellite Beach Fire Department, items for the police department not covered by other funds, improvements to the City's recreation facilities and for the development and maintenance of Samsons Island Nature Park.

**Beach Parking Fund** – With revenues obtained primarily from fees collected from beach parking meters and mobile payment for beach parking the Beach Parking Fund is used primarily to account for the proceeds of beach parking fees and are to be used primarily for maintenance of beach parking and beach parks.

**Law Enforcement Trust Fund** – The Law Enforcement Trust Fund is used primarily to account for the proceeds of forfeitures from felony arrests which, pursuant to State law, can only be used for law enforcement investigations, training and equipment not normally funded by the General Fund.

**American Rescue Plan Fund** – The American Rescue Plan Fund is used to account for the government proceeds made to support public health expenditures, address negative economic impacts caused by the public health emergency, replace lost public sector revenue, provide premium pay for essential workers and invest in water, sewer, and broadband infrastructure.

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Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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**Capital Assets Fund** – This fund is used to fund capital expenditures or items which replace a capital need. The funds primary source of revenue is from utility taxes and debt.

**City of Satellite Beach, Florida**  
**Combining Balance Sheet – Nonmajor Governmental Funds**

	Special Revenue				Total Nonmajor Governmental Funds
	Community Services	American Rescue Plan	Law Enforcement Trust	Beach Parking Fund	
<i>September 30, 2025</i>					
<b>ASSETS</b>					
Cash and cash equivalents	\$ 246,605	\$ -	\$ 31,650	\$ 111,006	\$ 389,261
Investments	16,230	-	3,176	-	19,406
Accounts receivable	4,162	-	-	11,066	15,228
Total assets	\$ 266,997	\$ -	\$ 34,826	\$ 122,072	\$ 423,895
<b>LIABILITIES</b>					
Accounts payable	\$ 517	\$ -	\$ -	\$ -	\$ 517
Total liabilities	517	-	-	-	517
<b>FUND BALANCES</b>					
Restricted	266,480	-	34,826	122,072	423,378
Total fund balances	266,480	-	34,826	122,072	423,378
Total liabilities and fund balances	\$ 266,997	\$ -	\$ 34,826	\$ 122,072	\$ 423,895

**City of Satellite Beach, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**– Nonmajor Governmental Funds**

<i>For the Year Ended September 30, 20</i>	Special Revenue				Total Nonmajor Governmental Funds
	Community Services	American Rescue Plan	Law Enforcement Trust	Beach Parking Fund	
<b>Revenues</b>					
Intergovernmental	\$ -	\$ 258,773	\$ -	\$ -	\$ 258,773
Charges for services	406		-	183,010	183,416
Investment and other income	82,340	32,912	488	1,448	117,188
<b>Total revenues</b>	<b>82,746</b>	<b>291,685</b>	<b>488</b>	<b>184,458</b>	<b>559,377</b>
<b>Expenditures</b>					
Department:					
Public safety	25,207	-	-	-	25,207
Physical environment	2,775	-	-	-	2,775
Recreation	9,237	-	-	-	9,237
Capital outlay	35,481	1,021,771	-	-	1,057,252
<b>Total expenditures</b>	<b>72,700</b>	<b>1,021,771</b>	<b>-</b>	<b>-</b>	<b>1,094,471</b>
<b>Excess of revenues over expenditures</b>	<b>10,046</b>	<b>(730,086)</b>	<b>488</b>	<b>184,458</b>	<b>(535,094)</b>
<b>Other financing uses</b>					
Transfers in (out)	-	323,702	-	(131,236)	192,466
<b>Total other financing uses</b>	<b>-</b>	<b>323,702</b>	<b>-</b>	<b>(131,236)</b>	<b>192,466</b>
<b>Net change in fund balances</b>	<b>10,046</b>	<b>(406,384)</b>	<b>488</b>	<b>53,222</b>	<b>(342,628)</b>
<b>Fund balances, beginning of year</b>	<b>256,434</b>	<b>-</b>	<b>34,338</b>	<b>68,850</b>	<b>359,622</b>
<b>Adjustments</b>	<b>-</b>	<b>406,384</b>	<b>-</b>	<b>-</b>	<b>406,384</b>
<b>Fund balances, beginning of year after adjustments</b>	<b>256,434</b>	<b>406,384</b>	<b>34,338</b>	<b>68,850</b>	<b>766,006</b>
<b>Fund balances, end of year</b>	<b>\$ 266,480</b>	<b>\$ -</b>	<b>\$ 34,826</b>	<b>\$ 122,072</b>	<b>\$ 423,378</b>

**City of Satellite Beach, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances –**  
**Budget and Actual – Community Services Fund**

<i>For the Year Ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 100	\$ (406)	\$ 406	\$ 812
Investment and other income	27,440	(82,328)	82,340	164,668
<b>Total revenues</b>	<b>27,540</b>	<b>(82,734)</b>	<b>82,746</b>	<b>165,480</b>
<b>Expenditures</b>				
Department:				
Police	17,500	14,066	14,065	1
Fire	20,000	11,142	11,142	-
Public Works	4,000	2,775	2,775	-
Recreation	5,000	9,237	9,237	-
Capital outlay	10,000	35,481	35,481	-
<b>Total expenditures</b>	<b>56,500</b>	<b>72,701</b>	<b>72,700</b>	<b>1</b>
<b>Net change in fund balances</b>	<b>(28,960)</b>	<b>(155,435)</b>	<b>10,046</b>	<b>165,481</b>
<b>Fund balances, beginning of year</b>	<b>256,434</b>	<b>256,434</b>	<b>256,434</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 227,474</b>	<b>\$ 100,999</b>	<b>\$ 266,480</b>	<b>\$ 165,481</b>

**City of Satellite Beach, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances –**  
**Budget and Actual – American Rescue Plan**

<i>For the Year Ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 258,773	\$ 258,773
Interest and other	-	32,902	32,912	10
<b>Total revenues</b>	-	32,902	291,685	258,783
<b>Expenditures</b>				
Department				
Public Works	48,431	-	-	-
Capital outlay	-	1,021,771	1,021,771	-
<b>Total expenditures</b>	48,431	1,021,771	1,021,771	-
<b>Excess of revenues over expenditures</b>	(48,431)	(988,869)	(730,086)	258,783
<b>Other financing sources (uses)</b>				
Transfers In	-	-	323,702	-
<b>Net change in fund balances</b>	(48,431)	(988,869)	(406,384)	258,783
<b>Fund balances, beginning of year</b>	406,384	406,384	406,384	-
<b>Fund balances, end of year</b>	\$ 357,953	\$ (582,485)	\$ -	\$ 258,783

**City of Satellite Beach, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances –**  
**Budget and Actual – Beach Parking Fund**

<i>For the Year Ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 300,000	\$ 183,010	\$ 183,010	\$ -
Investment and other income	100	1,447	1,448	1
<b>Total revenues</b>	<b>300,100</b>	<b>184,457</b>	<b>184,458</b>	<b>1</b>
<b>Expenditures</b>				
Department:				
Supporting Services	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of revenues over expenditures</b>	<b>300,100</b>	<b>184,457</b>	<b>184,458</b>	<b>1</b>
<b>Other financing sources (uses)</b>				
Transfers out	(200,000)	(131,236)	(131,236)	-
<b>Total other financing sources (uses)</b>	<b>(200,000)</b>	<b>(131,236)</b>	<b>(131,236)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>100,100</b>	<b>53,221</b>	<b>53,222</b>	<b>1</b>
<b>Fund balances, beginning of year</b>	<b>68,850</b>	<b>68,850</b>	<b>68,850</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 168,950</b>	<b>\$ 122,071</b>	<b>\$ 122,072</b>	<b>\$ 1</b>

**City of Satellite Beach, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual – Law Enforcement Trust**

<i>For the Year Ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Investment and other income	\$ -	\$ -	\$ 488	\$ 488
Total revenues	-	-	488	488
<b>Expenditures</b>				
Department:				
Police	-	-	-	-
Total expenditures	-	-	-	-
<b>Net change in fund balances</b>	-	-	488	488
<b>Fund balances, beginning of year</b>	34,338	34,338	34,338	-
<b>Fund balances, end of year</b>	\$ 34,338	\$ 34,338	\$ 34,826	\$ 488

**City of Satellite Beach, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual – Capital Asset Fund**

<i>For the Year Ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 885,000	\$ 1,124,342	\$ 1,124,342	\$ -
Intergovernmental	3,000,000	45,115	591,677	546,562
Interest and other	185,500	79,927	80,688	761
<b>Total revenues</b>	<b>4,070,500</b>	<b>1,249,384</b>	<b>1,796,707</b>	<b>547,323</b>
<b>Expenditures</b>				
Department:				
Police	101,937	77,565	77,565	-
Fire	-	49,378	49,378	-
Public Works	-	65,881	65,881	-
Capital outlay	2,801,863	2,164,050	2,164,049	1
Debt service:				
Principal retired	446,036	446,036	446,036	-
Interest and other	376,827	377,146	377,146	-
<b>Total expenditures</b>	<b>3,726,663</b>	<b>3,180,056</b>	<b>3,180,055</b>	<b>1</b>
<b>Deficiency of revenues under expenditures</b>	<b>343,837</b>	<b>(1,930,672)</b>	<b>(1,383,348)</b>	<b>547,324</b>
<b>Net change in fund balances</b>	<b>343,837</b>	<b>(1,930,672)</b>	<b>(1,600,196)</b>	<b>330,476</b>
<b>Fund balances (deficits), beginning of year</b>	<b>4,674,066</b>	<b>4,674,066</b>	<b>4,674,066</b>	<b>-</b>
<b>Fund balances (deficits), end of year</b>	<b>\$ 5,017,903</b>	<b>\$ 2,743,394</b>	<b>\$ 3,073,870</b>	<b>\$ 330,476</b>

## STATISTICAL SECTION

This part of the City of Satellite Beach, Florida's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### Table of Contents

#### A. Financial Trends

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

**Schedule A1** Net Position by Component

**Schedule A2** Changes in Net Position

**Schedule A3** Fund Balances – Governmental Funds

**Schedule A4** Changes in Fund Balances – Governmental Funds

#### B. Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local own-source revenues - ad valorem property taxes, occupational license taxes, and building permits revenues.

**Schedule B1** Assessed Value and Estimated Actual Value of Taxable Property

**Schedule B2** Tax Revenues by Source – Governmental Funds

**Schedule B3** Direct and Overlapping Property Tax Rates

**Schedule B4** Principal Property Taxpayers

**Schedule B5** Property Tax Levies and Collections

#### C. Debt Capacity

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

**Schedule C1** Ratio of Outstanding Debt by Type

**Schedule C2** Direct and Overlapping Governmental Activities Debt

**Schedule C3** Pledged Revenue Coverage

**Schedule C4** Ratios of General Bonded Debt Outstanding

**Schedule C5** Legal Debt Margin Information

## **D. Demographic and Economic Information Financial Trends**

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

**Schedule D1** Demographic and Economic Statistics

**Schedule D2** Principal Employers

## **E. Operating Information**

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

**Schedule E1** Employees by Function/Program

**Schedule E2** Operating Indicators by Function/Program

**Schedule E3** Capital Asset Statistics by Function/Program

## **Additional Notes**

Unless otherwise noted, the information in these schedules is derived from the City's Annual Comprehensive Financial Report (ACFR) (or financial statements) for the relevant year.



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**City of Satellite Beach, Florida**  
**Schedule A1 Net Position by Component**

<i>Fiscal Year ended September 30,</i>	<b>2025</b>	2024	2023	2022
<b>Governmental activities</b>				
Net investment in capital assets	\$ 44,193,533	\$ 37,628,617	\$ 32,488,375	\$ 34,100,017
Restricted	3,932,958	5,181,359	6,036,697	283,076
Unrestricted	(3,998,489)	(3,957,659)	(7,357,890)	(8,397,013)
<b>Total governmental activities net position</b>	<b>44,128,002</b>	<b>38,852,317</b>	<b>31,167,182</b>	<b>25,986,080</b>
<b>Primary government</b>				
Net investment in capital assets	44,193,533	37,628,617	32,488,375	34,100,017
Restricted	3,932,958	5,181,359	6,036,697	283,076
Unrestricted	(3,998,489)	(3,957,659)	(7,357,890)	(8,397,013)
<b>Total primary government net position</b>	<b>\$ 44,128,002</b>	<b>\$ 38,852,317</b>	<b>\$ 31,167,182</b>	<b>\$ 25,986,080</b>

Source: City of Satellite Beach Support Services Department

**City of Satellite Beach, Florida**  
**Schedule A1 Net Position by Component**

2021	2020	2019	2018	2017	2016
\$ 27,510,228	\$ 25,460,939	\$ 22,804,907	\$ 27,017,454	\$ 26,078,307	\$ 25,272,490
2,909,105	3,185,696	5,510,086	941,307	1,468,861	1,619,299
(7,696,211)	(9,741,400)	(10,806,671)	(11,463,063)	(7,654,678)	(5,481,463)
<u>22,723,122</u>	<u>18,905,235</u>	<u>17,508,322</u>	<u>16,495,698</u>	<u>19,892,490</u>	<u>21,410,326</u>
27,510,228	25,460,939	22,804,907	27,017,454	26,078,307	25,272,490
2,909,105	3,185,696	5,510,086	941,307	1,468,861	1,619,299
(7,696,211)	(9,741,400)	(10,806,671)	(11,463,063)	(7,654,678)	(5,481,463)
<u>\$ 22,723,122</u>	<u>\$ 18,905,235</u>	<u>\$ 17,508,322</u>	<u>\$ 16,495,698</u>	<u>\$ 19,892,490</u>	<u>\$ 21,410,326</u>

**City of Satellite Beach, Florida**  
**Schedule A2 Changes in Net Position**

<i>Fiscal Year ended September 30,</i>	<b>2025</b>	2024	2023	2022
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 4,345,749	\$ 4,237,089	\$ 4,624,935	\$ 4,762,470
Public safety	7,424,993	6,921,736	7,743,000	6,029,889
Physical environment	5,111,858	4,936,377	4,861,942	3,451,619
Recreation	1,489,992	1,314,483	1,142,911	952,427
Interest and related costs on long term debt	376,252	517,675	283,146	260,428
<b>Total expenses - governmental activities</b>	<b>18,748,844</b>	<b>17,927,360</b>	<b>18,655,934</b>	<b>15,456,833</b>
<b>Program revenues:</b>				
Governmental activities:				
Charges for Services:				
General Government	\$ 332,049	\$ 310,723	\$ 469,548	\$ 433,292
Public Safety	327,434	313,488	311,118	337,168
Physical environment	1,017,439	1,011,587	997,951	1,007,868
Recreation	791,608	682,546	679,387	580,286
Operating Grants and Contributions				
General Government	1,737,335	660,134	453,129	124,134
Public Safety	54,362	43,408	32,552	54,835
Physical environment	300	100	1,932	3,210
Recreation	1,077	2,111	669	-
Capital Grants and Contributions				
General Government	258,773	2,093,430	2,124,180	1,098,118
Public Safety	-	-	18,991	9,125
Physical environment	460,438	213,123	2,000	8,000
Recreation	621			1
<b>Total program revenues - governmental activities</b>	<b>4,981,436</b>	<b>5,330,650</b>	<b>5,091,457</b>	<b>3,656,037</b>
<b>Net (expense) revenue - governmental activities</b>	<b>\$ (13,767,408)</b>	<b>\$ (12,596,710)</b>	<b>\$ (13,564,477)</b>	<b>\$ (11,800,796)</b>

**City of Satellite Beach, Florida**  
**Schedule A2 Changes in Net Position**

2021	2020	2019	2018	2017	2016
\$ 3,414,609	\$ 3,619,660	\$ 3,783,019	\$ 2,904,285	\$ 3,973,747	\$ 2,825,504
5,040,014	6,066,516	6,145,653	6,333,268	5,935,564	5,170,779
2,838,554	2,808,928	3,545,573	2,672,181	2,610,724	2,401,705
1,002,740	748,686	865,768	860,047	815,610	825,813
297,871	336,377	269,538	271,391	270,548	327,277
12,593,788	13,580,167	14,609,551	13,041,172	13,606,193	11,551,078
\$ 388,114	\$ 347,199	\$ 273,052	\$ 286,774	365,836	166,775
300,949	256,554	279,803	139,136	137,209	132,088
962,900	962,962	967,806	498,839	425,057	497,699
536,985	324,079	598,230	595,078	563,425	631,519
176,204	7,697	95,461	-	-	-
36,801	14,850	25,382	22,015	30,086	213,429
24,391	23,961	23,276	22,665	29,471	23,880
1,492	4,390	800	300	101	350
-	-	-	-	-	-
27,780	-	16,343	-	1,000	1,000
-	14,168	727,741	-	-	-
-	-	120,000	41,500	32	50,185
2,455,616	1,955,860	3,127,894	1,606,307	1,552,217	1,716,925
\$ (10,138,172)	\$ (11,624,307)	\$ (11,481,657)	\$ (11,434,865)	\$ (12,053,976)	\$ (9,834,153)

**City of Satellite Beach, Florida**  
**Schedule A2 Changes in Net Position**

<i>Fiscal Year ended September 30,</i>	<b>2025</b>	2024	2023	2022
<b>General revenues:</b>				
Governmental activities:				
Property taxes	\$ 11,923,020	\$ 11,177,907	\$ 11,283,206	\$ 10,429,297
Franchise fees and other taxes	3,656,763	3,485,113	3,377,397	2,984,743
Share revenues not restricted to specific programs	1,845,469	1,280,034	1,335,969	1,260,528
Grants and contributions not restricted to specific programs	560,609	3,191,173	765,003	210
Unrestricted investment earnings	284,346	609,312	355,175	48,948
Miscellaneous	707,264	538,307	1,628,829	340,028
Gain on sale of assets	65,621	-	-	-
<b>Total general revenues - governmental activities</b>	<b>19,043,092</b>	<b>20,281,846</b>	<b>18,745,579</b>	<b>15,063,754</b>
<b>Change in net position - governmental activities</b>	<b>5,275,684</b>	<b>7,685,136</b>	<b>5,181,102</b>	<b>3,262,958</b>
<b>Change in net position - total government</b>	<b>\$ 5,275,684</b>	<b>\$ 7,685,136</b>	<b>\$ 5,181,102</b>	<b>\$ 3,262,958</b>

*(Continued from previous page)*

Source: City of Satellite Beach Support Services Department

**City of Satellite Beach, Florida**  
**Schedule A2 Changes in Net Position**

2021	2020	2019	2018	2017	2016
\$ 9,792,447	\$ 8,792,095	\$ 8,415,825	\$ 7,254,925	\$ 6,783,312	\$ 6,371,353
2,731,231	2,759,077	2,721,062	2,627,465	2,596,137	2,633,925
1,080,144	990,429	1,015,263	999,801	957,349	899,109
33,905	41,952	1,776	10,935	2,051	1,484
12,342	92,707	111,830	36,049	27,603	32,328
305,990	344,960	228,525	587,146	169,688	124,410
-	-	-	-	-	-
13,956,059	13,021,220	12,494,281	11,516,321	10,536,140	10,062,609
3,817,887	1,396,913	1,012,624	81,456	(1,517,836)	228,456
\$ 3,817,887	\$ 1,396,913	\$ 1,012,624	\$ 81,456	\$ (1,517,836)	\$ 228,456

**City of Satellite Beach, Florida**  
**Schedule A3 Fund Balances- Governmental Funds**

<i>Fiscal year ended September 30,</i>	<b>2025</b>	2024	2023	2022
<b>General Fund</b>				
Nonspendable	\$ 62,021	\$ 296,298	\$ 100,926	\$ 37,093
Restricted				-
Committed				-
Assigned	<b>4,745,625</b>	4,417,735	3,576,850	3,096,748
Unassigned (deficit)	<b>987,773</b>	831,504	503,127	591,234
Reserved	-	-	-	-
Unreserved	-	-	-	-
<b>Total General Fund</b>	<b>\$ 5,795,419</b>	<b>\$ 5,545,537</b>	<b>\$ 4,180,903</b>	<b>\$ 3,725,075</b>
<b>All other governmental funds:</b>				
Nonspendable	\$ 7,189	\$ 330,793	\$ 7,189	\$ 558,895
Restricted	<b>3,925,769</b>	6,022,562	6,274,228	283,076
Reserved				
Unreserved, reported in:				
Special revenue funds	-	-	(725,098)	(1,563,575)
<b>Total all other governmental funds</b>	<b>\$ 3,932,958</b>	<b>\$ 6,353,355</b>	<b>\$ 5,556,319</b>	<b>\$ (721,604)</b>

\* Beginning in FY 2011, GASB Statement No. 54 was implemented, classifying fund balances as nonspendable, restricted, committed, assigned or unassigned

Source: City of Satellite Beach Support Services Department

**City of Satellite Beach, Florida**  
**Schedule A3 Fund Balances- Governmental Funds**

2021	2020	2019	2018	2017	2016
\$ 24,141	\$ 175,667	\$ 130,814	\$ 152,565	\$ 87,165	\$ 113,249
-	-	-	-	-	-
2,536,661	2,384,718	1,635,635	852,745	852,745	852,745
-	-	-	-	-	-
451,221	413,226	225,955	(213,044)	(307,572)	421,069
-	-	-	-	-	-
-	-	-	-	-	-
<b>\$ 3,012,023</b>	<b>\$ 2,973,611</b>	<b>\$ 1,992,404</b>	<b>\$ 792,266</b>	<b>\$ 632,338</b>	<b>\$ 1,387,063</b>
\$ 7,189	\$ 7,189	\$ 10,482	\$ 51,607	\$ 80,563	\$ 265,080
2,901,916	3,178,507	5,510,086	941,307	1,468,861	1,619,299
-	-	-	-	-	-
-	-	-	-	-	-
129	-	-	-	-	-
<b>\$ 2,909,234</b>	<b>\$ 3,185,696</b>	<b>\$ 5,520,568</b>	<b>\$ 992,914</b>	<b>\$ 1,549,424</b>	<b>\$ 1,884,379</b>

**City of Satellite Beach, Florida**  
**Schedule A4 Changes in Fund Balances- Governmental Funds**

<i>Fiscal year ended September 30,</i>	<b>2025</b>	2024	2023	2022
<b>Revenues:</b>				
Taxes	\$ 15,579,783	\$ 14,663,020	\$ 14,660,603	\$ 13,414,040
Licenses and permits	346,722	322,078	486,776	481,038
Intergovernmental	5,344,894	7,450,386	5,010,002	2,605,526
Charges for services	2,238,074	2,134,835	1,909,544	1,793,316
Fines and forfeitures	40,633	39,832	36,896	56,504
Interest and other	475,572	1,004,325	1,733,215	369,367
<b>Total revenues</b>	<b>24,025,678</b>	25,614,476	23,837,036	18,719,791
<b>Expenditures:</b>				
Current:				
General government	4,335,995	3,918,532	4,358,233	4,113,612
Public safety	8,311,457	6,946,031	6,867,906	5,969,339
Physical environment	4,583,627	4,087,099	3,743,589	3,061,197
Recreation	1,288,504	1,111,232	1,038,523	900,627
Capital outlay - small dollar items				-
Capital outlay	6,054,835	8,318,153	6,295,783	3,738,498
Debt service:				
Principal retired	704,701	598,631	2,307,055	4,039,955
Interest and other	383,702	326,361	286,912	293,092
<b>Total expenditures</b>	<b>25,662,821</b>	25,306,039	24,898,001	22,116,320
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,637,143)</b>	308,437	(1,060,965)	(3,396,529)
<b>Other financing sources (uses):</b>				
Transfers in	800,327	374,153	4,925,896	4,862,126
Transfers out	(800,327)	(374,153)	(4,925,896)	(4,862,126)
Refunding note issues				
Proceeds from issuance of debt	-	900,216	7,560,215	435,181
Capital lease proceeds	232,240	158,007	263,899	43,571
Insurance proceeds				-
Payment to refund note escros				
Proceeds from sale of fixed assets				-
<b>Total other financing sources (uses)</b>	<b>232,240</b>	1,058,223	7,824,114	478,752
<b>Net change in fund balances</b>	<b>\$ (1,404,903)</b>	\$ 1,366,660	\$ 6,763,149	\$ (2,917,777)
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	6%	6%	16%	31%

Source: City of Satellite Beach Support Services Department

**City of Satellite Beach, Florida**  
**Schedule A4 Changes in Fund Balances- Governmental Funds**

2021	2020	2019	2018	2017	2016
\$ 12,523,678	\$ 11,551,172	\$ 11,136,887	\$ 9,882,390	\$ 9,379,449	\$ 9,005,278
394,268	344,809	275,381	278,451	352,094	160,259
1,418,268	1,337,196	2,161,933	1,412,978	1,092,446	1,025,845
1,733,849	1,486,001	1,779,294	1,177,239	1,067,431	1,208,085
35,230	33,366	39,401	38,678	45,657	43,538
307,381	223,537	229,279	331,523	151,280	336,529
<u>16,412,675</u>	<u>14,976,081</u>	<u>15,622,175</u>	<u>13,121,259</u>	<u>12,088,357</u>	<u>11,779,534</u>
3,763,225	3,465,542	3,441,324	2,901,189	2,841,906	2,716,039
5,640,600	5,690,981	5,439,259	5,432,558	5,338,401	4,692,448
2,462,437	2,141,429	1,977,289	2,022,736	1,994,331	1,740,589
804,581	674,831	794,005	758,407	749,825	778,573
-	-	-	63,013	271,075	-
5,826,075	3,063,771	2,588,713	1,976,024	1,354,830	3,258,577
1,009,815	992,478	972,047	1,741,124	772,453	616,719
276,150	367,928	244,821	288,890	264,330	263,395
<u>19,782,883</u>	<u>16,396,960</u>	<u>15,457,458</u>	<u>15,183,941</u>	<u>13,587,151</u>	<u>14,066,340</u>
<u>(3,370,208)</u>	<u>(1,420,879)</u>	<u>164,717</u>	<u>(2,062,682)</u>	<u>(1,498,794)</u>	<u>(2,286,806)</u>
5,338,707	2,939,582	2,591,900	1,880,235	2,374,472	1,877,527
(5,338,707)	(2,905,368)	(2,591,900)	(1,880,235)	(2,374,472)	(1,877,527)
	1,969,000	-	-	-	-
3,132,149	-	5,000,000	947,596	-	-
-	-	-	718,505	408,364	-
-	-	-	-	-	-
	(1,936,000)	-	-	-	-
-	-	563,075	-	750	-
<u>3,132,149</u>	<u>67,214</u>	<u>5,563,075</u>	<u>1,666,101</u>	<u>409,114</u>	<u>-</u>
<u>\$ (238,059)</u>	<u>\$ (1,353,665)</u>	<u>\$ 5,727,792</u>	<u>\$ (396,581)</u>	<u>\$ (1,089,680)</u>	<u>\$ (2,286,806)</u>
10%	11%	10%	18%	9%	9%

**City of Satellite Beach, Florida**

**Schedule B1 Assessed Value and Estimated Actual Value of Taxable Property**

<i>Fiscal Year Ended September 30,</i>	Taxable Value Real Property for Operating Purposes	Personal Property for Operating Purposes	Gross Taxable Value	New Construction Taxable Value
<b>2025</b>	<b>\$ 1,523,498,957</b>	<b>\$ 26,875,527</b>	<b>1,550,374,484</b>	<b>\$ 16,695,360</b>
2024	1,401,003,569	22,601,707	1,423,605,276	5,669,108
2023	1,280,435,014	19,616,807	1,300,051,821	9,279,494
2022	1,129,733,686	17,736,567	1,147,470,253	11,741,436
2021	1,054,565,675	15,439,162	1,070,004,837	67,581,541
2020	956,568,541	14,447,091	971,015,632	5,373,199
2019	904,489,814	13,121,899	917,611,713	2,318,960
2018	834,517,167	12,832,337	847,349,504	3,629,950
2017	776,785,520	12,007,698	788,793,218	4,006,655
2016	725,000,652	12,007,698	737,008,350	9,570,160

Source: Brevard County Property Appraiser

**City of Satellite Beach, Florida**

**Schedule B1 Assessed Value and Estimated Actual Value of Taxable Property**

Adjusted Taxable Value	Final Taxable Value	Millage Rate Per \$1,000
<b>\$ 1,533,679,124</b>	<b>\$ 1,547,433,831</b>	<b>7.9812</b>
1,417,936,168	1,417,936,168	8.1312
1,290,772,327	1,296,171,165	8.2312
1,135,728,817	1,146,621,235	8.6312
1,002,423,296	1,072,175,051	8.6312
965,642,433	970,808,070	8.7000
915,292,753	915,229,667	8.8212
843,719,554	846,112,825	8.1518
784,985,784	783,329,385	8.1518
727,438,190	732,126,873	8.2900

**City of Satellite Beach, Florida**  
**Schedule B2- Tax Revenues by Source- Governmental Funds**

<i>Fiscal Year Ended</i> <i>September 30,</i>	Property Taxes	Community Redevelopment	Local Option Gas Taxes	Communications Service Tax
<b>2025</b>	<b>\$ 11,923,019</b>	<b>\$ -</b>	<b>\$ 553,383</b>	<b>\$ 501,355</b>
2024	11,177,907	-	541,187	486,893
2023	10,320,081	963,125	519,038	416,425
2022	9,553,018	876,279	512,779	394,885
2021	8,950,625	841,822	465,205	370,987
2020	8,160,178	631,917	450,516	396,054
2019	7,801,789	614,035	477,362	386,233
2018	6,680,787	574,138	446,200	393,709
2017	6,257,854	525,458	481,213	377,634
2016	5,895,283	476,070	483,307	403,528

Source: City of Satellite Beach Support Services Department

**City of Satellite Beach, Florida**  
**Schedule B2- Tax Revenues by Source- Governmental Funds**

Local Business Tax	Insurance Premium Tax (Pension)	Utility and Franchise Taxes	Total	% Change over Prior Year
<b>\$ 46,068</b>	<b>\$ 358,266</b>	<b>\$ 2,197,673</b>	<b>\$ 15,579,764</b>	6%
47,265	331,150	2,068,157	14,652,559	0%
53,138	340,559	2,048,237	14,660,603	10%
38,948	208,881	1,795,846	13,380,636	7%
31,184	199,381	1,664,474	12,523,678	8%
31,445	249,122	1,631,940	11,551,172	4%
49,653	227,857	1,579,958	11,136,887	13%
42,674	220,026	1,524,856	9,882,390	5%
48,583	202,278	1,486,429	9,379,449	4%
40,597	235,710	1,470,783	9,005,278	9%

**City of Satellite Beach, Florida**  
**Schedule B3- Direct and Overlapping Property Tax rates**

City of Satellite Beach			Overlapping Rates	
<i>Fiscal Year ended</i>			Brevard County	
<i>September 30,</i>	Operating Millage	Total Direct Rate	School Board	Brevard County
<b>2025</b>	<b>7.9812</b>	<b>7.9812</b>	<b>6.3110</b>	<b>2.9207</b>
2024	8.1312	8.1312	6.3830	3.0486
2023	8.2312	8.2312	5.4950	3.2619
2022	8.6312	8.6312	5.8500	3.5661
2021	8.6312	8.6312	5.9420	3.6929
2020	8.7000	8.7000	6.3798	3.8196
2019	8.8212	8.8212	6.2990	3.9456
2018	8.1518	8.1518	6.2990	3.9456
2017	8.1518	8.1518	6.5680	4.1550
2016	8.2900	8.2900	6.9160	4.3631

Source: Brevard County Tax Collector

**City of Satellite Beach, Florida**  
**Schedule B3- Direct and Overlapping Property Tax rates**

Brevard County Special Districts	Overlapping Rates		Total Direct and Overlapping
	St. Johns Water Management District	Fla Inland Navigation District	
<b>0.7724</b>	<b>0.1793</b>	<b>0.0288</b>	18.1934
0.8176	0.1793	0.0288	18.5885
0.9097	0.1974	0.0320	18.1272
1.2203	0.2189	0.0320	19.5185
1.2752	0.2287	0.0320	19.8020
1.0757	0.2414	0.0320	20.2485
1.4084	0.2562	0.0320	20.7624
1.4084	0.2562	0.0320	20.0930
1.4475	0.2724	0.0320	20.6267
1.4917	0.2885	0.0320	21.3813

**City of Satellite Beach, Florida**  
**Schedule B4- Principal Property Taxpayers**

Taxpayer	September 30, 2025			September 30, 2016		
	Taxable Assessed Value	Rank	Percentage of Total Assesed Value	Taxable Assessed Value	Rank	Percentage of Total Assesed Value
New Plan Venture Direct	\$ 7,929,670	1	0.94%	\$ 6,765,000	1	1.04%
Satellite Beach Partners LLC				5,500,000	2	0.84%
Las Olas Beach Club Assoc. Inc.	5,999,200	2	0.71%	5,267,960	3	0.81%
Satellite Beach Partners LLC				4,075,000	4	0.63%
Oceana Oceanfront Development LLC				2,745,000	5	0.42%
Martin, Robert & Diana				2,130,620	6	0.33%
Regency Center LLC				2,019,600	7	0.31%
Whitworth, Ruben Leon				1,944,070	8	0.30%
Walgreen Co				1,752,300	9	0.27%
Love, Richard P Jr.				1,660,800	10	0.25%
Satellite Beach Town Center LLC	5,744,640	3	0.68%			0.00%
Satellite Beach I LLC	4,200,000	4	0.50%			0.00%
Rule, Charles F	3,870,740	5	0.46%			0.00%
Sand 905 LLC	3,860,640	6	0.46%			0.00%
Port Village LLC	3,426,550	7	0.40%			0.00%
Millenium Investment Group LLC	3,000,000	8	0.35%			0.00%
Jefferies, Benjamin E	2,911,550	9	0.34%			0.00%
Castellon, Mauricio	2,719,900	10	0.32%			0.00%
<b>Total taxable assessed value for principal property taxpayers</b>	<b>\$ 43,662,890</b>		<b>5.16%</b>	<b>\$ 33,860,350</b>		<b>5.20%</b>

Source: Brevard County Tax Collector

**City of Satellite Beach, Florida**  
**Schedule B5 - Property Tax Levies and Collections**

<i>Fiscal Year Ended September 30,</i>	Collected Within the Fiscal Year of the Levy			Total Collections to Date		
	Total Tax Levy for Fiscal Year	Amount Collected	Percentage of Levy	Delinquent Taxes Collected	Amount Collected	Percentage of Levy
<b>2025</b>	<b>\$ 12,373,849</b>	<b>\$ 11,696,647</b>	95%	<b>\$ 226,373</b>	<b>\$ 11,923,019</b>	96%
2024	11,575,619	10,976,650	95%	201,257	11,177,907	97%
2023	10,700,987	10,159,717	95%	160,364	10,320,081	96%
2022	9,904,045	9,431,321	95%	121,697	9,553,018	96%
2021	9,235,426	8,817,725	95%	132,900	8,950,625	97%
2020	8,447,836	7,905,289	94%	254,889	8,160,178	97%
2019	8,094,436	7,680,512	95%	121,278	7,801,789	96%
2018	6,907,424	6,595,105	95%	85,682	6,680,787	97%
2017	6,431,709	6,257,854	97%	-	6,257,854	97%
2016	6,109,799	5,857,461	96%	37,822	5,895,283	96%

**City of Satellite Beach, Florida**  
**Schedule C1- Ratio of Outstanding Debt by Type**

<i>Fiscal Year Ended</i> <i>September 30,</i>	Governmental Activities			Total Outstanding Debt	Total Personal Income	Percentage of Personal Income
	Note Payable	Financed Purchase	Leases			
<b>2025</b>	<b>\$ 13,702,773</b>	<b>\$ 11,400</b>	<b>\$ 486,455</b>	<b>\$ 13,714,173</b>	<b>\$ 636,240,987</b>	<b>2.16%</b>
2024	14,240,460	22,436	410,193	14,262,896	611,773,448	2.33%
2023	13,791,658	33,121	388,718	13,824,779	594,949,971	2.32%
2022	8,420,776	43,466	232,196	8,464,242	520,044,878	1.63%
2021	11,983,387	-	274,254	11,983,387	471,025,912	2.54%
2020	9,744,457	116,716	-	9,861,173	452,529,042	2.18%
2019	10,556,576	264,075	-	10,820,651	421,282,560	2.57%
2018	6,384,317	408,381	-	6,792,698	346,508,232	1.96%
2017	6,048,060	819,662	-	6,867,722	368,427,800	1.86%
2016	6,633,525	598,286	-	7,231,811	367,761,375	1.97%

Source: City of Satellite Beach Support Services Department

**City of Satellite Beach, Florida**  
**Schedule C2 Direct and Overlapping Governmental Activities Debt**

At September 30, 2025

Governmental Unit	Debt Outstanding (1)	Applicable Percentage (2)	City's Estimated Share of Direct and Overlapping Debt
Brevard County	\$ 5,616,042	4.43%	\$ 249,063
City of Satellite Beach Direct Debt (Governmental Activity)			
Total Note Payable & Capital Leases			-
<b>Total Direct and Overlapping Debt</b>			<b>\$ 249,063</b>

Sources: (1) City of Satellite Beach Support Services Department  
(2) Brevard County Finance Department

**City of Satellite Beach, Florida**  
**Schedule C3 Pledged Revenue Coverage**

<i>Fiscal Year Ended September 30,</i>	Debt Coverage Revenues	Debt Service Requirements	Debt Service Coverage
<b>2025</b>	<b>\$ 2,891,721</b>	<b>\$ 711,086</b>	<b>4.07</b>
2024	2,850,460	905,491	3.15
2023	6,258,764	769,562	8.13
2022	5,657,122	1,201,038	4.71
2021	5,337,022	2,785,294	1.92
2020	3,580,723	1,329,406	2.69
2019	2,817,875	903,755	3.12
2018	2,510,657	680,560	3.69
2017	2,301,510	674,125	3.41
2016	2,105,016	513,014	4.10

Note: Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City of Satellite Beach Support Services Department

**City of Satellite Beach, Florida**  
**Schedule C4 Ratios of General Bonded Debt Outstanding**

Fiscal Year Ended September 30,	Population (2)	Assessed Value(1)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
<b>2025</b>	<b>11,493</b>	<b>\$ 1,547,433,831</b>	-	<b>0.00%</b>	
2024	11,453	1,417,936,168	-	0.00%	
2023	11,389	1,296,171,165	-	0.00%	
2022	11,393	1,146,621,235	-	0.00%	0.00
2021	11,332	1,072,175,051	-	0.00%	0.00
2020	10,887	970,808,070	-	0.00%	0.00
2019	10,617	915,229,667	-	0.00%	0.00
2018	10,346	846,112,825	-	0.00%	0.00
2017	10,504	783,329,385	-	0.00%	0.00
2016	10,485	732,126,873	-	0.00%	0.00

***As of September 30, 2025 the City of Satellite Beach has no General Bonded Debt.***

Sources: (1) Brevard County Property Appraiser

(2) University of Florida Bureau of Economic and Business Research

**City of Satellite Beach, Florida**  
**Schedule C5 Legal Debt Margin Information**

<i>Fiscal year ended September 30,</i>	<b>2025</b>	2024	2023	2022
Debt limit	\$ 77,371,692	\$ 70,896,808	\$ 64,808,558	\$ 57,331,062
Total net debt applicable to limit	\$ 13,714,173	\$ 14,262,896	\$ 13,824,779	\$ 8,464,242
Legal debt margin	<b>\$ 63,657,519</b>	\$ 56,633,912	\$ 50,983,779	\$ 48,866,820
Total net debt applicable to the limit as a percentage of the debt limit	<b>18%</b>	20%	21%	15%

Source: City Ordinance 1019 limits the City's total outstanding indebtedness to less than 5% of the assessed value of all taxable property, as determined by the most recent assessment.

**City of Satellite Beach, Florida**  
**Schedule C5 Legal Debt Margin Information**

2021	2020	2019	2018	2017	2016
\$ 53,608,753	\$ 48,540,404	\$ 45,761,483	\$ 42,305,641	\$ 39,166,469	\$ 36,606,344
\$ 11,983,387	\$ 9,861,173	\$ 10,820,651	\$ 6,792,698	6,867,722	7,231,811
\$ 41,625,366	\$ 38,679,231	\$ 34,940,832	\$ 35,512,943	\$ 32,298,747	\$ 29,374,533
22%	20%	24%	16%	18%	20%

**City of Satellite Beach, Florida**  
**Schedule D1 Demographic and Economic Statistics**

<i>Fiscal Year Ended</i> <i>September 30,</i>	Population (1)	Median Age (2)	Per Capita Income (2)	Median		Unemployment Rate (3)
				Household Income (2)	Public School Enrollment (2)	
<b>2025</b>	<b>11,493</b>	<b>42.6</b>	<b>\$ 55,359</b>	<b>\$ 119,134</b>	<b>3,214</b>	4.8%
2024	11,453	42.1	53,416	115,684	3,235	4.0%
2023	11,389	42.1	52,239	103,819	3,114	4.5%
2022	11,393	42.2	45,646	92,750	3,018	5.3%
2021	11,332	44.2	41,566	79,082	3,077	1.7%
2020	10,887	44.3	41,566	79,082	3,077	1.7%
2019	10,617	45.4	39,680	74,800	2,572	2.3%
2018	10,346	43.1	33,492	63,793	2,910	5.2%
2017	10,504	43.1	35,075	63,170	2,697	3.6%
2016	10,485	43.1	35,075	63,170	2,697	5.2%

Sources: (1) University of Florida Bureau of Economic and Business Research  
(2) US Census Bureau  
(3) Bureau of Labor Statistics (Not Seasonally Adjusted)  
(4) Space Coast Economic Development Council

**City of Satellite Beach, Florida  
Schedule D2 Principal Employers**

Employer	2025		2016	
	Number of Employees	Rank	Number of Employees	Rank
Publix Super Market Inc.	100-249	1	100-249	1
Millennium Engineering and Integration			100-249	2
City of Satellite Beach	100-249	2	100-249	3
AP Home Builders, Inc			10-49	4
Blackbaud Inc & Subs	50-99	3	10-49	5
Mojo's of Brevard Inc.			10-49	6
APT Research Inc.			10-49	7
Hot Family Foods Inc.			10-49	8
Long Doggers III Inc.	10-49	6	10-49	9
USPS Mel-Satellite Beach VR	10-49	7	10-49	10
Conklin Davis Center for the Visual	50-99	4		
Amwins Insurance Brokerage LLC	50-99	5		
Kiwi Tennis Club LLC	10-49	8		
McDonalds	10-49	9		
Pappagallos Inc.	10-49	10		

Source: Economic Development Commission of Florida's Space Coast

Note: Figures are for zip code 32937  
No longer exact number of employees.

**City of Satellite Beach, Florida**  
**Schedule E1 Employees by Function/ Program**

<i>Full-time Equivalent Employees</i>	<b>2025</b>	2024	2023	2022
<b>Function</b>				
General Government				
City Clerk	<b>3</b>	3	3	3
Support Services	<b>8</b>	7	9	13
Planning & Sustainability	<b>0</b>	6	4	
Police	<b>37</b>	36	42	40
Fire	<b>22</b>	20	22	22
Community Development	<b>5</b>	4	4	4
Public Works	<b>35</b>	33	31	29
Recreation	<b>10</b>	14	9	9
<b>Total</b>	<b>120</b>	123	124	120

Source: City Support Services Department

Notes: Full-Time Equivalents are calculated, every 3 part time equals 1 full time.

**City of Satellite Beach, Florida**  
**Schedule E1 Employees by Function/ Program**

2021	2020	2019	2018	2017	2016
3	3	2	2	2	2
9	8	8	8	9	7
40	40	40	38	38	38
20	19	18	18	18	18
4	5	5	5	4	4
24	20	18	18	18	17
8	8	8	8	8	8
<b>108</b>	<b>103</b>	<b>99</b>	<b>97</b>	<b>97</b>	<b>94</b>

**City of Satellite Beach, Florida**  
**Schedule E2 Operating Indicators by Function/ Program**

<i>Function/Program</i>	<b>2025</b>	2024	2023	2022
<b>Community Development</b>				
Building permits issued	<b>1,623</b>	1,519	1,674	1,753
Building inspections conducted	<b>3,592</b>	3,758	3,245	3,013
<b>Police</b>				
Arrests/Traffic Arrests	<b>207</b>	233	273	201
DUI's	<b>71</b>	80	71	78
Tickets	<b>761</b>	933	1,506	1,378
<b>Fire</b>				
Structure/Other Fires	<b>15</b>	24	23	23
Incidents/Call Outs	<b>2,368</b>	2,178	2,519	2,622
Annual Inspections	<b>536</b>	487	583	542
<b>Public Works</b>				
Replacement stormwater pipe (feet)	<b>652</b>	130	8,944	2,775
Replacement of storm drain inlets	<b>3</b>	13	43	27
Replacement of curbs (feet)	<b>109</b>	380	4,896	65
Replacement of sidewalk (feet)	<b>140</b>	600	2,007	145
Replacement of gutter (feet)	-	-	-	-
Asphalt patching (tons)	<b>30</b>	116	1,930	142

Source: Various City of Satellite Beach Departments

Note [A]: Indicates data was stored on a previous computer software and is no longer available.

**City of Satellite Beach, Florida**  
**Schedule E2 Operating Indicators by Function/ Program**

2021	2020	2019	2018	2017	2016
1,992	1,983	1,971	2,006	1,594	1,366
3,496	3,273	3,444	3,408	2,232	2,023
182	114	200	322	327	325
97	36	64	91	71	76
1,728	801	1,183	1,348	1,263	1,494
18	21	22	13	22	25
2,332	2,121	1,633	1,398	1,501	1,377
535	133	315	264	285	273
2,950	44	60	40	775	398
56	33	1	10	15	16
8,086	-	-	-	295	1,181
1,274	113	113	208	230	984
-	146	120	97	-	-
1,158	71	18	21	-	10

**City of Satellite Beach, Florida**  
**Schedule E3 Capital Asset Statistics by Function/ Program**

<i>Function/Program</i>	<b>2025</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Schools</b>										
Elementary	<b>2</b>	2	2	2	2	2	2	2	2	2
Middle School	<b>1</b>	1	1	1	1	1	1	1	1	1
High School	<b>1</b>	1	1	1	1	1	1	1	1	1
<b>Police</b>										
Station	<b>1</b>	1	1	1	1	1	1	1	1	1
Police Officers	<b>22</b>	23	23	23	23	23	23	21	21	21
<b>Fire</b>										
Station	<b>1</b>	1	1	1	1	1	1	1	1	1
Firefighters	<b>18</b>	17	17	17	17	17	17	15	15	15
<b>Other Public Works</b>										
Streets (linear miles)	<b>37</b>	37	37	37	37	37	37	37	37	37
Streetlights	<b>475</b>	475	475	475	475	475	435	435	435	435
<b>Parks and Recreation</b>										
Oceanfront Parks	<b>4</b>	4	4	4	4	4	4	4	4	4
Desoto Park Tennis Courts	<b>8</b>	8	8	8	8	8	8	8	8	8
Samsons Island Nature Park	<b>1</b>	1	1	1	1	1	1	1	1	1
Football Field	<b>1</b>	1	1	1	1	1	1	1	1	1
Soccer Field	<b>3</b>	3	3	3	3	3	3	3	3	3
Baseball Field	<b>3</b>	3	3	3	3	3	3	3	3	3
Skatepark	<b>1</b>	1	1	1	1	1	1	1	1	1
Dog Park	<b>1</b>	1	1	1	1	1	1	1	1	1

Source: Various City of Satellite Beach Departments

**City of Satellite Beach, Florida**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2025**

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing / CSFA No.	Grant Number / Pass Through Entity Identifying Number	Expenditures
<b>Federal Programs:</b>			
<b>U.S. DEPARTMENT OF TREASURY</b>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds <i>Passed through State of Florida Environmental Protection Agency</i>	21.027	Y5283 FL0283	\$ 258,773
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	23FRP02	543,842
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	39060	779,138
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	39058	91,408
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	39059	785,000
<b>Total U.S. Department of Treasury</b>			<b><u>2,458,161</u></b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed through National Arbor Day Foundation</i>			
Inflation Reduction Act Urban & Community Forestry Program	10.727	24-CA-11132544-015	44,621
<b>Total U.S. Department of Agriculture</b>			<b><u>44,621</u></b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY - Federal Emergency Management Agency</b>			
<i>Passed through Florida Division of Emergency Management</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z2999 DR-4673-Hurricane Ian	518,810
<b>Total Federal Emergency Management Agency</b>			<b><u>518,810</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u><u>\$ 3,021,592</u></u></b>

**City of Satellite Beach, Florida**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**September 30, 2025**

**Note 1: BASIS OF PRESENTATION**

The schedule of expenditures of federal awards (the "Schedule") include the federal awards of the City of Satellite Beach, Florida, under programs of the federal government and the State of Florida for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the City of Satellite Beach, Florida, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Satellite Beach, Florida.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance or Chapter 10.550, Rules of the Auditor General, wherein certain types of expenditures are not allowable, or are limited as to reimbursement.

**Note 3: SUBRECIPIENTS**

The City of Satellite Beach, Florida had no subrecipients in the fiscal year ended September 30, 2025.

**Note 4: INDIRECT COST RATE**

The Uniform Guidance allows a City to elect a de minimus indirect cost rate. For the year ended September 30, 2025, the City of Satellite Beach, Florida elected not to use the de minimus rate.

**Note 5: NONCASH AWARDS**

The City of Satellite Beach, Florida did not receive any noncash assistance during the year ended September 30, 2025.



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

Honorable Mayor and City Council  
City of Satellite Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Satellite Beach, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Satellite Beach, Florida's basic financial statements, and have issued our report thereon dated March 10, 2026.

**Report on Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2025-003 to be a significant deficiency.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Satellite Beach, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **City of Satellite Beach, Florida's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Satellite Beach, Florida's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Satellite Beach, Florida's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

*Carr, Riggs & Ingram, L.L.C.*

Melbourne, Florida  
March 10, 2026



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## INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and City Council  
City of Satellite Beach, Florida

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited City of Satellite Beach, Florida’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and in the *Florida Compliance Supplement* that could have a direct and material effect on each of City of Satellite Beach, Florida’s major federal program or state project for the year ended September 30, 2025. City of Satellite Beach, Florida’s major federal program are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Satellite Beach, Florida complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

#### *Basis for Opinion on Each Major Federal Program*

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Satellite Beach, Florida and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of City of Satellite Beach, Florida’s compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the

requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Satellite Beach, Florida's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Satellite Beach, Florida's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Satellite Beach, Florida's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Satellite Beach, Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Satellite Beach, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Satellite Beach, Florida's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did

identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-005 and 2025-004 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on City of Satellite Beach, Florida's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City of Satellite Beach, Florida's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Carr, Rigg & Ingram, L.L.C.*

Melbourne, Florida  
March 10, 2026

**City of Satellite Beach, Florida  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended September 30, 2025**

**Section I – Summary of Auditor’s Results**

***Financial Statements***

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	Yes
Noncompliance material to the financial statements noted?	No

***Federal Awards***

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a) of OMB Compliance Supplement?	Yes

Identification of major federal program:

<u>Federal ALN</u>	<u>Federal Program or Cluster</u>	
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	

Dollar threshold used to distinguish between type A and B programs was \$1,000,000.

Auditee qualified as low-risk auditee under 2 CFR 200.520?	No
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**City of Satellite Beach, Florida**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Fiscal Year Ended September 30, 2025**

**Section II – Financial Statement Findings**

**2025-001 Debt proceeds**

**Criteria:** Debt proceeds should not be recorded until they are received.

**Condition:** The City recorded debt proceeds and a related receivable.

**Cause of Condition:** The City recorded debt proceeds and a receivable for a drawdown request made on a State Revolving Loan that was not received by the end of the fiscal year.

**Potential effect of condition:** The debt proceeds and receivables were overstated by \$552,505 in the stormwater fund.

**Recommendation:** City staff should not record debt proceeds until the proceeds are received. An overall review of the trial balance should be performed to identify cutoff issues.

**Management's Response on planned corrective action:** *Management acknowledges the recommendation. We understand that debt proceeds should not be recorded until they are received, and that different funding sources (e.g., FEMA and State Revolving Fund programs) have specific recognition requirements. Due to recent staffing changes, these distinctions were not consistently applied. Management will perform a comprehensive review of the trial balance to identify and correct any cutoff issues and will ensure that proceeds are recorded in accordance with applicable rules and regulations going forward.*

**2025-002 Grant receivables and revenue**

**Criteria:** The City needs to have proper internal controls in place to ensure that the trial balance is free from misstatements.

**Condition:** The City did not record a receivable and unavailable revenues for the Stormwater fund in the prior year. Additionally, in the Capital Projects fund, there was revenue and receivables that was recorded by the City as a prior period adjustment to the Capital Projects fund for \$106,854 that should not have been a prior period adjustment, but rather a transfer from the General fund to the Capital Projects fund.

**Cause of condition:** The Stormwater fund reimbursement request had not yet been created, so the receivable and unavailable revenue was not recorded properly in the prior year, resulting in the revenue being recorded twice. Furthermore, the grant receivables were not reviewed at year end to ensure they were all still valid.

**Potential effect of condition:** The receivables and unavailable revenue were understated for fiscal year 2024 by \$180,000 for the Stormwater fund. Revenue and receivables were understated by

**City of Satellite Beach, Florida**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Fiscal Year Ended September 30, 2025**

\$180,000 for fiscal year 2024 for governmental activities. Revenue is overstated for governmental activities for fiscal year 2025.

Unavailable revenue, receivables, and fund balance were overstated by \$106,854 in the Capital Projects fund.

**Recommendation:** City staff should keep a list of all grants that are open to inquire with departments of any expenditures incurred that will be reimbursed by grant revenue in order to determine the amounts of receivables that need to be recorded. This list should also note which funds the grant receivables are recorded, so when the proceeds are received the receivable is eliminated.

**Management's Response on planned corrective action:** *Management agrees with the recommendation. We will develop and maintain a comprehensive listing of all active grants to improve monitoring and communication with departments regarding reimbursable expenditures. This listing will include the fund in which each grant receivable is recorded to ensure accurate tracking and timely reconciliation when proceeds are received. We will implement procedures to periodically review grant activity to ensure receivables are properly recorded and cleared in accordance with applicable accounting standards.*

**2025-003 Schedule of Expenditures of Federal Awards**

**Criteria:** The Schedule of Expenditures of Federal Awards (SEFA) should be prepared in accordance with the Uniform Guidance in 2 CFR 200.510(b), which requires the auditee to prepare a SEFA including total Federal awards expended as determined by 2 CFR 200.502.

**Condition:** The 2025 SEFA reports provided by the City included amounts in excess of the grant award.

**Cause of condition:** Expenditures were appropriately identified to the awards (projects) within the BS&A accounting system; however, there was no check when preparing the SEFA that the project had not exceeded the maximum grant award.

**Potential effect of condition:** The SEFA expenditure reports were overstated.

**Recommendation:** City staff should reconcile total grant expenditure reported for the life of the grant to ensure the amount reported is not greater than the grant award.

**Management's response on planned corrective action:** *Management agrees with the recommendation. We will implement procedures to track federal award expenditures throughout the year to improve the accuracy and completeness of financial reporting. At year-end, we will perform a detailed reconciliation of expenditures and related grant revenues reported on the Schedule of Expenditures of Federal Awards (SEFA) to the general ledger. This process will be documented and reviewed to ensure amounts are accurate, complete, and supported in accordance with applicable reporting requirements.*

**City of Satellite Beach, Florida**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Fiscal Year Ended September 30, 2025**

**Section III – Federal Award Findings and Questioned Costs**

**2025-004 Suspension and Debarment**

**21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds**

**US Department of Treasury**

**Passed through Florida Department of Environmental Protection**

**2024 Funding**

**Criteria:** 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls. Documentation of the check for suspension or debarment needs to be retained.

**Condition:** Review of checking for suspension and debarment was not done prior to contracting with the vendor.

**Cause of condition:** The City did not consistently complete reviews for all vendors to ensure that the vendors were not suspended and debarred before projects had.

**Perspective (context):** For 5 of the 8 vendors selected, suspension and debarment was not checked prior to paying the vendor. The sample was not statistically valid.

**Potential effect of condition:** Good or services could be contracted with a suspended or debarred vendor, creating questioned costs.

**Questioned Costs:** None noted. Reported finding is a deficiency in internal control.

**Recommendation:** The City should require all vendors to provide certification of their status before a contract or purchase order is completed with the vendor and the City should obtain new certificates annually to ensure the vendors status has not changed.

**Management's response on planned corrective action:** *Management agrees with the recommendation. The City has implemented procedures requiring all departments to obtain vendor certification of status prior to executing a contract or issuing a purchase order. Over the past year, we have worked diligently to educate departments on the importance of obtaining and maintaining proper vendor certifications to ensure compliance with applicable requirements. We will continue to reinforce this expectation and monitor compliance, including obtaining updated certifications annually to ensure vendor status has not changed.*

**City of Satellite Beach, Florida**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Fiscal Year Ended September 30, 2025**

**2025-005 Lack of Report Review**

**21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds**

**US Department of Treasury**

**2021 Funding**

**Criteria:** 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls. Reports should be subject to independent review to verify completeness, validity and timeliness of submission.

**Condition:** There was no documented review by the City Manager of the annual report submitted to the Us Treasury department prior to submittal.

**Cause of condition:** The annual report to the US Treasury was not reviewed prior to submittal.

**Perspective (context):** The one annual report was not reviewed.

**Potential effect of condition:** Review could contain errors, could be submitted incomplete or late.

**Questioned Costs:** None noted. Reported finding is a deficiency in internal control.

**Recommendation:** The City should have controls in place to ensure all reports are reviewed prior to submittal.

**Management’s response on planned corrective action:** *Management agrees that reports should be reviewed prior to submission and notes that the City does have controls in place to ensure appropriate review procedures are performed. In this instance, the report was prepared and submitted by the City Manager, and due to limitations within the Federal Government’s online reporting system, there was not a built-in approval workflow available to document the review process.*

**Section IV – Prior Findings and Questioned Costs for Federal Awards and State Projects**

<b>Original No.</b>	<b>Description</b>	<b>Status</b>	<b>2025 No.</b>
2024-001	Schedule of Expenditures of Federal Awards and State Financial Assistance	Repeated	2025-003
2024-002	Lack of Report Review	Repeated	2025-005
2024-003	Suspension and Debarment	Repeated	2025-004



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**INDEPENDENT AUDITOR’S MANAGEMENT LETTER**

The Honorable Mayor and City Council  
City of Satellite Beach, Florida

**Report on the Financial Statements**

We have audited the financial statements of the City of Satellite Beach, Florida (the “City”) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 10, 2026.

**Auditor’s Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 10, 2026 should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. The status of each finding and recommendation made in the preceding annual financial audit report, is noted below:

Prior Year Management Letter Comments:	Status	Original Year
2024-001 SEFA	Repeated	2024
2024-002 Lack of Report Review	Repeated	2024
2024-003 Suspension and Debarment	Repeated	2024
2024-004 Payroll	Cleared	2024

## Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of the City of Satellite Beach, Florida and its component units is disclosed in the footnotes. The City of Satellite Beach, Florida includes the following component units:

<u>Component Unit:</u>	<u>Established by:</u>
1. City of Satellite Beach Police Officers' and Firefighters' Retirement System	City Ordinance
2. City of Satellite Beach General Employees Retirement System	City Ordinance

## Financial Condition and Management

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

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

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

## Property Assessed Clean Energy (PACE) Programs (unaudited)

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

## Special District Component Unit

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

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

### **Purpose of this Letter**

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

Melbourne, Florida

*Carr, Riggs & Ingram, L.L.C.*

March 10, 2026



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## INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

The Honorable Mayor and City Council  
City of Satellite Beach, Florida

We have examined the City of Satellite Beach, Florida’s (the “City”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management of the City is responsible for the City’s compliance with the specified requirements. Our responsibility is to express an opinion on the City’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied with the specified requirements, in all material respects. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

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

*Carr, Riggs & Ingram, L.L.C.*

Melbourne, Florida  
March 10, 2026



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MEMO TO: City of Satellite Beach Council  
FROM: Brittany Retherford, MPA, City Manager  
DATE: March 10, 2026  
SUBJECT: Corrective Action Plan

The City of Satellite Beach respectfully submits the following corrective action plan for the year ended September 30, 2025.

Name and address of independent public accounting firm:  
Carr, Riggs, & Ingram, LLC  
215 Baytree Drive  
Melbourne, FL 32940

Audit Period:  
Fiscal Year October 1, 2024 – September 30, 2025

The Findings from the Schedule of Findings and Questioned Costs is discussed below. The finding number corresponds to the number assigned in the schedule.

2025-001 Debt Proceeds

Recommendation: City staff should not record debt proceeds until the proceeds are received. An overall review of the trial balance should be performed to identify cutoff issues.

Management Response: Management acknowledges the recommendation. We understand that debt proceeds should not be recorded until they are received, and that different funding sources (e.g., FEMA and State Revolving Fund programs) have specific recognition requirements. Due to recent staffing changes, these distinctions were not consistently applied. Management will perform a comprehensive review of the trial balance to identify and correct any cutoff issues and will ensure that proceeds are recorded in accordance with applicable rules and regulations going forward.

Responsible Parties: Brittany Retherford, City Manager, Mindy Brown, Comptroller, and Bethany Messersmith, Assistant Comptroller  
Anticipated Completion Date: September 30, 2026



### 2025-002 Grant receivables and revenue

Recommendation: City staff should keep a list of all grants that are open to inquire with departments of any expenditures incurred that will be reimbursed by grant revenue in order to determine the amounts of receivables that need to be recorded. This list should also note which funds the grant receivables are recorded, so when the proceeds are received the receivable is eliminated.

Management Response: Management agrees with the recommendation. We will develop and maintain a comprehensive listing of all active grants to improve monitoring and communication with departments regarding reimbursable expenditures. This listing will include the fund in which each grant receivable is recorded to ensure accurate tracking and timely reconciliation when proceeds are received. We will implement procedures to periodically review grant activity to ensure receivables are properly recorded and cleared in accordance with applicable accounting standards.

Responsible Parties: Brittany Retherford, City Manager, Mindy Brown, Comptroller, and Bethany Messersmith, Assistant Comptroller  
Anticipated Completion Date: September 30, 2026

### 2025-003 Schedule of Expenditures of Federal Awards and State Financial Assistance

Recommendation: City staff should track award expenditures throughout the year to ensure the accuracy and completeness of financial reporting. Further, the review of the SEFA reports at year-end should include a reconciliation of both the expenditures and grant revenues reported in the general ledger.

Management Response: Management agrees with the recommendation. We will implement procedures to track federal award expenditures throughout the year to improve the accuracy and completeness of financial reporting. At year-end, we will perform a detailed reconciliation of expenditures and related grant revenues reported on the Schedule of Expenditures of Federal Awards (SEFA) to the general ledger. This process will be documented and reviewed to ensure amounts are accurate, complete, and supported in accordance with applicable reporting requirements.

Responsible Parties: Brittany Retherford, City Manager, Mindy Brown, Comptroller, and Bethany Messersmith, Assistant Comptroller  
Anticipated Completion Date: September 30, 2026



### 2025-004 Suspension and Debarment

Recommendation: The City should require all vendors to provide certification of their status before a contract or purchase order is completed with the vendor and the City should obtain new certificates annually to ensure the vendor status has not changed.

Management Response: Management agrees with the recommendation. The City has implemented procedures requiring all departments to obtain vendor certification of status prior to executing a contract or issuing a purchase order. Over the past year, we have worked diligently to educate departments on the importance of obtaining and maintaining proper vendor certifications to ensure compliance with applicable requirements. We will continue to reinforce this expectation and monitor compliance, including obtaining updated certifications annually to ensure vendor status has not changed.

Responsible Parties: Brittany Retherford, City Manager, Mindy Brown, Comptroller, and Bethany Messersmith, Assistant Comptroller  
Anticipated Completion Date: September 30, 2026

### 2025-005 Lack of Reporting Review

Recommendation: The City should have controls in place to ensure all reports are reviewed prior to submittal.

Management Response: Management agrees that reports should be reviewed prior to submission and notes that the City does have controls in place to ensure appropriate review procedures are performed. In this instance, the report was prepared and submitted by the City Manager, and due to limitations within the Federal Government's online reporting system, there was not a built-in approval workflow available to document the review process.

To strengthen our controls, the City will print and retain a copy of the report prior to electronic submission to allow for documented review and approval. This will ensure appropriate oversight is evidenced and that sufficient supporting documentation is maintained to demonstrate the review process was completed.

Responsible Parties: Brittany Retherford, City Manager, Mindy Brown, Comptroller, and Bethany Messersmith, Assistant Comptroller  
Anticipated Completion Date: September 30, 2026



**City of Satellite Beach, Florida**

**Required Communications**

September 30, 2025



**CARR, RIGGS & INGRAM, L.L.C.**

**Carr, Riggs & Ingram, L.L.C.**  
7506 Lynx Way  
Suite 201  
Melbourne, FL 32940

321.255.0088  
386.336.4189 (fax)  
CRLadv.com

March 10, 2026

To the Honorable Mayor and City Council  
City of Satellite Beach, Florida

We are pleased to present the results of our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Satellite Beach, Florida (the "City") for the year ended September 30, 2025.

This report to the Mayor and the City Council summarizes our audit, the reports issued and various analyses and observations related to the City's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the City's basic financial statements for the year ended September 30, 2025. We considered the City's current and emerging needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the City's personnel.

At Carr, Riggs & Ingram, L.L.C. (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Mayor, City Council and management and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 321.255.0088 or [cnollrhan@criadv.com](mailto:cnollrhan@criadv.com).

Very truly yours,

Christine Noll-Rhan, CPA  
Partner  
**Carr, Riggs & Ingram, L.L.C.**



As discussed with management during our planning process and communicated to the City Council in our engagement letter to you dated August 6, 2025, our audit plan represented an approach responsive to the assessment of risk for the City. Specifically, we planned and performed our audit to:

- Perform audit services, as required by Section 218.39 of the Florida Statutes, 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*, with Chapter 10.550 of the Rules of the Auditor General, in order to express an opinion on the City's financial statements for the year ended September 30, 2025.
- Perform federal single audit services as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (the "Uniform Guidance");
- Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*; and Uniform Guidance 2 CFR Part 200 in order to express an opinion on compliance with requirements applicable to each major federal program;
- Report on internal control over compliance with the types of compliance requirements described in Uniform Guidance 2 CFR Part 200 and the OMB Compliance Supplement;
- Communicate directly with the Mayor, City Council and management regarding the results of our procedures;
- Address with the Mayor, City Council and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Mayor, City Council and management; and
- Other audit-related projects as they arise and upon request.



We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements of the City of Satellite Beach, Florida for the year ended September 30, 2025, and have issued our report therefore dated March 10, 2026. Professional standards also require that we communicate to you the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Auditor's responsibility under Generally Accepted Auditing Standards, <i>Government Auditing Standards</i> and Chapter 10.550, <i>Rules of the Florida Auditor General</i></b></p>	<p>As stated in our engagement letter dated August 6, 2025, our responsibility, as described by professional standards, is to express an opinion about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>Required supplementary information, such as management's discussion and analysis is required by generally accepted accounting principles and will be subject to certain limited procedures, but will not be audited.</p> <p>As part of our audit, we considered the internal control and compliance with laws, regulations, contracts and grants of the City. Such considerations were solely for the purpose of determining audit procedures and not to provide any assurance concerning such internal control and compliance with laws, regulations, contracts and grants.</p>
<p><b>Client's responsibility</b></p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management, with oversight from those charged with governance, is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p> <p>Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Planned scope and timing of the audit</b></p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p><b>Management judgments and accounting estimates</b>  <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>
<p><b>Potential effect on the financial statements of any significant risks and exposures</b>  <i>Major risks and exposures facing the City and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>
<p><b>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</b></p> <ul style="list-style-type: none"> <li>• <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i></li> <li>• <i>The auditor should also discuss the auditor's judgment about the quality, not just the acceptability, of the City's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures.</i></li> <li>• <i>Critical accounting policies and practices applied by the City in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by use but rejected by management), the reasons why certain</i></li> </ul>	<p>The significant accounting policies used by the City are described in Note 1 to the financial statements. New accounting policies were adopted during the fiscal year as a result of the following recently issued accounting pronouncements:</p> <ul style="list-style-type: none"> <li>• Statement No. 101, <i>Compensated Absences</i> (GASB 101)</li> </ul> <p>The adoption of GASB Statement No. 101 did not a significant impact on the financial statements.</p> <p>We noted no transactions entered into by the City during the fiscal year for which there was a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:</p> <p>The disclosure of pension trust funds in Note 3 to the financial statements due to the reported performance of plan assets.</p> <p>The disclosure of the OPEB liability in Note 4 to the financial statements due to the significance of the assumptions used in the actuarial valuation.</p> <p>Further, the disclosures in the City's financial statements are neutral, consistent, and clear.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><i>policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i></p> <ul style="list-style-type: none"> <li>• <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor.</i></li> <li>• <i>Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i></li> </ul>	
<p><b>Significant difficulties encountered in the audit</b>  <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p><b>Disagreements with management</b>  <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial accounting, reporting, or auditing matters, that could be significant to the financial statements or the auditor's report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p><b>Other findings or issues</b>  <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>Refer to the "Independent Auditor's Management Letter", the "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards", and the "Schedule of Findings and Questioned Costs". Comments included in the financial report package.</p>
<p><b>Matters arising from the audit that were discussed with, or the subject of correspondence with, management</b></p>	<p>None noted.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><i>Conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	
<p><b>Corrected and uncorrected misstatements</b>  <i>All significant audit adjustments arising from the audit, whether or not recorded by the City, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform those charged with governance about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	<p>See "Summary of Audit Adjustments" section.</p>
<p><b>Major issues discussed with management prior to retention</b>  <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p><b>Consultations with other accountants</b>  <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>To our knowledge, there were no such consultations with other accountants.</p>
<p><b>Written representations</b>  <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	<p>See "Draft Management Representation Letter" section.</p>
<p><b>Internal control deficiencies</b>  <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.</i></p>	<p>Refer to the "Independent Auditor's Management Letter", the "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards", and the "Schedule of Findings and Questioned Costs". Comments included in the financial report package.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Fraud and illegal acts</b>  <i>Fraud involving senior management or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	<p>We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.</p>
<p><b>Other information in documents containing audited financial statements</b>  <i>The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> <li>• Such information is materially inconsistent with the financial statements; and</li> <li>• We believe such information represents a material misstatement of fact.</li> <li>• We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</li> </ul>
<p><b>Significant unusual accounting transactions</b>  <i>Auditor communication with governance to include auditor's views on policies and practices management used, as well as the auditor's understanding of the business purpose.</i></p>	<p>No significant unusual accounting transactions were noted during the year.</p>
<p><b>Required Supplementary Information</b>  <i>The auditor's responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>
<p><b>Supplementary Information in relation to the financial statements as a whole</b>  <i>The auditor's responsibility for supplementary information accompanying the financial statements, as well as any procedures</i></p>	<p>We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><i>performed and the results.</i></p>	<p>appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p>
<p><b>Other information accompanying the financial statements</b>  <i>The auditor's responsibility for other information accompanying the financial statements.</i></p>	<p>We were not engaged to report on other information, which accompanying the financial statements but are not RSI. 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.</p>

## Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality



We are required to communicate our judgments about the quality, not just the acceptability, of City of Satellite Beach, Florida’s accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Mayor, City Council and management may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Depreciation of Capital Assets	The City follows the provisions of Section 1400: <i>Reporting Capital Assets</i> , of the GASB Codification when reporting depreciation of its capital assets.	Yes	Management’s estimate of the useful lives of capital assets is based on the historical lives of similar assets and market prices.	<p>We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.</p> <p>Based on the audit procedures we performed with respect to the City’s capital assets, we noted that the City estimates the useful lives of capital assets in accordance with all applicable standards and guidelines of GASB.</p>

# Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Compensated Absences	<p>Liabilities for compensated absences attributable to services already rendered are accrued as employees earn the rights to those benefits.</p> <p>The City follows the provisions of Section C60: <i>Compensated Absences</i>, of the GASB Codification when reporting these liabilities.</p>	Yes	The City estimates the accrued liabilities for compensated absences using leave balances accrued at the end of the fiscal year multiplied by the pay rate in effect for each employee as of the end of the fiscal year.	The City's policies are in accordance with all applicable accounting guidelines and GASB.
Amortization of right-to-use assets, determination of discount rate for lease liability and fair value of underlying asset.	The City amortizes right-to-use assets using the straight-line method and has utilized the incremental borrowing rate to determine the lease liability and the fair value of the underlying assets.	Yes	The City amortizes right-to-use assets over the shorter period of the lease term or the useful life of the asset which is based on the experience with similar assets and guidance provided by GASB Statement No. 87, <i>Leases</i> . Similarly, using past experience with similar assets and the guidance provided by GASB Statement No. 87, <i>Leases</i> , the City has utilized the incremental borrowing rate to determine the measurement of the lease liability, interest payments and fair value of the underlying asset.	We evaluated the key factors and assumptions used to develop the estimated useful lives, discount rate and fair value of assets in determining that they are reasonable in relation to the financial statements taken as a whole.

# Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Investments	<p>For investments in external investment pools that do not meet the criteria set forth in Section In5: <i>Investment Pools (External)</i> of the GASB Codification, the fair value of the investment is determined by the fair value per share of the pool's underlying portfolio. Investments in external investment pools that meet the criteria set forth in Section In5: <i>Investment Pools (External)</i> of the GASB Codification are reported at amortized cost.</p> <p>The City follows the provisions of Section 150: <i>Investments</i>, of the GASB Codification when reporting investments.</p>	Yes	The City relies on investment valuation information from the investment pool sponsors based on financial market information.	The City's policies are in accordance with all applicable accounting guidelines and GASB.

# Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Net Pension Liability (Asset) and Related Deferred Outflows and Deferred Inflows of Resources	The City follows the provisions of Section P20: <i>Reporting for Benefits Provided through Trusts That Meet Specified Criteria</i> , of the GASB Codification when reporting net pension liabilities.	Yes	The City relies on valuations from the Pension Plan’s actuary for the estimated value of the City’s net pension liability (asset). The actuarial valuation is based on financial information, utilizing assumptions developed by management.	<p>The City’s policies are in accordance with all applicable accounting guidelines and GASB.</p> <p>Based on the audit procedures we performed with respect to the City’s Police Officers’ and Firefighters’ Pension Plans and General Employees’ Pension Plan, we noted that it appears the City accounts for its net pension liability (asset) in accordance with all applicable standards and guidelines of GASB.</p>

# Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Other Post-Employment Benefits (OPEB) and Related Deferred Outflows of Resources	The City follows the provisions of Section P52: <i>Postemployment Benefits Other Than Pensions –Reporting for Benefits Not Provided Through Trusts</i> , of the GASB Codification when reporting its OPEB liability and related costs.	Yes	Management’s estimate of the other postemployment benefit liability is based on healthcare costs and employment assumptions developed by management. A third-party actuary utilized these assumptions to calculate the year-end liability.	<p>We evaluated the key factors and assumptions in determining they are reasonable in relation to the financial statements taken as a whole.</p> <p>Based on the audit procedures we performed with respect to the City’s OPEB Plan, we noted that it appears the City accounts for its OPEB liability and related costs in accordance with all applicable standards and guidelines of GASB.</p>



During the course of our audit, we accumulate differences between amounts recorded by the City and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the City or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditor’s judgement, such uncorrected misstatements are immaterial to the financial statements under audit.

The following entries were recorded (corrected) in the fiscal year 2025.

**Adjusting Journal Entries JE # 51**

In fiscal year 24 the City reversed fiscal year 23 AJE 56 to move the revenue/receivable from General Fund to Capital Projects Fund but we didnt not as it should be a transfer and not a prior period adjustment. This rolls equity and records the due from General Fund.

001-081-581.91.50	Transfer to Capital Assets Fund	106,854.00	
150-000-271.00.00	FUND BALANCE - UNASSIGNED	106,854.00	
001-000-334.10.00	STATE GRANTS		106,854.00
150-000-381.01.00	Interfund Transfers fm GF		106,854.00
<b>Total</b>		<b><u>213,708.00</u></b>	<b><u>213,708.00</u></b>

**Adjusting Journal Entries JE # 53**

Entry to remove debt proceeds that were not received

125-000-334.36.01	SRF PROCEEDS	552,505.00	
125-000-134.00.00	DUE FROM OTHER GOV'TS - GRANTS		552,505.00
<b>Total</b>		<b><u>552,505.00</u></b>	<b><u>552,505.00</u></b>

**Adjusting Journal Entries JE # 58**

Entry to true up due from other governments in the Capital Projects Fund and to true up unearned income for revenue that was recognized in the prior year.

150-000-223.00.00	UNEARNED REVENUE	225,117.00	
150-000-134.00.00	DUE FROM OTHER GOV'TS - GRANTS		204,885.00
150-000-271.00.00	FUND BALANCE - UNASSIGNED		19,471.00
150-000-361.10.00	INTEREST		761.00
<b>Total</b>		<b><u>225,117.00</u></b>	<b><u>225,117.00</u></b>

The following entry was passed (uncorrected) in the fiscal year 2025.

<b>Adjusting Journal Entries</b>			
Prior period revenue correction			
125-000-337.32.00	GRANT REIMBURSEMENTS	180,000.00	
125-000-271.00.00	FUND BALANCE - UNASSIGNED		180,000.00
<b>Total</b>		<b><u>180,000.00</u></b>	<b><u>180,000.00</u></b>

**QUALITATIVE MATERIALITY CONSIDERATIONS**

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the City’s operating environment that has been identified as playing a significant role in the City’s operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has an effect on increasing management’s compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.



March 10, 2026

Carr, Riggs & Ingram, LLC  
7506 Lynx Way, Ste 201  
Melbourne, FL 32940

This representation letter is provided in connection with your audit of the financial statements of City of Satellite Beach, Florida (the “City”), which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 10, 2026, the following representations made to you during your audit.

**Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 6, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) There are no related party relationships and transactions that need to be accounted for or disclosed in accordance with U.S. GAAP.



- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements [or in the schedule of findings and questioned costs].
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. We are in agreement with your entries and we have recorded them.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the City or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements [and the schedule of expenditures of federal awards].
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements, if any.



**Government-specific**

- 19) The City is in compliance with Section 553.80, Florida Statutes, with regards to expenditure of fees collected from building permits and there is no unspent portion of building permit fees at September 30, 2025.
- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 23) There are no investigations or legal proceedings that have been initiated with respect to the period under audit.
- 24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 25) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 27) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87 .
- 28) We have no subscription-based information technology arrangements that should be recorded and disclosed in accordance with GASBS No. 96.
- 29) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 30) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 31) As part of your audit, you assisted with preparing the Financial Statements, disclosures, required supplementary information and supplemental information (including the schedule of expenditures of federal awards and state financial assistance), data collection form, and recorded the GASB 34 conversion entries and corrected the negative cash amounts in pooled cash. You also utilized our lease software to perform present value lease calculations. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures, required supplementary



information, and supplemental information (including the schedule of expenditures of federal awards and state financial assistance), data collection form, the GASB 34 conversion entries and negative cash amounts in pooled cash entries, and lease calculations.

- 32) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as discussed in Note 2 to the financial statements.
- 33) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 34) The financial statements include all component units. The City has no majority equity interests in legally separate organizations or joint ventures with an equity interest.
- 35) The financial statements include all fiduciary activities required by GASBS No. 84.
- 36) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 37) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 38) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 39) Investments and derivative instruments are properly valued.
- 40) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date.
- 41) Provisions for uncollectible receivables have been properly identified and recorded.
- 42) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 43) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 44) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 45) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 46) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 47) There are no unused lines of credit. Collateral pledged to secure debt, certain contractual debt terms (such as significant defaults or termination events), and direct borrowings and private placements have been properly disclosed.
- 48) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.



- 49) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. We are following *GASB Statement No. 54, paragraph 18*, to determine the fund balance classifications for financial reporting purposes.
- 50) There are no tax abatement agreements that require disclosure in the financial statements pursuant to GASBS No. 77, as amended.
- 51) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 52) With respect to the combining and individual nonmajor fund financial statements and budgetary schedules of nonmajor funds and the capital asset fund:
- a) We acknowledge our responsibility for presenting the combining and individual nonmajor fund financial statements and budgetary schedules of nonmajor funds and the capital asset fund in accordance with accounting principles generally accepted in the United States of America, and we believe the combining and individual nonmajor fund financial statements and budgetary schedules of nonmajor funds and the capital asset fund, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual nonmajor fund financial statements and budgetary schedules of nonmajor funds and the capital asset fund have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the combining and individual nonmajor fund financial statements and budgetary schedules of nonmajor funds and the capital asset fund is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 53) With respect to the introductory section and statistical section:
- a) We acknowledge that we have informed you of all documents that may comprise other information we expect to issue. The financial statements and other information you obtained prior to the auditor's report date are consistent with one another, and the other information does not contain any material misstatements.
  - b) With regard to the other information that will be included in the annual report that has not been obtained by you prior to the auditor's report date, we intend to prepare and issue the other information, as well as communicate the expected timing of issuance, and provide you with the final version of the document(s) when available and prior to the issuance of the annual report.
- 54) With respect to federal award programs:
- a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance),



including requirements relating to preparation of the schedule of expenditures of federal awards.

- b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* relating to federal awards to confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.



- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- bb) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.



**Compliance with Florida Statute 218.415**

- 52) The City is in compliance with Florida Statute 218.415, *Local Government Investment Policies*, in all respects.
- 53) We are responsible for complying with Florida Statute 218.415, *Local Government Investment Policies*.
- 54) We are responsible for establishing and maintaining effective internal control over compliance.
- 55) We have performed an evaluation of the City's compliance with Florida Statute 218.415, *Local Government Investment Policies*.
- 56) All relevant matters are reflected in the measurement or evaluation of the City's compliance with the specified requirements.
- 57) We are responsible for selecting the specified requirements and for determining that the specified requirements are appropriate for our purposes.
- 58) We have disclosed to you all known noncompliance with Florida Statute 218.415, *Local Government Investment Policies*, including noncompliance occurring after September 30, 2019, if any.
- 59) We have provided you with all relevant information and access to information and personnel in connection with your examination of compliance with Florida Statute 218.415, *Local Government Investment Policies*.
- 60) Our interpretation of Florida Statute 218.415, *Local Government Investment Policies* is as follows:
  - a) As the City has elected to invest surplus funds in compliance with section 218.415(17) of the Florida Statutes, the provisions of section 218.415(14) requiring a minimum number of hours of completion of continuing professional education do not apply.
- 61) We have disclosed to you all known matters that may contradict the City's compliance with the specified requirements and we have disclosed to you all communications from regulatory agencies, consultants and others regarding possible noncompliance with Florida Statute 218.415, *Local Government Investment Policies*, including communications received between September 30, 2025 and the date of this letter.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_