Annual Comprehensive Financial Report
City of Satellite Beach, Florida



Fiscal Year Ended
September 30, 2023



City of Satellite Beach, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year
Ended September 30, 2023

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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 20, 2024

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 six 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, 2023.

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 & Ingram Certified Public Accountants & Advisors have issued an unmodified ("Clean") opinion on the City of Satellite Beach's financial statements for the year ended September 30, 2023. 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 11,389 in 2023.

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 2023-2024 through Fiscal Year 2027-2028. 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 2023-2024 included several major initiatives, and continued efforts on long-range goals, including working to make the City more financially sustainable, and fiscally able to respond to natural disasters; continue to work renewing the City's facilities and infrastructure; seek grant opportunities to help offset costs and unforeseen

expenditures; projects and strategies to protect and restore the Indian River Lagoon; develop employee training; a citizen's academy focused on sustainable practices; and continue working to complete the City's Sustainability Action Plan Green Achievement Targets.

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 $532,525 for fiscal year 2022-2023 a decrease of $58,709 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, 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 2022-2023 increased the Stabilization Reserve from $3,096,748 to $3,576,850. 60 days of operating expenditures for fiscal year 2022-2023 is $3,082,189. The City is projected to follow 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, 2023. 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, 2022.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,

Courtney Barker
City Manager

Brittany Jumper-Retherford
Assistant City Manager /
Support Services Director

City of Satellite Beach, Florida
City Officials
Year Ended September 30, 2023

Mayor
Steve Osmer

Vice Mayor
David Vigliotti

Council Members
Mark Boyd
Mindy Gibson
Jodi Rozycki

City Attorney
James P. Beadle

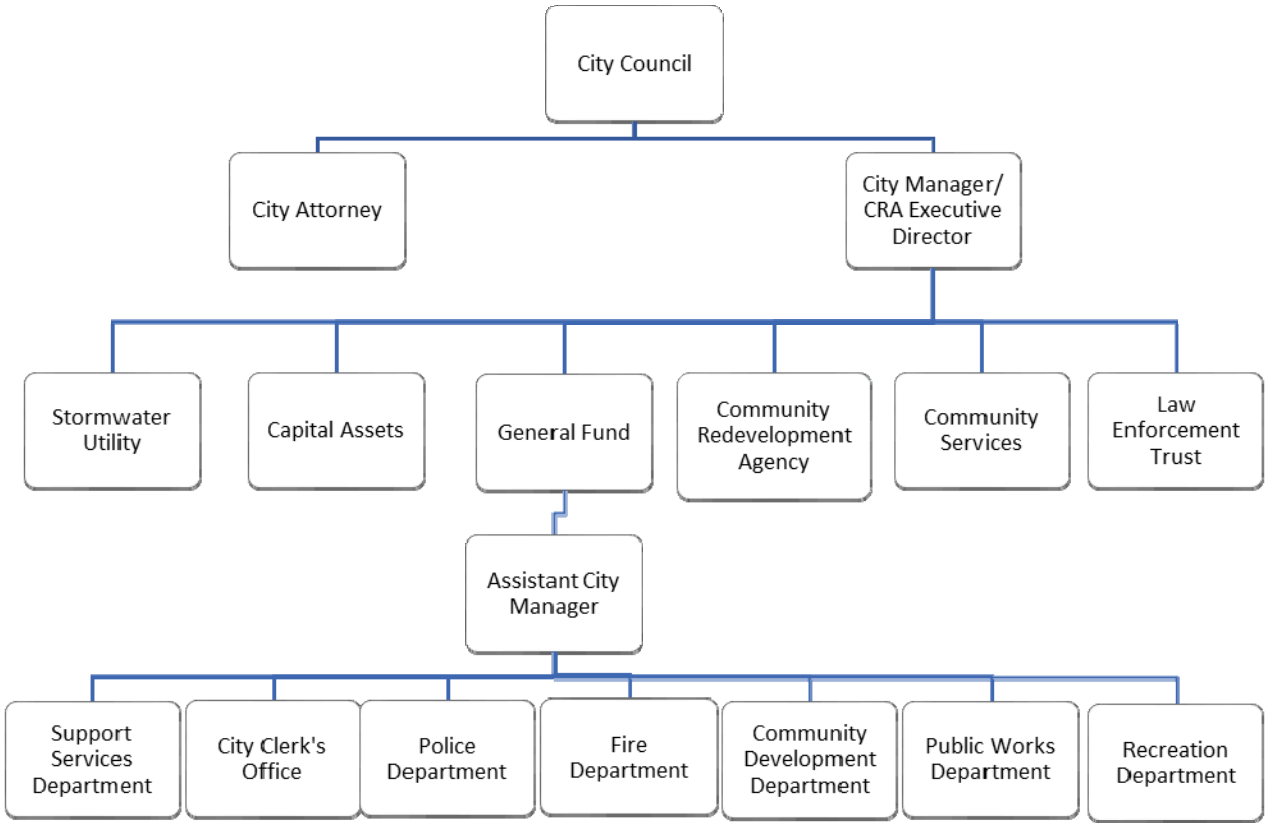
City Manager
Courtney Barker

City Clerk
Gwen Peirce

Assistant City Manager / Support Services Director
Brittany Retherford

Comptroller
Nick Walsh

City of Satellite Beach, Florida
Organizational Chart
Year Ended September 30, 2023



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, 2022

Christopher P. Morrill

Executive Director/CEO



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CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
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Melbourne, Florida 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, 2023, 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, 2023, 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 and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the Auditor General, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the budgetary comparison schedules of nonmajor funds and the capital asset fund and the schedule of expenditures of federal awards and state financial assistance 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 20, 2024, 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 20, 2024



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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, 2023.

Financial Highlights

- The assets and deferred outflows 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 $31,167,182(net position). Of this amount, ($7,357,890) represents the unrestricted net deficit due to recording of the total OPEB obligation and related deferred inflows and outflows of $4,819,787; pension liabilities and related deferred inflows and outflows of $5,679,962; and compensated absences of $938,835 which are not currently funded.

- The City's total net position increased by $5,181,102, primarily due to increases in 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 $9,766,620, an increase of $6,763,149 in comparison with the prior year. This is primarily due to receiving a capital improvement loan of $6million to construct the new fire station.

- The City of Satellite Beach, Florida's total long-term liabilities (excluding pension and OPEB liabilities) increased by $5,675,971 during the current fiscal year. The increase is due to a net increase in notes payable of $5,360,537; a net increase in leases of $156,522 and a net increase compensated absences of $158,912.

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.

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 Community Redevelopment Agency 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 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 79-92 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 $31,167,182 at the close of the most recent fiscal year.

The following table reflects the condensed statement of net position:

CITY OF SATELLITE BEACH, FLORIDA'S Net Position

	2023	2022
Current and other assets	**$ 13,604,062**	$ 9,736,968
Capital assets	**47,118,759**	42,991,745
Total assets	**60,722,821**	52,728,713
Deferred outflows of resources	**3,756,429**	5,530,331
Long-term liabilities outstanding	**25,311,394**	21,684,892
Other liabilities	**3,851,024**	6,702,969
Total liabilities	**29,162,418**	28,387,861
Deferred inflows of resources	**4,149,650**	3,885,103
Net Position:		
Net investment in capital assets	**32,488,375**	34,100,017
Restricted	**6,036,697**	283,076
Unrestricted (deficit)	**(7,357,890)**	(8,397,013)
Total net position	**$ 31,167,182**	$ 25,986,080

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 $6,036,697 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 ($7,357,890) primarily due to recording of the net OPEB obligation of $3,770,472, compensated absences of $938,835 and aggregate net pension liability of $6,388,590 and related deferred inflows of resources of $4,149,650 offset by deferred outflows of resources of $3,756,429. These liabilities are not currently funded.

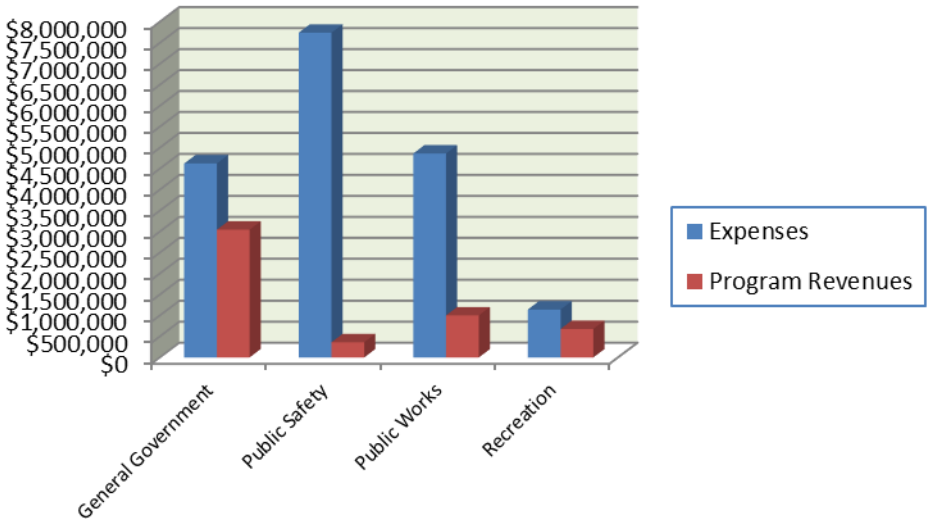
The following table shows condensed revenue and expense data:

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

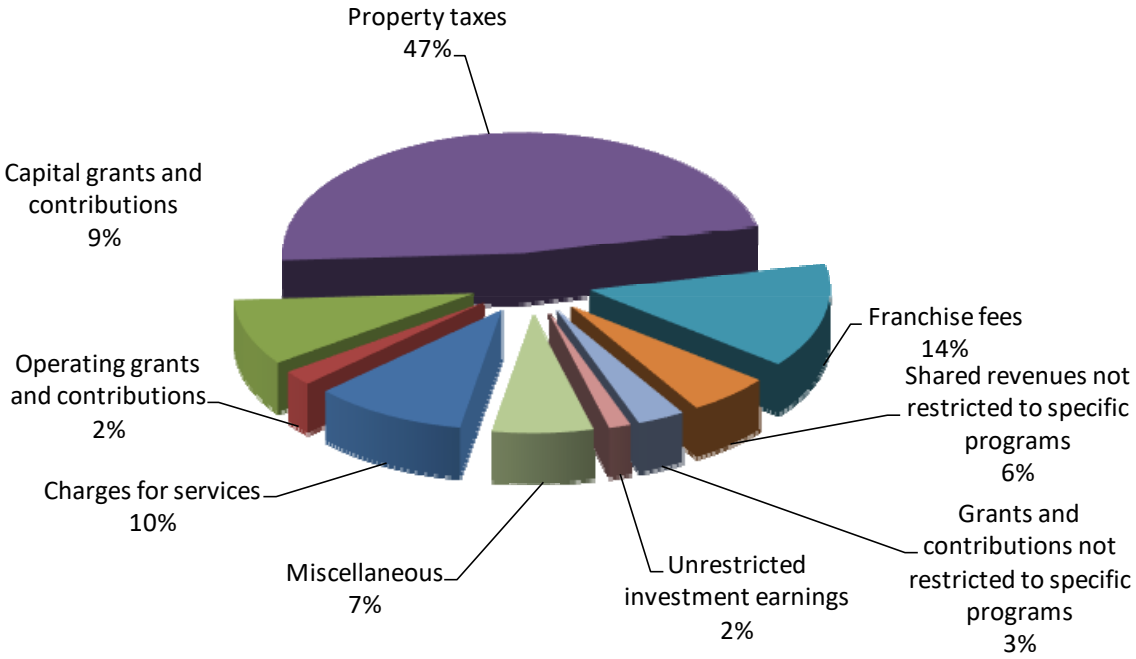
	2023	2022
Program Revenues:		
Charges for services	**$ 2,458,004**	$ 2,358,614
Operating grants and contributions	**488,282**	182,179
Capital grants and contributions	**2,145,171**	1,115,244
General revenues:		
Property taxes	**11,283,206**	10,429,297
Franchise fees and other taxes	**3,377,397**	2,984,743
Shared revenues not restricted to specific programs	**1,335,969**	1,260,528
Grants and contributions not restricted to specific programs	**765,003**	210
Unrestricted investment earnings	**355,175**	48,948
Miscellaneous	**1,628,829**	340,028
Total revenues	**23,837,036**	18,719,791
Program expenses:		
General government	**4,624,935**	4,762,470
Public safety	**7,743,000**	6,029,889
Physical environment	**4,861,942**	3,451,619
Recreation	**1,142,911**	952,427
Interest on long term debt	**283,146**	260,428
Total expenses	**18,655,934**	15,456,833
Change in net position	**5,181,102**	3,262,958
Net position- beginning	**25,986,080**	22,723,125
Net position- ending	**$ 31,167,182**	$ 25,986,083

The City's net position increased by $5,181,102 during the current fiscal year.

Statement of Activities – Government-wide
Expenses and Program Revenues



Statement of Activities – Government-wide
Revenues by Source



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 $9,766,620, an increase of $6,763,149 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 $(108,115) restricted for specific purposes $(6,274,228) or assigned to pay for obligations previously authorized by the City $(3,576,850). Unrestricted unassigned fund balance was $(192,573) 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, unassigned fund balance was $503,127, while total fund balance was $4,180,903. The fund balance of the City of Satellite Beach, Florida's General Fund increased by $455,828 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 Community Redevelopment Agency Special Revenue Fund was dissolved as of September 30, 2023. The City of Satellite Beach adopted Ordinance No. 1234 during the June 7, 2023, City Council meeting, which repealed Ordinance No. 755, as amended, No. 836 and No. 837 and dissolved the Community Redevelopment Agency effective as of September 30, 2023. The assets were already included in the government wide financial statements, therefore there will not be an influx of assets.

The Capital Assets Fund has a total fund balance of $5,769,727), all is restricted for capital asset purchases. The net $5,430,145 increase in fund balance during the current year in the Capital Assets Fund was due to capital improvement loan received to build the new fire station on Jackson Ave., next to the public works building.

The Stormwater Utility Fund has a total fund deficit of $(688,511) at year-end. The net increase of $7,653 was primarily due to awaiting State Revolving Fund Loan reimbursements.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget (net decrease of $49,569 in appropriated expenditures and transfers out) can be briefly summarized as follows:

- 174,074 in increases in the budget for General Government Services, Legislative, City Clerk's office, Support Services, and Planning and Sustainability

- $765,146 in increases in the budget for transfers out for the City's support of projects in the Capital Asset Fund, along with final transfers to the Community Redevelopment Agency to dissolve the agency.
- $354,645 in decreases in Police and Fire
- $252,947 in increases in Public Works and Community Development
- $5,943 in decreases in Recreation
- $782,010 in decreases in Transfers in

This decrease in department expenditures is due to workers' compensation rates being lower than originally anticipated and vacancies throughout the fiscal year. The increase in department expenditures is due to completing smaller projects, ie: all field restrooms and dug outs, along with transfers to the Capital Asset Fund to complete projects and to the Community Redevelopment Agency to dissolve the agency, this was both for the transfers in and transfers out.

Capital Asset and Debt Administration

Capital assets. The City of Satellite Beach, Florida's investment in capital assets as of September 30, 2023, amounts to $46,908,211 (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 7 percent.

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

	2023	2022
Land	**$ 11,406,744**	$ 11,406,744
Buildings	**3,514,299**	3,701,713
Improvements other than build	**4,843,271**	3,920,523
Equipment	**2,876,504**	3,211,252
Infrastructure	**13,879,086**	13,210,442
Right-to-use lease assets	**389,635**	227,688
Construction in progress	**10,209,220**	7,313,383
Total	**$ 47,118,759**	$ 42,991,745

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 and financed purchases outstanding of $13,824,779.

The City's notes payable balances increased by $5,360,537 during the current fiscal year due to adding Utility Tax Note 2023 for Capital Improvements, mainly for the construction of the new Fire Station.

Lease liability. At the end of the current fiscal year, the City of Satellite Beach, Florida, had $388,718 in outstanding capital leases.

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 for 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 $938,835. Total compensated absences increased by a net amount of $158,912 during the year, which includes additions of $707,993 and reductions of $549,081.

It is estimated that $397,411 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 55-59 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 2022/2023 fiscal year.

The City of Satellite Beach, Florida, in 2022/2023 did allocate an additional $380,840 of the total fund balance as an assigned balance to be utilized as an emergency reserve per Ordinance 936. In addition, the City decreased the unassigned fund balance by $88,107 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

September 30, 2023	Governmental Activities
ASSETS	
Cash and cash equivalents	**$ 1,179,415**
Investments	**10,607,193**
Accounts receivable	**1,050,391**
Due from other governments	**658,948**
Prepaid items	**108,115**
Capital assets not being depreciated:	
Land	**11,406,744**
Construction in progress	**10,209,220**
Capital assets, net of accumulated depreciation/amortization:	
Buildings	**3,514,299**
Improvements other than buildings	**4,843,271**
Equipment	**2,876,504**
Infrastructure	**13,879,086**
Right-to-use lease assets	**389,635**
Total assets	**60,722,821**
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to other post employment benefits	**1,155,822**
Deferred outflows related to pensions	**2,600,607**
Total deferred outflows of resources	**3,756,429**

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

September 30, 2023	Governmental Activities
LIABILITIES	
Accounts payable	**901,520**
Contracts payable	**172,852**
Accrued expenses	**338,101**
Accrued interest payable	**66,116**
Unearned revenue	**2,372,435**
Noncurrent liabilities:	
Due within one year	
Compensated absences	**397,411**
Notes payable	**540,109**
Lease liability	**126,561**
Due in more than one year	
Compensated absences	**541,424**
Notes payable	**13,284,670**
Lease liability	**262,157**
Other post employment benefits	**3,770,472**
Net pension liability	**6,388,590**
Total liabilities	**29,162,418**
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue - business tax receipts	**52,534**
Deferred inflows related to other post employment benefits	**2,205,137**
Deferred inflows related to pensions	**1,891,979**
Total deferred inflows of resources	**4,149,650**
NET POSITION	
Net investment in capital assets	**32,488,375**
Restricted for:	
Community services	**224,835**
Law enforcement	**42,135**
Capital assets	**5,769,727**
Unrestricted (deficit)	**(7,357,890)**
Total net position	**$ 31,167,182**

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

For the year ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	**$ 4,624,935**	**$ 469,548**	**$ 453,129**	**$ 2,124,180**
Public safety	**7,743,000**	**311,118**	**32,552**	**18,991**
Physical environment	**4,861,942**	**997,951**	**1,932**	**2,000**
Recreation	**1,142,911**	**679,387**	**669**	**-**
Interest and related costs on long-term debt	**283,146**	**-**	**-**	**-**
Total governmental activities	**$ 18,655,934**	**$ 2,458,004**	**$ 488,282**	**$ 2,145,171**

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	
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
$ (1,578,078)
(7,380,339)
(3,860,059)
(462,855)
(283,146)
(13,564,477)
11,283,206
3,377,397
1,335,969
765,003
355,175
1,628,829
18,745,579
5,181,102
25,986,080
$ 31,167,182

City of Satellite Beach, Florida
Balance Sheet – Governmental Funds

September 30, 2023	General	Community Redevelopment Agency	Capital Assets
ASSETS			
Cash and cash equivalents	$ **900,771**	$ -	$ -
Investments	**1,208,852**	-	**5,979,973**
Accounts receivable	**933,336**	-	**113,003**
Due from other funds	**1,303,629**	-	-
Due from other governments	**461,184**	-	-
Prepaid items	**100,926**	-	-
Total assets	$ **4,908,698**	$ -	$ **6,092,976**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	$ **337,160**	$ -	$ **5,723**
Contracts payable	-	-	-
Accrued expenses	**338,101**	-	-
Unearned revenue	-	-	**20,232**
Due to other funds	-	-	**297,294**
Total liabilities	**675,261**	-	**323,249**
Deferred inflows of resources:			
Deferred revenue - business tax receipts	**52,534**	-	-
Fund balances:			
Nonspendable	**100,926**	-	-
Restricted	-	-	**5,769,727**
Assigned	**3,576,850**	-	-
Unassigned	**503,127**	-	-
Total fund balances (deficits)	**4,180,903**	-	**5,769,727**
Total liabilities and fund balances (deficits)	$ **4,908,698**	$ -	$ **6,092,976**

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

Stormwater Utility	American Rescue Plan	Nonmajor Funds	Total Governmental Funds
$ 29,398	$ -	$ 249,246	$ 1,179,415
35,765	3,360,646	21,957	10,607,193
-	-	4,052	1,050,391
-	-	-	1,303,629
76,264	121,500	-	658,948
7,189	-	-	108,115
$ 148,616	$ 3,482,146	$ 275,255	$ 14,907,691

$ 289,753	$ 260,599	$ 8,285	$ 901,520
143,730	29,122	-	172,852
-	-	-	338,101
-	2,352,203	-	2,372,435
403,644	602,691	-	1,303,629
837,127	3,244,615	8,285	5,088,537
-	-	-	52,534
7,189	-	-	108,115
-	237,531	266,970	6,274,228
-	-	-	3,576,850
(695,700)	-	-	(192,573)
(688,511)	237,531	266,970	9,766,620
$ 148,616	$ 3,482,146	$ 275,255	$ 14,907,691



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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, 2023

Total fund balances for governmental funds	**$ 9,766,620**
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	**47,118,759**
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.	**3,756,429**
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.	**(4,097,116)**
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.	**(25,311,394)**
Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.	**(66,116)**
Net position of governmental activities	**$ 31,167,182**

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

For the year ended September 30, 2023

	General	Community Redevelopment Agency	Capital Assets
Revenues			
Taxes	**$ 12,659,953**	**$ 963,125**	**$ 1,037,525**
Licenses and permits	**486,776**	**-**	**-**
Intergovernmental	**1,774,969**	**-**	**536,224**
Charges for services	**939,600**	**-**	**-**
Fines and forfeitures	**36,896**	**-**	**-**
Investment and other income	**1,342,538**	**9,802**	**42,872**
Total revenues	**17,240,732**	**972,927**	**1,616,621**
Expenditures			
Current:			
General government	**3,732,444**	**559,284**	**-**
Public safety	**6,784,085**	**-**	**51,140**
Physical environment	**3,542,362**	**-**	**-**
Recreation	**1,033,682**	**-**	**-**
Capital outlay	**288,196**	**-**	**1,289,343**
Debt service:			
Principal retired	**107,377**	**1,602,400**	**570,864**
Interest and other	**7,330**	**77,676**	**201,906**
Total expenditures	**15,495,476**	**2,239,360**	**2,113,253**
Excess (deficiency) of revenues over (under) expenditures	**1,745,256**	**(1,266,433)**	**(496,632)**
Other financing sources (uses)			
Transfers in	**1,677,542**	**2,642,413**	**605,941**
Transfers out	**(3,230,869)**	**(1,375,980)**	**-**
Proceeds from the issuance of debt	**-**	**-**	**6,000,000**
Lease proceeds	**263,899**	**-**	**-**
Net other financing sources (uses)	**(1,289,428)**	**1,266,433**	**6,605,941**
Net change in fund balances	**455,828**	**-**	**6,109,309**
Fund balances (deficits), beginning of year	**3,725,075**	**-**	**(339,582)**
Fund balances (deficits), end of year	**$ 4,180,903**	**$ -**	**$ 5,769,727**

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

Stormwater Utility	American Rescue Plan	Nonmajor Funds	Total Governmental Funds
$ -	$ -	$ -	$ 14,660,603
-	-	-	486,776
453,129	2,245,680	-	5,010,002
969,670	-	274	1,909,544
-	-	-	36,896
42,282	206,465	89,256	1,733,215
1,465,081	2,452,145	89,530	23,837,036
-	66,505	-	4,358,233
-	-	32,681	6,867,906
155,820	25,820	19,587	3,743,589
-	-	4,841	1,038,523
2,555,527	2,153,355	9,362	6,295,783
26,414	-	-	2,307,055
-	-	-	286,912
2,737,761	2,245,680	66,471	24,898,001
(1,272,680)	206,465	23,059	(1,060,965)
-	-	-	4,925,896
(279,882)	-	(39,165)	(4,925,896)
1,560,215	-	-	7,560,215
-	-	-	263,899
1,280,333	-	(39,165)	7,824,114
7,653	206,465	(16,106)	6,763,149
(696,164)	31,066	283,076	3,003,471
$ (688,511)	$ 237,531	$ 266,970	$ 9,766,620

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, 2023

Net change in fund balances - total governmental funds		**$ 6,763,149**
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	$ 6,295,783	
Depreciation/amortization expense	(2,168,769)	**4,127,014**
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.		**(5,517,059)**
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.		**(155,146)**
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.		**(132,456)**
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.		**95,600**
Change in net position of governmental activities		**$ 5,181,102**

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

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

ASSETS		
Receivables:		
Contributions	**$**	**90,058**
Due from other governments		**69,297**
Investments, at fair value:		
Florida Municipal Investment Trust Fund		**31,990,370**
Total assets		**32,149,725**
LIABILITIES		
Benefits payable		**-**
Total liabilities		**-**
NET POSITION		
Net position restricted for pension benefits	**$**	**32,149,725**

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, 2023

ADDITIONS		
Contributions:		
Employees	**$**	**228,319**
City		**999,681**
State		**340,560**
Total contributions		**1,568,560**
Investment earnings:		
Net appreciation in fair value of investments		**2,433,733**
Total additions		**4,002,293**
DEDUCTIONS		
Benefit payments		**1,707,566**
Administrative expenses		**90,325**
Total deductions		**1,797,891**
Change in net position		**2,204,402**
Net position, beginning of year		**29,945,323**
Net position, end of year	**$**	**32,149,725**

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

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 Community Redevelopment Agency (the "Agency") was established by the City Council in June 2002 to promote the rehabilitation, conservation and/or redevelopment of the Community Redevelopment Area (the "Area"). The Agency is governed by a board comprised of five commissioners who also serve as members of the City Council. Revenue sources for the Agency consist primarily of property taxes from the Area and support from the City's General Fund. Any bond issue authorizations are approved by the City Council and the legal liability for the general obligation portion of the Agency's debt remains with the government. The Agency is reported as a major special revenue fund for the year ended September 30, 2023. The City adopted Ordinance 1234 during the June 7, 2023 City Council meeting which dissolved the agency effective September 30, 2023.

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.

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.

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.

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 *Community Redevelopment Agency Fund* accounts for the resources accumulated and payments made for the rehabilitation, conservation and/or redevelopment of the Community Redevelopment Area. The Community Redevelopment Agency fund is presented separately as a major fund, which is also in compliance with Florida Statute 163.387. This fund receives special incremental ad-valorem tax levies to pay for rehabilitation and redevelopment of the specified area in need of improvement to sustain the tax base.

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.

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.

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 and a law enforcement trust fund.

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 I50: *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.

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 liened 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.

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.

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.

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).

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, 2023, 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 for the General Fund.

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, 2023 was 8.2312 mills, which was .444 higher than the roll back rate of 8.1872.

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 20, 2024 and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. There were no significant impacts of implementing this Statement.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments. As of July 1, 2023, derivate instruments that hedge the interest rate risk of taxable debt and use an IBOR as a reference rate are no longer eligible for hedge accounting. There were no significant impacts of implementing this Statement.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. There were no significant impacts of implementing this Statement.

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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 requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The City is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Deposits

At September 30, 2023, the primary government's carrying amount of deposits was $1,179,415 including $2,245 of petty cash, and the bank balance was $1,198,053. As of September 30, 2023, $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.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Investments (Continued)

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.

During the year ended September 30, 2023, 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, 2023, 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 I50: *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, 2023, 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.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

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.

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 I50: *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 I50: *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).

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

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.

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, 2023, the City had the following investments:

Investment type	Fair Value	Weighted Average to Maturity (WAM)	Rating	Agency
Primary government:				
SBA (Florida PRIME)	$ 116,945	35 days	AAAm	S&P
Florida PALM	10,490,248	26 days	AAAm	S&P
Primary government total	$ 10,607,193			
Pension trust funds:				
Florida Municipal Investment Trust (FMIvT)	$ 31,990,370	4.42	AAAf/S1 - AAf/S4	Fitch
Pension trust funds total	$ 31,990,370			

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital asset activity for the year ended September 30, 2023 was as follows:

For the year ended September 30, 2023	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated/ amortized				
Land	$ 11,406,744	$ -	$ -	$ 11,406,744
Construction in progress	7,313,383	3,531,353	(635,516)	10,209,220
Total capital assets, not being depreciated/amortized	18,720,127	3,531,353	(635,516)	21,615,964
Capital assets, being depreciated/ amortized				
Buildings	6,531,919	45,590	-	6,577,509
Improvements other than buildings	6,545,243	1,126,229	-	7,671,472
Equipment	7,407,333	719,073	-	8,126,406
Infrastructure	24,835,932	1,229,040	-	26,064,972
Right-to-use lease assets				
Equipment	140,940	-	(26,832)	114,108
Vehicles	176,885	280,014	26,832	483,731
Total capital assets being depreciated/amortized	45,638,252	3,399,946	-	49,038,198
Less accumulated depreciation/ amortization for:				
Buildings	(2,830,206)	(233,004)	-	(3,063,210)
Improvements other than buildings	(2,624,720)	(203,481)	-	(2,828,201)
Equipment	(4,196,081)	(1,053,821)	-	(5,249,902)
Infrastructure	(11,625,490)	(560,396)	-	(12,185,886)
Right-to-use lease assets				
Equipment	(45,435)	(30,797)	-	(76,232)
Vehicles	(44,702)	(87,270)	-	(131,972)
Total accumulated depreciation/ amortization	(21,366,634)	(2,168,769)	-	(23,535,403)
Total capital assets being depreciated/amortized, net	24,271,618	1,231,177	-	25,502,795
Governmental activities capital assets, net	$ 42,991,745	$ 4,762,530	$ (635,516)	$ 47,118,759

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	$	136,633
Public safety		884,584
Physical environment		1,043,123
Recreation		104,429
Total depreciation/amortization expense - governmental activities	$	2,168,769

Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2023, is as follows:

	Due to:	
	General Fund	Total
Due from:		
Capital asset	$ 297,294	$ 297,294
ARPA	602,691	602,691
Stormwater utility fund	403,644	403,644
Total	$ 1,303,629	$ 1,303,629

The balance from the Stormwater Utility Fund due to the General Fund is to cover cash shortfalls while the fund awaits receipt of State Revolving Fund (SRF) drawdowns. ARPA transfers were to reimburse the general fund, and to the Capital Asset fund for project overages.

Interfund transfers for the year ended September 30, 2023:

	Transfers in:			
	General Fund	CRA Fund	Capital Asset	Total
Transfers out:				
General fund	$ -	$ 2,642,413	$ 588,456	3,230,869
Community redevelopment fund	1,375,980	-	-	1,375,980
Capital asset fund	-	-	-	-
Stormwater utility fund	279,882	-	-	279,882
Nonmajor funds	21,680	-	17,485	39,165
Total	$ 1,677,542	$ 2,642,413	$ 605,941	$ 4,925,896

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 statues (i.e. Community Redevelopment Agency Fund).

Long-Term Debt and Liabilities

Notes payable

Community Redevelopment Agency Variable Rate Tax Increment Revenue Note: On May 4, 2006, the Community Redevelopment Agency entered into a loan agreement with a bank in an amount not to exceed $8,000,000 to purchase real property and various capital improvements. The initial amount drawn on the note was $6,250,000. Quarterly payments ranging from $114,291 to $117,988, including principal and interest, are due through the maturity date of May 1, 2026.

As a means of lowering its borrowing costs, when compared against fixed rate borrowings at the time of issuance in May 2006, the City entered into an interest rate swap agreement with the bank issuing it a $6,250,000 variable rate note. The intention of the swap was to effectively change the City's variable rate note to a synthetic fixed rate of 4.23%. Under the swap agreement, the City pays the counterparty interest calculated at a fixed rate of 4.23%. In return, the counterparty owes the City interest based on 63.7% of the London Interbank Offering Rate (LIBOR) plus a spread of 0.50%. Only the net difference in the interest payments is actually exchanged with the counterparty. The $6,250,000 in note principal was not exchanged; only the basis on which the interest payments are calculated.

Principal and interest paid for the current fiscal year was $1,680,076, which paid all outstanding principal and interest on the note and terminated the related swap.

Utility Tax Revenue Refunding Note, Series 2018: On June 22, 2018, the City entered into an agreement with a bank in an amount of $947,596 with a fixed interest rate of 3.13% for the purpose of refunding the Utility Tax Revenue Note, Series 2017 and the 2014 fire truck lease. The note was repaid in full during the year ended September 30, 2023

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, 2023 accrued interest for the Utility Tax Revenue Note, Series 2019 is $55,597.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Notes payable (continued)

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, 2023 accrued interest for the Half-Cent Sales Tax Revenue Note, Series 2019 is $19,295.

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, 2023 accrued interest for the Utility Tax Revenue Refunding Note, Series 2020 is $23,024.

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. As of September 30, 2023, the City had submitted for reimbursement and withdrawn $1,560,215. Semiannual loan payments in the amount of $67,989 are scheduled to begin on February 15, 2024 and are payable semiannually thereafter on August 15 and February 15 of each year for 20 years until the loan is paid in full. The semiannual payment amounts will be adjusted by amendment as funds are drawn on the loan.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Notes payable (continued)

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, 2023 accrued interest for the Utility Tax Revenue Refunding Note, Series 2020 is $2,518.

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	$ 3,902,038	$ 1,037,525	$ 197,337	19%
Half-Cent Sales Tax Revenue Note, Series 2019	1,463,000	1,315,964	838,429	119,187	14%
Utility Tax Revenue Refunding Note, Series 2020	1,969,000	1,573,965	1,037,525	198,260	19%
Florida Department of Environmental Protection, State Revolving Fund	2,099,064	2,035,658	969,670	26,414	3%
Capital Improvement Note, Series 2023	6,000,000	8,089,673	19,953,887	182,785	1%

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.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Annual debt service requirements

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

September 30,	Principal	Interest	Total
2024	$ 529,424	$ 318,147	$ 847,571
2025	539,424	376,088	915,512
2026	547,424	366,390	913,814
2027	1,054,424	351,376	1,405,800
2028	1,083,424	320,353	1,403,777
2029-2033	5,526,120	1,103,063	6,629,183
2034-2038	3,804,120	281,713	4,085,833
2039-2043	707,298	6,307	713,605
Totals	$ 13,791,658	$ 3,123,437	$ 16,915,095

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	$ 10,685	$ 1,090	$ 11,775
2025	11,036	738	11,774
2026	11,400	375	11,775
Total	$ 33,121	$ 2,203	$ 35,324

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, 2023, was $114,707. The lease agreements have monthly payments ranging from $256 to $1,748, with agreements expiring in fiscal year 2024 through 2028.

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

Year Ending September 30:	Principal	Interest	Total Future Minimum Lease Payments
2024	$ 126,561	$ 6,361	$ 132,922
2025	101,907	3,700	105,607
2026	80,875	1,934	82,809
2027	47,737	930	48,667
2028	31,638	235	31,873
Total	$ 388,718	$ 13,160	$ 401,878

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes from direct borrowings:					
Note payable - CRA	$ 1,602,400	$ -	$ (1,602,400)	$ -	$ -
Notes payable - Capital asset fund	6,316,519	6,000,000	(560,519)	11,756,000	425,000
Notes Payable - Stormwater fund	501,857	1,560,215	(26,414)	2,035,658	104,424
Total notes from direct borrowings	8,420,776	7,560,215	(2,189,333)	13,791,658	529,424
Financed purchase	43,466	-	(10,345)	33,121	10,685
Lease liability	232,196	263,899	(107,377)	388,718	126,561
Compensated absences	779,923	707,993	(549,081)	938,835	397,411
Total long-term liabilities	$ 9,476,361	$ 8,532,107	$ (2,856,136)	$ 15,152,332	$ 1,064,081

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.

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, 2023 and, accordingly, has not recorded an asset retirement obligation for this matter.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

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	Community Redevelop-ment	Capital Asset	Stormwater Utility Fund	American Rescue Plan Act	Nonmajor Funds
Nonspendable:						
Prepaid items	$ 100,926	$ -	$ -	$ 7,189	$ -	$ -
Restricted for:						
Community services	-	-	-	-	-	224,835
Capital assets	-	-	5,769,727	-	-	-
Law enforcement	-	-	-	-	-	42,135
Committed:						
Special projects	-	-	-	-	237,531	-
Assigned:						
Stabilization	3,576,850	-	-	-	-	-
Unassigned	503,127	-	-	(695,700)	-	-
Total fund balances	$ 4,180,903	$ -	$ 5,769,727	$ (688,511)	$ 237,531	$ 266,970

Net Investment in Capital Assets

September 30, 2023	Governmental Activities
Capital assets (net)	$ 47,118,759
Contracts payable included in accounts payable	(244,035)
Retainage payable	(172,852)
Outstanding debt related to capital assets	(14,213,497)
Net investment in capital assets	$ 32,488,375

Deficit Fund Balances

Stormwater Utility Fund – The Stormwater Utility fund had a deficit fund balance of $717,909 at September 30, 2023. The deficit was a result of current year capital spending. The deficit will be recovered through stormwater utility fees.

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, 2023, there were 72 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 $181,284 and $173,287, respectively, to the Plan for fiscal year 2023.

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 $340,560 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.

Note 3: RETIREMENT PLANS (Continued)

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

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.

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.

Plan membership as of October 1, 2022:	Police Officers' and Firefighters' Plan	General Employees' Plan
Inactive plan members or beneficiaries currently receiving benefits	27	21
Inactive plan members entitled to but not yet receiving benefits	18	1
Active plan members	42	3
Total	87	25

Plan benefits	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.	

Note 3: RETIREMENT PLANS (Continued)

Defined Benefit Plans (Continued)

Plan benefits	*Police Officers' and Firefighters' Plan*	*General Employees' Plan*
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, 2022	$1,202,269	$15,317

Note 3: RETIREMENT PLANS (Continued)

Defined Benefit Plans (Continued)

Plan benefits	*Police Officers' and Firefighters' Plan*	*General Employees' Plan*
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, 2023 were as follows:

	Police Officers' and Firefighters' Plan	General Employees' Plan
Total pension liability	$ 28,661,145	$ 9,009,328
Less: Fiduciary net position	(23,819,970)	(7,461,913)
Net pension liability (asset)	$ 4,841,175	$ 1,547,415
Plan Fiduciary Net Position as a percentage of the total pension liability (asset)	83%	83%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023 using the following actuarial assumptions:

Assumption	*Police Officers' and Firefighters' Plan*	*General Employees' Plan*
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.	

Note 3: RETIREMENT PLANS (Continued)

Defined Benefit Plans (Continued)

Assumption	*Police Officers' and Firefighters' Plan*	*General Employees' Plan*
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).

Note 3: RETIREMENT PLANS (Continued)

Defined Benefit Plans (Continued)

Assumption	*Police Officers' and Firefighters' Plan*	*General Employees' Plan*
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, 2023 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
Total or weighted arithmetic average	100%	4.38% per annum

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:

Note 3: RETIREMENT PLANS (Continued)

Defined Benefit Plans (Continued)

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Police Officers' and Firefighters' Plan			
Net pension liability	$ 9,358,885	$ 4,841,175	$ 3,615,039
General Employees' Plan			
Net pension liability	2,445,862	1,547,415	956,577
Total net pension liability	$ 11,804,747	$ 6,388,590	$ 4,571,616

Net pension liability and changes in the net pension liability: The City's net pension liability was measured as of September 30, 2023, 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)		
Police Officers' and Firefighters' Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Reporting period ending September 30, 2022	$ 28,043,397	$ 21,820,739	$ 6,222,658
Changes due to:			
Service cost	682,046	-	682,046
Expected interest growth	1,960,814	1,531,598	429,216
Unexpected interest income	-	347,128	(347,128)
Demographic experience	(971,415)	-	(971,415)
Contributions - employer	-	1,021,765	(1,021,765)
Contributions - employee	-	214,800	(214,800)
Benefit payments and refunds	(1,053,697)	(1,053,697)	-
Administrative expenses	-	(62,363)	62,363
Net changes	617,748	1,999,231	(1,381,483)
Reporting period ending September 30, 2023	**$ 28,661,145**	**$ 23,819,970**	**$ 4,841,175**

Note 3: RETIREMENT PLANS (Continued)

Defined Benefit Plans (Continued)

	Increase (Decrease)		
General Employees' Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Reporting period ending September 30, 2022	$ 8,987,902	$ 7,341,913	$ 1,645,989
Changes due to:			
Service cost	30,846	-	30,846
Expected interest growth	606,302	496,387	109,915
Unexpected interest income	-	133,567	(133,567)
Demographic experience	22,310	-	22,310
Contributions - Employer	-	142,520	(142,520)
Contributions - Employee	-	13,519	(13,519)
Benefit payments and refunds	(638,032)	(638,032)	-
Administrative expenses	-	(27,961)	27,961
Net changes	21,426	120,000	(98,574)
Reporting period ending September 30, 2023	**$ 9,009,328**	**$ 7,461,913**	**$ 1,547,415**

Pension expense and deferred outflows and deferred inflows of resources related to pensions: For the year ended September 30, 2023, the City has recognized pension expense of $963,556 and $333,185 for the Police Officers' and Firefighters' Pension Plan and the General Employees' Pension Plan, respectively. At September 30, 2023, the City reported deferred outflows and deferred inflows of resources from the following sources:

Police Officers' and Firefighters' Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Investment gain/loss	$ 1,689,172	$ -
Demographic gain/loss	508	1,428,888
Assumption changes	355,240	463,091
Total - Police Officers' and Firefighters' Plan	2,044,920	1,891,979
General Employees' Plan		
Investment gain/loss	555,687	-
Total - General Employees' Plan	555,687	-
Total deferred outflows and deferred inflows of resources related to pensions	$ 2,600,607	$ 1,891,979

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:

Fiscal Year Ending September 30,	Police Officers' and Firefighters' Plan	General Employees' Plan
2024	$ (12,629)	$ 130,216
2025	(271,917)	126,954
2026	603,178	325,232
2027	(165,691)	(26,715)
Total	$ 152,941	$ 555,687

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.

Note 3: RETIREMENT PLANS (Continued)

Defined Benefit Plans (Continued)

Combining fund information. The pension trust funds fiduciary activity as of September 30, 2023 and the change in fiduciary net position for the year ended:

	Police Officers' and Firefighters' Defined Benefit Plan	Police Officers' and Firefighters' Share Plan	General Employees'	Total
ASSETS				
Receivables:				
Contributions	$ 90,058	$ -	$ -	$ 90,058
Due from other governments	69,297	-	-	69,297
Investments, at fair value:				
Florida Municipal Investment Trust Fund	23,660,615	867,842	7,461,913	31,990,370
Total assets	23,819,970	867,842	7,461,913	32,149,725
LIABILITIES				
Benefits payable	-	-	-	-
Total liabilities	-	-	-	-
NET POSITION				
Held in trust for pension benefits	$ 23,819,970	$ 867,842	$ 7,461,913	$ 32,149,725

The pension trust funds change in fiduciary net position activity as of September 30, 2023 was as follows:

	Police Officers' and Firefighters' Defined Benefit Plan	Police Officers' and Firefighters' Share Plan	General Employees'	Total
ADDITIONS				
Contributions:				
Employees	$ 214,800	$ -	$ 13,519	$ 228,319
City	857,161	-	142,520	999,681
State	164,604	175,956	-	340,560
Total contributions	1,236,565	175,956	156,039	1,568,560
Total investment earnings:				
Net appreciation in fair value of investments	1,878,725	(76,039)	631,047	2,433,733
Total additions	3,115,290	99,917	787,086	4,002,293
DEDUCTIONS				
Benefit payments	1,053,695	14,746	639,125	1,707,566
Administrative expenses	62,364	-	27,961	90,325
Total deductions	1,116,059	14,746	667,086	1,797,891
Change in net position	1,999,231	85,171	120,000	2,204,402
Net position, beginning of year	21,820,739	782,671	7,341,913	29,945,323
Net position, end of year	$ 23,819,970	$ 867,842	$ 7,461,913	$ 32,149,725

Note 3: RETIREMENT PLANS (Continued)

Pension Expense (All Plans)

The total of the City's pension expense for the fiscal year ended September 30, 2023 is as follows:

Plan Description		Pension Expense
Defined contribution plans:		
Money purchase plan	$	181,284
Police Officers' and Firefighters' share plan		190,702
Defined benefit plans:		
Police Officers' and Firefighters' plan		963,556
General Employees' plan		333,185
Total pension expense	$	1,668,727

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 18 retirees and spouses receiving benefits and has a total of 92 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.

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, 2023, the City will recognize an OPEB expense of $(95,600), 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 $35,044 for the year ended September 30, 2023.

Plan membership

Plan membership as of October 1, 2022 (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	96
Total	109

Actuarial Assumptions and Other Inputs

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

Employer's reporting date:	September 30, 2023
Measurement date:	September 30, 2023
Valuation date:	October 1, 2022
Discount rate:	4.91%
Salary increases:	4.75%

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 7.50% for the 2022/23 fiscal year graded down by 0.50% per year to 5.00% for the 2027/28 and later fiscal years.

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 $450 for the retiree and $300 for the retiree's spouse has been assumed at age 62 for the 2022/23 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.

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 4.77% per annum to 4.91% per annum; the healthcare cost trend rates were decreased from 8.00% for the 2021/22 fiscal year to the 7.50% for the 2022/23 fiscal year; and the implied monthly subsidy at age 62 for the 2022/23 fiscal year was changed from $486 for the retiree and $324 for the retiree's spouse to $475 for the retiree and $325 for the retiree's spouse.

The components of the OPEB liability at September 30, 2023 were as follows:

Total OPEB liability	Fiduciary net position	OPEB liability	Funded percentage
$ 3,770,472	$ -	$ 3,770,472	0%

The changes in the OPEB liability for the year ended September 30, 2023 were as follows:

	Total OPEB Liability	Fiduciary Net Position	OPEB Liability
Balance as of September 30, 2022	$ 4,339,884	$ -	$ 4,339,884
Service cost	67,927	-	67,927
Expected interest growth	213,646	-	213,646
Demographic experience	(655,129)	-	(655,129)
Benefit payments and refunds	(114,496)	-	(114,496)
Assumption changes	(81,360)	-	(81,360)
Balance as of September 30, 2023	$ 3,770,472	$ -	$ 3,770,472

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 3.91%	Discount rate 4.91%	1% increase 5.91%
OPEB liability	$ 4,241,865	$ 3,770,472	$ 3,383,865

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% - 6.50%)	Current trend rate (5.00% - 7.50%)	1% increase in trend rate (6.00% - 8.50%)
OPEB liability	$ 3,351,968	$ 3,770,472	$ 4,274,942

Deferred inflows and outflows: On September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Other Post Employment Benefits	Deferred Outflows of Resources	Deferred Inflows of Resources
Demographic gain/loss	$ 46,207	$ 1,852,789
Assumption changes	1,109,615	352,348
Total deferred outflows and deferred inflows of resources related to other post employment benefits	$ 1,155,822	$ 2,205,137

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

Fiscal Year Ending September 30,	
2024	$ (240,851)
2025	(240,851)
2026	(240,851)
2027	(183,833)
2028	(61,547)
Thereafter	(81,382)
Total	$ (1,049,315)

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 $542,760 at September 30, 2023.

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



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

For the year ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 12,256,802	$ 12,591,612	$ 12,659,953	$ 68,341
Licenses and permits	742,700	486,776	486,776	-
Intergovernmental	1,259,153	1,687,745	1,774,969	87,224
Charges for services	872,700	939,600	939,600	-
Fines and forfeitures	41,800	36,896	36,896	-
Investment and other income	5,020	1,301,675	1,342,538	40,863
Total revenues	15,178,175	17,044,304	17,240,732	196,428
Expenditures				
Departments:				
General government	3,657,976	3,832,050	3,732,444	99,606
Public safety	7,103,384	6,748,738	6,784,085	(35,347)
Physical environment	3,384,860	3,637,807	3,542,362	95,445
Recreation	1,049,613	1,043,670	1,033,682	9,988
Debt service:				
Principal retired	-	-	107,377	(107,377)
Interest and other	-	-	7,330	(7,330)
Total expenditures	15,195,833	15,262,265	15,207,280	54,985
Excess of revenues over expenditures	(17,658)	1,782,039	2,033,452	251,413
Other financing sources (uses)				
Transfers in	2,488,949	1,706,940	1,677,542	(29,398)
Transfers out	(2,465,723)	(3,230,869)	(3,230,869)	-
Lease proceeds	-	-	263,899	263,899
Net other financing sources (uses)	23,226	(1,523,929)	(1,289,428)	234,501
Net change in fund balances	5,568	258,110	744,024	485,914
Fund balances, beginning of year	3,725,075	3,725,075	3,725,075	-
Fund balances, end of year	$ 3,730,643	$ 3,983,185	$ 4,469,099	$ 485,914

Reconciliation of budgetary basis to the basic financial statements:

Total expenditures on the budgetary basis	$ 15,207,280
Capital outlay for leases (GASB 87)	288,196
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	$ 15,495,476

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

For the year ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 1,013,816	$ 963,125	$ 963,125	$ -
Investment and other income	1,500	9,802	9,802	-
Total revenues	1,015,316	972,927	972,927	-
Expenditures				
Department:				
General government	849,017	559,284	559,284	-
Debt service:				
Principal retired	403,300	1,606,400	1,602,400	4,000
Interest and other	61,453	73,676	77,676	(4,000)
Total expenditures	1,313,770	2,239,360	2,239,360	-
Deficiency of revenues under expenditures	(298,454)	(1,266,433)	(1,266,433)	-
Other financing sources (uses)				
Transfers in	2,465,723	2,642,413	2,642,413	-
Transfers out	(2,167,269)	(1,375,980)	(1,375,980)	-
Net other financing sources (uses)	298,454	1,266,433	1,266,433	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

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

For the Year Ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ -	$ 242,581	$ 453,129	$ 210,548
Charges for services	1,022,372	969,670	969,670	-
Investment and other income	2,000	45,995	42,282	(3,713)
Total revenues	1,024,372	1,258,246	1,465,081	206,835
Expenditures				
Current:				
Physical environment	53,422	155,820	155,820	-
Capital outlay	644,536	2,344,979	2,555,527	(210,548)
Debt service:				
Principal retired	26,414	26,414	26,414	-
Total expenditures	724,372	2,527,213	2,737,761	(210,548)
Excess of revenues over expenditures	300,000	(1,268,967)	(1,272,680)	(3,713)
Other financing sources (uses)				
Transfers out	(300,000)	(309,280)	(279,882)	29,398
Proceeds from issuance of debt	-	2,250,513	1,560,215	(690,298)
Total other financing uses	(300,000)	1,941,233	1,280,333	(660,900)
Net change in fund balances	-	672,266	7,653	(664,613)
Fund balances, beginning of year	(696,164)	(696,164)	(696,164)	-
Fund balances (deficits), end of year	$ (696,164)	$ (23,898)	$ (688,511)	$ (664,613)

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

For the Year Ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ -	$ 2,039,215	$ 2,245,680	$ 206,465
Interest and other	2,000	206,465	206,465	-
Total revenues	2,000	2,245,680	2,452,145	206,465
Expenditures				
Current				
General government	-	66,505	66,505	-
Physical environment	-	25,820	25,820	-
Capital outlay	3,424,213	2,153,356	2,153,355	1
Total expenditures	3,424,213	2,245,681	2,245,680	1
Excess of revenues over expenditures	(3,422,213)	(1)	206,465	206,466
Other financing sources (uses)	-	-	-	-
Net change in fund balances	(3,422,213)	(1)	206,465	206,466
Fund balances, beginning of year	-	31,066	31,066	-
Fund balances, end of year	$ (3,422,213)	$ 31,065	$ 237,531	$ 206,466

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 retainage on construction projects in progress at year-end are not included in the appropriations and new leases were accounted for under pre-GASB 87 guidance. 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

Police Officers' and Firefighters' Pension Plan				
For the year ended September 30,	**2023**	**2022**	**2021**	**2020**
Total Pension Liability				
Service cost	**$ 682,046**	$ 650,221	$ 685,483	$ 735,330
Expected interest growth	**1,960,814**	1,911,741	1,906,984	1,869,174
Demographic experience	**(971,415)**	(901,363)	(215,450)	(339,369)
Benefit payments and refunds	**(1,053,697)**	(1,001,676)	(958,620)	(1,579,307)
Assumption changes	**-**	-	(1,218,128)	-
Net change in total pension liability	**617,748**	658,923	200,269	685,828
Total pension liability - beginning	**28,043,397**	27,384,474	27,184,205	26,498,377
Total pension liability - ending (a)	**28,661,145**	28,043,397	27,384,474	27,184,205
Plan Fiduciary Net Position				
Expected interest growth	**1,531,598**	1,770,236	1,463,358	1,387,332
Unexpected investment income	**347,128**	(5,208,094)	2,939,403	(88,898)
Contributions - employer	**1,021,765**	816,513	847,479	992,960
Contributions - employee	**214,800**	188,515	183,254	200,809
Benefit payments and refunds	**(1,053,697)**	(1,001,676)	(958,620)	(1,579,307)
Administrative expense	**(62,363)**	(63,327)	(51,075)	(52,446)
Net change in plan fiduciary net position	**1,999,231**	(3,497,833)	4,423,799	860,450
Plan fiduciary net position - beginning	**21,820,739**	25,318,572	20,894,773	20,034,323
Plan fiduciary net position - ending (b)	**$ 23,819,970**	$ 21,820,739	$ 25,318,572	$ 20,894,773
Net pension liability - ending (a) - (b)	**$ 4,841,175**	$ 6,222,658	$ 2,065,902	$ 6,289,432
Plan fiduciary net position as a percentage of the total pension liability	**83.11%**	77.81%	92.46%	76.86%
Covered payroll	**$ 2,344,793**	$ 2,247,210	$ 2,406,752	$ 2,463,643
Net pension liability as a percentage of covered payroll	**206.46%**	276.91%	85.84%	255.29%

Police Officers' and Firefighters' Pension Plan					
2019	2018	2017	2016	2015	2014
$ 696,923	$ 731,362	$ 713,303	$ 590,076	$ 372,463	$ 466,047
1,786,927	1,702,438	1,478,789	1,120,821	1,542,236	1,291,782
(440,088)	(353,509)	377,868	5,636	(724,920)	-
(864,859)	(746,538)	(699,053)	(675,359)	(670,595)	(682,024)
-	-	1,332,146	3,952,648	(1,681,706)	-
1,178,903	1,333,753	3,203,053	4,993,822	(1,162,522)	1,075,805
25,319,474	23,985,721	20,782,668	15,788,846	16,951,368	15,875,563
26,498,377	25,319,474	23,985,721	20,782,668	15,788,846	16,951,368
1,325,420	1,221,028	1,048,032	940,589	1,205,916	977,638
(317,639)	4,354	974,179	200,914	(1,211,301)	93,909
906,257	938,295	1,085,748	732,952	682,374	773,093
192,542	198,453	200,058	189,218	174,323	170,359
(864,859)	(746,538)	(699,053)	(675,359)	(670,595)	(987,787)
(53,067)	(42,035)	(39,960)	(36,881)	(37,244)	(36,101)
1,188,654	1,573,557	2,569,004	1,351,433	143,473	991,111
18,845,669	17,272,112	14,703,108	13,351,675	13,208,202	12,217,091
$ 20,034,323	$ 18,845,669	$ 17,272,112	$ 14,703,108	$ 13,351,675	$ 13,208,202
$ 6,464,054	$ 6,473,805	$ 6,713,609	$ 6,079,560	$ 2,437,171	$ 3,743,166
75.61%	74.43%	72.01%	70.75%	84.56%	77.92%
$ 2,292,753	$ 2,419,522	$ 2,366,291	$ 2,102,177	$ 2,023,912	$ 1,980,916
281.93%	267.57%	283.72%	289.20%	120.42%	188.96%

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

General Employees' Pension Plan				
For the year ended September 30,	**2023**	**2022**	**2021**	**2020**
Total Pension Liability				
Service cost	**$ 30,846**	$ 51,487	$ 47,058	$ 66,874
Expected interest growth	**606,302**	593,145	626,337	618,506
Demographic experience	**22,310**	251,915	(121,301)	62,100
Benefit payments and refunds	**(638,032)**	(655,485)	(941,634)	(566,840)
Assumption changes	**-**	-	(89,231)	-
Net change in total pension liability	**21,426**	241,062	(478,771)	180,640
Total pension liability - beginning	**8,987,902**	8,746,840	9,225,611	9,044,971
Total pension liability - ending (a)	**9,009,328**	8,987,902	8,746,840	9,225,611
Plan Fiduciary Net Position				
Expected interest growth	**496,387**	610,794	542,988	539,357
Unexpected investment income	**133,567**	(1,759,721)	991,385	(16,314)
Contributions - employer	**142,520**	208,547	282,660	288,302
Contributions - employee	**13,519**	18,988	19,271	21,758
Benefit payments & refunds	**(638,032)**	(655,485)	(941,634)	(566,840)
Administrative expense	**(27,961)**	(33,818)	(26,502)	(25,858)
Net change in plan fiduciary net position	**120,000**	(1,610,695)	868,168	240,405
Plan fiduciary net position - beginning	**7,341,913**	8,952,608	8,084,440	7,844,035
Plan fiduciary net position - ending (b)	**$ 7,461,913**	$ 7,341,913	$ 8,952,608	$ 8,084,440
Net pension liability - ending (a) - (b)	**$ 1,547,415**	$ 1,645,989	$ (205,768)	$ 1,141,171
Plan fiduciary net position as a percentage of the total pension liability	**82.82%**	81.69%	102.35%	87.63%
Covered payroll	**$ 146,663**	$ 241,892	$ 223,181	$ 299,375
Net pension liability as a percentage of covered payroll	**1055.08%**	680.46%	-92.20%	381.18%

General Employees' Pension Plan						
2019	**2018**	**2017**	**2016**	**2015**	**2014**
$ 70,157	$ 64,653	$ 63,643	$ 78,648	$ 47,281	$ 57,216
610,071	615,783	560,761	464,555	636,922	560,156
(56,035)	(266,265)	101,155	147,878	11,264	-
(500,343)	(507,590)	(537,145)	(515,793)	(577,609)	(484,450)
-	-	578,190	1,275,317	(574,972)	-
123,850	(93,419)	766,604	1,450,605	(457,114)	132,922
8,921,121	9,014,540	8,247,936	6,797,331	7,254,445	7,121,523
9,044,971	8,921,121	9,014,540	8,247,936	6,797,331	7,254,445
528,037	502,616	452,897	428,775	571,279	475,890
(127,283)	32,752	426,663	92,895	(555,367)	32,305
306,047	354,222	349,352	341,136	370,855	428,556
22,474	23,561	22,233	33,168	31,458	30,262
(500,343)	(507,590)	(537,145)	(515,793)	(577,609)	(469,255)
(25,068)	(18,525)	(24,005)	(23,534)	(22,473)	(22,674)
203,864	387,036	689,995	356,647	(181,857)	475,084
7,640,171	7,253,135	6,563,140	6,206,493	6,388,350	5,913,266
$ 7,844,035	$ 7,640,171	$ 7,253,135	$ 6,563,140	$ 6,206,493	$ 6,388,350
$ 1,200,936	$ 1,280,950	$ 1,761,405	$ 1,684,796	$ 590,838	$ 866,095
86.72%	85.64%	80.46%	79.57%	91.31%	88.06%
$ 298,165	$ 281,381	$ 273,990	$ 400,181	$ 386,980	$ 366,815
402.78%	455.24%	642.87%	421.01%	152.68%	236.11%

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

Police Officers' and Firefighters' Pension Plan				
For the year ended September 30,	**2023**	**2022**	**2021**	**2020**
Actuarially determined contribution	**$ 992,793**	$ 816,513	$ 847,479	$ 998,959
Contributions recognized by the plan	**1,021,765**	816,513	847,479	992,960
Contribution deficiency (excess)	**$ (28,972)**	$ -	$ -	$ 5,999
Covered payroll	**$ 2,344,793**	$ 2,247,210	$ 2,406,752	$ 2,463,643
Contributions as a percentage of covered payroll	**43.58%**	36.33%	35.21%	40.30%

General Employees' Pension Plan				
For the year ended September 30,	**2023**	**2022**	**2021**	**2020**
Actuarially determined contribution	**$ 142,520**	$ 208,547	$ 282,660	$ 288,302
Contributions recognized by the plan	**142,520**	208,547	282,660	288,302
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
Covered payroll	**$ 146,663**	$ 241,892	$ 223,181	$ 299,375
Contributions as a percentage of covered payroll	**97.18%**	86.21%	126.65%	96.30%

Police Officers' and Firefighters' Pension Plan						
2019	**2018**	**2017**	**2016**	**2015**	**2014**
$ 903,329	$ 933,442	$ 796,903	$ 732,952	$ 745,554	$ 773,093
906,257	938,295	1,085,748	1,027,441	682,374	483,397
$ (2,928)	$ (4,853)	$ (288,845)	$ (294,489)	$ 63,180	$ 289,696
$ 2,292,753	$ 2,419,522	$ 2,366,291	$ 2,102,177	$ 2,023,912	$ 1,980,916
39.53%	38.78%	45.88%	48.88%	33.72%	24.40%

General Employees' Pension Plan					
2019	**2018**	**2017**	**2016**	**2015**	**2014**
$ 306,047	$ 354,222	$ 349,352	$ 341,136	$ 370,855	$ 428,556
306,047	354,222	349,352	341,136	370,855	428,556
$ -	$ -	$ -	$ -	$ -	$ -
$ 298,165	$ 281,381	$ 273,990	$ 400,181	$ 386,980	$ 366,815
102.64%	125.89%	127.51%	85.25%	95.83%	116.83%

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

Police Officers' and Firefighters' Pension Plan										
For the year ended September 30,	**2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual expected long-term real return on investments										
Weighted arithmetic average	**4.38%**	4.38%	4.38%	4.23%	4.23%	4.08%	4.08%	4.08%	5.48%	4.48%

General Employees' Pension Plan										
For the year ended September 30,	**2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual expected long-term real return on investments										
Weighted arithmetic average	**4.38%**	4.38%	4.38%	4.23%	4.23%	4.08%	4.08%	4.08%	5.48%	4.48%

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

	Police Officers' and Firefighters' Plan	General Employees' Plan
Valuation date	October 1, 2022	October 1, 2022
	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.	
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 Six Fiscal Years

September 30,	**2023**	2022	2021	2020	2019	2018
Total OPEB liability - beginning	**$ 4,339,884**	$ 3,172,526	$4,425,353	$3,728,912	$5,589,327	$5,413,248
Changes due to:						
Service cost	**67,927**	68,232	53,001	111,864	239,420	167,637
Expected interest growth	**213,646**	151,338	107,006	80,126	400,473	184,043
Demographic experience	**(655,129)**	52,443	(592,424)	-	(2,107,150)	-
Assumption changes	**(114,496)**	1,033,043	(669,910)	698,590	(51,343)	-
Benefit payments and refunds	**(81,360)**	(137,698)	(150,500)	(194,139)	(341,815)	(175,601)
Net changes in total OPEB liability	**(569,412)**	1,167,358	(1,252,827)	696,441	(1,860,415)	176,079
Total OPEB liability - ending (a)	**$ 3,770,472**	$ 4,339,884	$3,172,526	$4,425,353	$3,728,912	$5,589,327
Plan fiduciary net position						
Contributions - employer	**$ 81,360**	$ 137,698	$ 150,500	$ 194,139	$ 341,815	$ 175,601
Benefit payments	**(81,360)**	(137,698)	(150,500)	(194,139)	(341,815)	(175,601)
Net changes in plan fiduciary net position	**-**	-	-	-	-	-
Plan fiduciary net position - beginning	**-**	-	-	-	-	-
Plan fiduciary net position - ending (b)	**$ -**	$ -	$ -	$ -	$ -	$ -
OPEB liability - ending (a) - (b)	**$ 3,770,472**	$ 4,339,884	$3,172,526	$4,425,353	$3,728,912	$5,589,327
Covered-employee payroll for the measurement period	**$ 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	**65.25%**	77.77%	67.33%	106.18%	89.47%	148.84%

Notes:

(1) 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.

(2) The City does not accumulate assets in a trust that meets the criteria in paragraph 4 of GASBS No. 75 to pay related benefits.

(3) The amounts shown in this schedule are presented for the measurement period.

(4) There is no actuarial determined contribution to the OPEB plan.

CITY OF SATELLITE BEACH, FLORIDA

Nonmajor Governmental Funds and Capital Projects Funds

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

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.

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.

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

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

September 30, 2023	Special Revenue: Community Services	Special Revenue: Law Enforcement Trust	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	**$ 209,956**	**$ 39,290**	**$ 249,246**
Investments	**19,112**	**2,845**	**21,957**
Accounts receivable	**4,052**	**-**	**4,052**
Total assets	**$ 233,120**	**$ 42,135**	**$ 275,255**
LIABILITIES			
Accounts payable	**$ 8,285**	**$ -**	**$ 8,285**
Total liabilities	**8,285**	**-**	**8,285**
FUND BALANCES			
Restricted	**224,835**	**42,135**	**266,970**
Total fund balances	**224,835**	**42,135**	**266,970**
Total liabilities and fund balances	**$ 233,120**	**$ 42,135**	**$ 275,255**

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

For the Year Ended September 30, 2023	Special Revenue: Community Services	Special Revenue: Law Enforcement Trust	Total Nonmajor Governmental Funds
Revenues			
Charges for services	**$ 274**	**$ -**	**$ 274**
Investment and other income	**78,378**	**10,878**	**89,256**
Total revenues	**78,652**	**10,878**	**89,530**
Expenditures			
Current:			
Public safety	**26,381**	**6,300**	**32,681**
Physical environment	**19,587**	**-**	**19,587**
Recreation	**4,841**	**-**	**4,841**
Capital outlay	**9,362**	**-**	**9,362**
Total expenditures	**60,171**	**6,300**	**66,471**
Excess of revenues over expenditures	**18,481**	**4,578**	**23,059**
Other financing uses			
Transfers out	**(39,165)**	**-**	**(39,165)**
Total other financing uses	**(39,165)**	**-**	**(39,165)**
Net change in fund balances	**(20,684)**	**4,578**	**(16,106)**
Fund balances, beginning of year	**245,519**	**37,557**	**283,076**
Fund balances, end of year	**$ 224,835**	**$ 42,135**	**$ 266,970**

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

For the Year Ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 600	$ 274	$ 274	$ -
Investment and other income	39,380	100,898	78,378	(22,520)
Total revenues	39,980	101,172	78,652	(22,520)
Expenditures				
Current:				
Public safety	-	-	26,381	(26,381)
Physical environment	4,000	19,586	19,587	(1)
Recreation	42,799	176,807	4,841	171,966
Capital outlay	-	66,342	9,362	56,980
Total expenditures	46,799	262,735	60,171	202,564
Net change in fund balances	(6,819)	(161,563)	(20,684)	219,209
Fund balances, beginning of year	245,519	245,519	245,519	-
Fund balances, end of year	$ 238,700	$ 83,956	$ 224,835	$ 219,209

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

For the Year Ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment and other income	$ -	$ -	$ 10,878	$ 10,878
Total revenues	-	-	10,878	10,878
Expenditures				
Current:				
Public safety	-	-	6,300	(6,300)
Total expenditures	-	-	6,300	(6,300)
Net change in fund balances	-	-	4,578	4,578
Fund balances, beginning of year	37,557	37,557	37,557	-
Fund balances, end of year	$ 37,557	$ 37,557	$ 42,135	$ 4,578

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

For the Year Ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 837,000	$ 1,037,525	$ 1,037,525	$ -
Intergovernmental	-	524,232	536,224	11,992
Interest and other	2,000	47,717	42,872	(4,845)
Total revenues	839,000	1,609,474	1,616,621	7,147
Expenditures				
Current				
General government	-	-	-	-
Public Safety	-	42,961	51,140	(8,179)
Recreation	-	-	-	-
Capital outlay	92,753	1,297,525	1,289,343	8,182
Debt service:				
Principal retired	570,864	570,864	570,864	-
Interest and other	150,782	201,906	201,906	-
Total expenditures	814,399	2,113,256	2,113,253	3
Deficiency of revenues under expenditures	24,601	(503,782)	(496,632)	7,150
Other financing uses				
Transfers in	-	605,941	605,941	-
Proceeds from the issuance of debt	-	6,000,000	6,000,000	-
Net other financing uses	-	6,605,941	6,605,941	-
Net change in fund balances	24,601	6,102,159	6,109,309	7,150
Fund balances (deficits), beginning of year	(339,582)	(339,582)	(339,582)	-
Fund balances (deficits), end of year	$ (314,981)	$ 5,762,577	$ 5,769,727	$ 7,150

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.

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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
Net Position by Component
Last Ten Fiscal Years

Fiscal Year ended September 30,	**2023**	2022	2021	2020
Governmental activities				
Net investment in capital assets	**$ 32,488,375**	$ 34,100,017	$ 27,510,228	$ 25,460,939
Restricted	**6,036,697**	283,076	2,909,105	3,185,696
Unrestricted	**(7,357,890)**	(8,397,013)	(7,696,211)	(9,741,400)
Total governmental activities net position	**31,167,182**	25,986,080	22,723,122	18,905,235
Primary government				
Net investment in capital assets	**32,488,375**	34,100,017	27,510,228	25,460,939
Restricted	**6,036,697**	283,076	2,909,105	3,185,696
Unrestricted	**(7,357,890)**	(8,397,013)	(7,696,211)	(9,741,400)
Total primary government net position	**$ 31,167,182**	$ 25,986,080	$ 22,723,122	$ 18,905,235

Source: City of Satellite Beach Support Services Department

Schedule A1

2019	2018	2017	2016	2015	2014
$ 22,804,907	$ 27,017,454	$ 26,078,307	$ 25,272,490	$ 24,900,824	$ 24,600,877
5,510,086	941,307	1,468,861	1,619,299	4,072,434	1,441,474
(10,806,671)	(11,463,063)	(7,654,678)	(5,481,463)	(7,791,388)	(1,516,601)
17,508,322	16,495,698	19,892,490	21,410,326	21,181,870	24,525,750
22,804,907	27,017,454	26,078,307	25,272,490	24,900,824	24,600,877
5,510,086	941,307	1,468,861	1,619,299	4,072,434	1,441,474
(10,806,671)	(11,463,063)	(7,654,678)	(5,481,463)	(7,791,388)	(1,516,601)
$ 17,508,322	$ 16,495,698	$ 19,892,490	$ 21,410,326	$ 21,181,870	$ 24,525,750

City of Satellite Beach, Florida
Changes in Net Position
Last Ten Fiscal Years

Fiscal Year ended September 30,	**2023**	2022	2021	2020
Expenses:				
Governmental activities:				
General Government	**$ 4,624,935**	$ 4,762,470	$ 3,414,609	$ 3,619,660
Public Safety	**7,743,000**	6,029,889	5,040,014	6,066,516
Physical Environment	**4,861,942**	3,451,619	2,838,554	2,808,928
Recreation	**1,142,911**	952,427	1,002,740	748,686
Interest and related costs on long term debt	**283,146**	260,428	297,871	336,377
Total expenses - governmental activities	**18,655,934**	15,456,833	12,593,788	13,580,167
Program revenues:				
Governmental activities:				
Charges for Services:				
General Government	**469,548**	433,292	388,114	347,199
Public Safety	**311,118**	337,168	300,949	256,554
Physical Environment	**997,951**	1,007,868	962,900	962,962
Recreation	**679,387**	580,286	536,985	324,079
Operating Grants and Contributions				
General Government	**453,129**	124,134	176,204	7,697
Public Safety	**32,552**	54,835	36,801	14,850
Physical Environment	**1,932**	3,210	24,391	23,961
Recreation	**669**	-	1,492	4,390
Capital Grants and Contributions				
General Government	**2,124,180**	1,098,118	-	-
Public Safety	**18,991**	9,125	27,780	-
Physical Environment	**2,000**	8,000	-	14,168
Recreation	**-**	1	-	-
Total program revenues - governmental activities	**5,091,457**	3,656,037	2,455,616	1,955,860
Net (expense) revenue - governmental activities	**(13,564,477)**	(11,800,796)	(10,138,172)	(11,624,307)

Schedule A2

2019	2018	2017	2016	2015	2014
$ 3,783,019	$ 2,904,285	$ 3,973,747	$ 2,825,504	$ 2,156,505	$ 2,327,860
6,145,653	6,333,268	5,935,564	5,170,779	4,454,959	4,260,007
3,545,573	2,672,181	2,610,724	2,401,705	2,251,199	2,170,032
865,768	860,047	815,610	825,813	743,255	713,537
269,538	271,391	270,548	327,277	282,025	270,351
14,609,551	13,041,172	13,606,193	11,551,078	9,887,943	9,741,787
273,052	286,774	365,836	166,775	173,258	164,886
279,803	139,136	137,209	132,088	128,765	127,559
967,806	498,839	425,057	497,699	498,609	315,315
598,230	595,078	563,425	631,519	625,639	586,734
95,461	-	-	-	-	-
25,382	22,015	30,086	213,429	31,556	57,225
23,276	22,665	29,471	23,880	14,230	37,079
800	300	101	350	100	4,621
-	-	-	-	-	-
16,343	-	1,000	1,000	180,104	9,888
727,741	-	-	-	-	11,397
120,000	41,500	32	50,185	715	10,369
3,127,894	1,606,307	1,552,217	1,716,925	1,652,976	1,325,073
(11,481,657)	(11,434,865)	(12,053,976)	(9,834,153)	(8,234,967)	(8,416,714)

City of Satellite Beach, Florida
Changes in Net Position (Continued)
Last Ten Fiscal Years

Fiscal Year ended September 30,	**2023**	2022	2021	2020
General revenues:				
Governmental activities:				
Property taxes	**$ 11,283,206**	$ 10,429,297	$ 9,792,447	$ 8,792,095
Franchise fees and other taxes	**3,377,397**	2,984,743	2,731,231	2,759,077
Share revenues not restricted to specific programs	**1,335,969**	1,260,528	1,080,144	990,429
Grants and contributions not restricted to specific programs	**765,003**	210	33,905	41,952
Unrestricted investment earnings	**355,175**	48,948	12,342	92,707
Miscellaneous	**1,628,829**	340,028	305,990	344,960
Total general revenues - governmental activities	**18,745,579**	15,063,754	13,956,059	13,021,220
Change in net position - governmental activities	**5,181,102**	3,262,958	3,817,887	1,396,913
Change in net position - total government	**$ 5,181,102**	$ 3,262,958	$ 3,817,887	$ 1,396,913

(Continued from previous page)

Source: City of Satellite Beach Support Services Department

Schedule A2 (Continued)

2019	2018	2017	2016	2015	2014
$ 8,415,825	$ 7,254,925	$ 6,783,312	$ 6,371,353	$ 5,998,358	$ 5,606,772
2,721,062	2,627,465	2,596,137	2,633,925	2,285,666	2,310,949
1,015,263	999,801	957,349	899,109	870,604	826,339
1,776	10,935	2,051	1,484	9,850	665
111,830	36,049	27,603	32,328	26,277	17,143
228,525	587,146	169,688	124,410	114,860	152,496
12,494,281	11,516,321	10,536,140	10,062,609	9,305,615	8,914,364
1,012,624	81,456	(1,517,836)	228,456	1,070,648	497,650
$ 1,012,624	$ 81,456	$ (1,517,836)	$ 228,456	$ 1,070,648	$ 497,650

City of Satellite Beach, Florida
Fund Balances – Governmental Funds
Last Ten Fiscal Years

Fiscal year ended September 30,	**2023**	2022	2021	2020
General Fund				
Nonspendable	**$ 100,926**	$ 37,093	$ 24,141	$ 175,667
Restricted	**-**	-	-	-
Committed	**-**	-	2,536,661	2,384,718
Assigned	**3,576,850**	3,096,748	-	-
Unassigned (deficit)	**503,127**	591,234	451,221	413,226
Reserved	**-**	-	-	-
Unreserved	**-**	-	-	-
Total General Fund	**$ 4,180,903**	$ 3,725,075	$ 3,012,023	$ 2,973,611
All other governmental funds:				
Nonspendable	**$ 7,189**	$ 558,895	$ 7,189	$ 7,189
Restricted	**6,274,228**	283,076	2,901,916	3,178,507
Unreserved, reported in:				
Special revenue funds	**(695,700)**	(1,563,575)	129	-
Total all other governmental funds	**$ 5,585,717**	$ (721,604)	$ 2,909,234	$ 3,185,696

Source: City of Satellite Beach Support Services Department

Schedule A3

2019	2018	2017	2016	2015	2014
$ 130,814	$ 152,565	$ 87,165	$ 113,249	$ 49,457	$ 139,410
-	-	-	-	-	149,868
1,635,635	852,745	852,745	852,745	852,745	562,244
-	-	-	-	-	-
225,955	(213,044)	(307,572)	421,069	532,183	309,688
-	-	-	-	-	-
-	-	-	-	-	-
$ 1,992,404	$ 792,266	$ 632,338	$ 1,387,063	$ 1,434,385	$ 1,161,210
$ 10,482	$ 51,607	$ 80,563	$ 265,080	$ 51,429	$ 49,942
5,510,086	941,307	1,468,861	1,619,299	4,072,434	1,286,953
-	-	-	-	-	-
$ 5,520,568	$ 992,914	$ 1,549,424	$ 1,884,379	$ 4,123,863	$ 1,336,895

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

Fiscal year ended September 30,	**2023**	2022	2021	2020
Revenues:				
Taxes	**$ 14,660,603**	$ 13,414,040	$ 12,523,678	$ 11,551,172
Licenses and permits	**486,776**	481,038	394,268	344,809
Intergovernmental	**5,010,002**	2,605,526	1,418,268	1,337,196
Charges for services	**1,909,544**	1,793,316	1,733,849	1,486,001
Fines and forfeitures	**36,896**	56,504	35,230	33,366
Interest and other	**1,733,215**	369,367	307,382	223,537
Total revenues	**23,837,036**	18,719,791	16,412,675	14,976,081
Expenditures:				
Current:				
General government	**4,358,233**	4,113,612	3,763,225	3,465,542
Public safety	**6,867,906**	5,969,339	5,640,600	5,690,981
Physical environment	**3,743,589**	3,061,197	2,462,437	2,141,429
Recreation	**1,038,523**	900,627	804,581	674,831
Capital outlay - small dollar items	**-**	-	-	-
Capital outlay	**6,295,783**	3,738,498	5,826,075	3,063,771
Debt service:				
Principal retired	**2,307,055**	4,039,955	1,009,815	992,478
Interest and other	**286,912**	293,092	276,150	367,928
Total expenditures	**24,898,001**	22,116,320	19,782,883	16,396,960
Excess (deficiency) of revenues over (under) expenditures	**(1,060,965)**	(3,396,529)	(3,370,208)	(1,420,879)
Other financing sources (uses):				
Transfers in	**4,925,896**	4,862,126	5,338,707	2,939,582
Transfers out	**(4,925,896)**	(4,862,126)	(5,338,707)	(2,905,368)
Refunding note issues				1,969,000
Proceeds from issuance of debt	**7,560,215**	435,181	3,132,149	-
Lease proceeds	**263,899**	43,571	-	-
Insurance proceeds	**-**	-	-	-
Payment to refund note escrow	**-**	-	-	(1,936,000)
Proceeds from sale of fixed assets	**-**	-	-	-
Total other financing sources (uses)	**7,824,114**	478,752	3,132,149	67,214
Net change in fund balances	**$ 6,763,149**	$ (2,917,777)	$ (238,059)	$ (1,353,665)
Debt Service as a Percentage of Noncapital Expenditures	14%	24%	9%	10%

Source: City of Satellite Beach Support Services Department

Schedule A4

2019	2018	2017	2016	2015	2014
$ 11,136,887	$ 9,882,390	$ 9,379,449	$ 9,005,278	$ 8,284,024	$ 7,917,721
275,381	278,451	352,094	160,259	168,765	157,751
2,161,933	1,412,978	1,092,446	1,025,845	1,183,288	1,027,435
1,779,294	1,177,239	1,067,431	1,208,085	1,199,362	976,143
39,401	38,678	45,657	43,538	45,748	47,522
229,279	331,523	151,280	336,529	77,404	87,918
15,622,175	13,121,259	12,088,357	11,779,534	10,958,591	10,214,490
3,441,324	2,901,189	2,841,906	2,716,039	2,182,951	2,209,815
5,439,259	5,432,558	5,338,401	4,692,448	4,384,001	4,104,501
1,977,289	2,022,736	1,994,331	1,740,589	1,581,961	1,515,572
794,005	758,407	749,825	778,573	731,330	697,086
-	63,013	271,075	-	-	-
2,588,713	1,976,024	1,354,830	3,258,577	588,574	1,245,634
972,047	1,741,124	772,453	616,719	653,824	837,949
244,821	288,890	264,330	263,395	275,807	272,298
15,457,458	15,183,941	13,587,151	14,066,340	10,398,448	10,882,855
164,717	(2,062,682)	(1,498,794)	(2,286,806)	560,143	(668,365)
2,591,900	1,880,235	2,374,472	1,877,527	1,480,134	1,073,342
(2,591,900)	(1,880,235)	(2,374,472)	(1,877,527)	(1,480,134)	(1,073,342)
-	-	-	-	-	-
5,000,000	947,596	-	-	2,500,000	-
-	718,505	408,364	-	-	796,141
-	-	-	-	-	11,232
-	-	-	-	-	-
563,075	-	750	-	-	33,600
5,563,075	1,666,101	409,114	-	2,500,000	840,973
$ 5,727,792	$ (396,581)	$ (1,089,680)	$ (2,286,806)	$ 3,060,143	$ 172,608
9%	15%	8%	8%	9%	12%

City of Satellite Beach, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxable Value Real Property for Operating Purposes	Personal Property for Operating Purposes	Gross Taxable Value	New Construction Taxable Value
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
2015	677,596,138	18,663,326	696,259,464	2,826,100
2014	634,110,040	17,507,111	651,617,151	4,342,390

Source: Brevard County Property Appraiser

Schedule B1

Adjusted Taxable Value	Final Taxable Value	Millage Rate Per $1,000
$ 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
784,786,563	783,329,385	8.1518
727,438,190	732,126,873	8.2900
693,433,364	694,558,891	8.3206
647,274,761	651,162,743	8.3206

City of Satellite Beach, Florida
Tax Revenues by Source – Governmental Funds
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Property Taxes	Community Redevelopment	Local Option Gas Taxes	Communications Service Tax
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
2015	5,574,093	424,265	437,585	428,137
2014	5,229,663	377,109	412,020	452,746

Source: City of Satellite Beach Support Services Department

Schedule B2

Local Business Tax	Insurance Premium Tax (Pension)	Utility and Franchise Taxes	Total	% Change over Prior Year
$ 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%
50,817	208,658	1,160,469	8,284,024	5%
43,679	238,563	1,163,941	7,917,721	6%

City of Satellite Beach, Florida
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	City of Satellite Beach		Overlapping Rates	
Fiscal Year ended September 30,	Operating Millage	Total Direct Rate	Brevard County School Board	Brevard County
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
2015	8.3206	8.3206	7.3390	4.6814
2014	8.3206	8.3206	7.6060	4.8239

Source: Brevard County Tax Collector

Schedule B3

Overlapping Rates			
Brevard County Special Districts	St. Johns Water Management District	Fla Inland Navigation District	Total Direct and Overlapping
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
1.5496	0.3164	0.0345	22.2415
1.5740	0.3283	0.0345	22.6873

City of Satellite Beach, Florida
Principal Property Taxpayers
Current Year and Nine Years Prior
Schedule B4

	September 30, 2023			9/30/2014*		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
New Plan Venture Direct	$ 7,069,170	1	0.84%			0.00%
Las Olas Beach Club Assoc. Inc.	6,110,750	2	0.72%			0.00%
Satellite Beach I LLC	4,200,000	3	0.50%			0.00%
Sand 905 LLC	3,536,950	4	0.42%			0.00%
951 Ocean LLC	3,000,000	5	0.35%			0.00%
Port Village LLC	2,858,640	6	0.34%			0.00%
Simon, Catherine	2,406,250	7	0.28%			0.00%
Pardue, John	2,393,310	8	0.28%			0.00%
Castellon, Mauricio	2,247,860	9	0.27%			0.00%
Walden, Jill Murphy	2,238,150	10	0.26%			0.00%
Total taxable assessed value for principal property taxpayers	$ 36,061,080		4.26%	$ -		0.00%

Source: Brevard County Tax Collector

* Historical information not available due to system conversion at the Brevard County Tax Collector's office.

City of Satellite Beach, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years
Schedule B5

	Collected Within the Fiscal Year of the Levy			Total Collections to Date		
Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Amount Collected	Percentage of Levy	Delinquent Taxes Collected	Amount Collected	Percentage of Levy
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%
2015	5,793,296	5,452,035	94%	122,058	5,574,093	96%
2014	5,421,846	5,229,663	96%	-	5,229,663	96%

Source: Brevard County Tax Collector

City of Satellite Beach, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Schedule C1

	Governmental Activities					
Fiscal Year Ended September 30,	Note Payable	Financed Purchases*	Total Outstanding Debt	Total Personal Income	Percentage of Personal Income	Debt Per Capita
2023	**$ 13,791,658**	**$ 33,121**	**$ 13,824,779**	**$ 594,949,971**	**2.32%**	**1,214**
2022	8,420,776	43,466	8,464,242	520,044,878	1.63%	743
2021	11,983,387	-	11,983,387	471,025,912	2.54%	1,057
2020	9,744,457	116,716	9,861,173	452,529,042	2.18%	906
2019	10,556,576	264,075	10,820,651	421,282,560	2.57%	1,019
2018	6,384,317	408,381	6,792,698	346,508,232	1.96%	657
2017	6,048,060	819,662	6,867,722	368,427,800	1.86%	654
2016	6,633,525	598,286	7,231,811	367,761,375	1.97%	690
2015	7,150,490	698,040	7,848,530	373,540,521	2.10%	754
2014	5,202,033	800,321	6,002,354	344,632,680	1.74%	583

* Previously referred to as capital leases

Source: City of Satellite Beach Support Services Department

City of Satellite Beach, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023
Schedule C2

At September 30, 2023

Governmental Unit	Debt Outstanding (1)	Applicable Percentage (2)	City's Estimated Share of Direct and Overlapping Debt
Brevard County	$ 6,724,410	3.75%	$ 252,035
City of Satellite Beach Direct Debt (Governmental Activity)			
Total Notes Payable & Financed Purchases			13,824,779
Total Direct and Overlapping Debt			$ 14,076,814

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

City of Satellite Beach, Florida
Pledged Revenue Coverage
Last Ten Fiscal Years
Schedule C3

Fiscal Year Ended September 30,	Debt Coverage Revenues	Debt Service Requirements	Debt Service Coverage
2023	**$ 6,239,134**	**$ 1,201,423**	**5.19**
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
2015	1,638,743	467,256	3.51
2014	1,062,911	467,325	2.27

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
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
Schedule C4

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
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
2015	10,403	694,558,891	-	0.00%	0.00
2014	10,290	651,162,743	-	0.00%	0.00

As of September 30, 2023 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
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal year ended September 30,	**2023**	2022	2021	2020
Debt limit	$ 64,808,558	$ 57,331,062	$ 53,608,753	$ 48,540,404
Total net debt applicable to limit	13,824,779	8,464,242	11,983,387	9,861,173
Legal debt margin	**$ 50,983,779**	$ 48,866,820	$ 41,625,366	$ 38,679,231
Total net debt applicable to the limit as a percentage of the debt limit	**21%**	15%	22%	20%

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.

Schedule C5

2019	2018	2017	2016	2015	2014
$ 45,761,483	$ 42,305,641	$ 39,166,469	$ 36,606,344	$ 34,727,945	$ 32,558,137
10,820,651	6,792,698	6,867,722	7,231,811	7,848,530	6,002,354
$ 34,940,832	$ 35,512,943	$ 32,298,747	$ 29,374,533	$ 26,879,415	$ 26,555,783
24%	16%	18%	20%	23%	18%

City of Satellite Beach, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years
Schedule D1

Fiscal Year Ended September 30,	Population (1)	Median Age (2)	Per Capita Income (2)	Median Household Income (2)	Public School Enrollment (2)	Unemployment Rate (3)
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%
2015	10,403	42.9	35,907	65,000	2,694	5.8%
2014	10,290	43.9	33,492	63,793	2,623	6.7%

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

City of Satellite Beach, Florida
Principal Employers
Current Year and Nine Years Prior
Schedule D2

	2023		2014	
Employer	Number of Employees	Rank	Number of Employees	Rank
Publix Super Market Inc.	100-249	2	100-249	1
Millennium Engineering and Integration			100-249	2
City of Satellite Beach	100-249	1	100-249	3
Lighting Science Group Corporation			100-249	4
A P T Research Inc.	50-99		10-49	5
Blackbaud Inc.	50-99	3	10-49	6
The Haven for Children Inc.			10-49	7
McDonald's Restaurant	10-49	9	10-49	8
AP Home Builders, Inc			10-49	9
USPS Mel-Satellite Beach Branch	10-49	6	10-49	10
Amwins Brokerage of Florida Inc.	10-49	4		
Pappagallos Inc.	50-99	5		
Long Doggers III Inc.	50-99	7		
VSE Corp	10-49	8		
Satellite Family Dentistry PA	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.
Unable to provide 2014 data.

City of Satellite Beach, Florida
Employees by Function/Program
Last Ten Fiscal Years

Full-time Equivalent Employees	**2023**	2022	2021	2020
Function				
General Government				
City Clerk	**3**	3	3	3
Support Services	**9**	13	9	8
Planning & Sustainability	**4**			
Police	**42**	40	40	40
Fire	**22**	22	20	19
Community Development	**4**	4	4	5
Public Works	**31**	29	24	20
Recreation	**9**	9	8	8
Total	**124**	120	108	103

Source: City Support Services Department
Notes: Full-Time Equivalents are calculated, every 3 part time equals 1 full time.

Schedule E1

2019	2018	2017	2016	2015	2014
2	2	2	2	3	3
8	8	9	7	7	6
40	38	38	38	35	33
18	18	18	18	17	17
5	5	4	4	3	3
18	18	18	17	17	16
8	8	8	8	9	13
99	97	97	94	91	91

City of Satellite Beach, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	**2023**	2022	2021	2020
Community Development				
Building permits issued	**1,674**	1,753	1,992	1,983
Building inspections conducted	**3,245**	3,013	3,496	3,273
Police				
Arrests/Traffic Arrests	**273**	201	182	114
DUI's	**71**	78	97	36
Tickets	**1,506**	1,378	1,728	801
Fire				
Structure/Other Fires	**23**	23	18	21
Incidents/Call Outs	**2,519**	2,622	2,332	2,121
Annual Inspections	**583**	542	535	133
Public Works				
Replacement stormwater pipe (feet)	**8,944**	2,775	2,950	44
Replacement of storm drain inlets	**43**	27	56	33
Replacement of curbs (feet)	**4,896**	65	8,086	-
Replacement of sidewalk (feet)	**2,007**	145	1,274	113
Replacement of gutter (feet)	**-**	-	-	146
Asphalt patching (tons)	**1,930**	142	1,158	71

Source: Various City of Satellite Beach Departments

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

Schedule E2

2019	2018	2017	2016	2015	2014
1,971	2,006	1,594	1,366	1,582	1,477
3,444	3,408	2,232	2,023	2,126	2,036
200	322	327	325	325	310
64	91	71	76	67	71
1,183	1,348	1,263	1,494	1,453	1,664
22	13	22	25	30	35
1,633	1,398	1,501	1,377	1,350	1,385
315	264	285	273	226	178
60	40	775	398	180	451
1	10	15	16	7	13
-	-	295	1,181	-	492
113	208	230	984	300	505
120	97	-	-	80	27
18	21	-	10	16	8

City of Satellite Beach, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Schedule E3

Function/Program	**2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Schools										
Elementary	**2**	2	2	2	2	2	2	2	2	2
Middle School	**1**	1	1	1	1	1	1	1	1	1
High School	**1**	1	1	1	1	1	1	1	1	1
Police										
Station	**1**	1	1	1	1	1	1	1	1	1
Police Officers	**23**	23	23	23	23	21	21	21	21	21
Fire										
Station	**1**	1	1	1	1	1	1	1	1	1
Firefighters	**17**	17	17	17	17	15	15	15	15	15
Other Public Works										
Streets (linear miles)	**37**	37	37	37	37	37	37	37	37	37
Streetlights	**475**	475	475	475	435	435	435	435	435	435
Parks and Recreation										
Oceanfront Parks	**4**	4	4	4	4	4	4	4	4	4
Desoto Park Tennis Courts	**8**	8	8	8	8	8	8	8	8	8
Samsons Island Nature Park	**1**	1	1	1	1	1	1	1	1	1
Football Field	**1**	1	1	1	1	1	1	1	1	1
Soccer Field	**3**	3	3	3	3	3	3	3	3	3
Baseball Field	**3**	3	3	3	3	3	3	3	3	3
Skatepark	**1**	1	1	1	1	1	1	1	1	1
Dog Park	**1**	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 and State Financial Assistance
For the Year Ended September 30, 2023

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing / CSFA No.	Grant Number / Pass Through Entity Identifying Number	Expenditures	Transfers to Subrecipients
Federal Awards:				
U.S. Department of the Treasury				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5283 FL0283	$ 2,124,280	$ -
Total U.S. Department of the Treasury			2,124,280	-
U.S. Department of Homeland Security - Federal Emergency Management Agency				
Passed through Florida Division of Emergency Management				
Disaster Grants - Public Assistance (Hurricane Ian)	97.036	Z2999 DR-4673	198,421	-
Total U.S. Department of Homeland Security			198,421	-
Total Expenditures of Federal Awards			2,322,701	-
State Financial Assistance:				
Florida Department of Environmental Protection				
Florida Recreation Development Assistance Program	37.017	A23027	28,475	-
Florida Recreation Development Assistance Program	37.017	A23043	78,379	-
Wastewater Treatment Facility Construction Program	37.077	SW51501-140131	1,842,834	-
Total Florida Department of Environmental Protection			1,949,688	
Florida Department of Financial Services				
Volunteer Firefighter Grant Assistance Program	43.006	FM-624	504,000	-
Volunteer Firefighter Grant Assistance Program	43.006	FM-723	18,991	-
Total Florida Department of Financial Services			522,991	
FLORIDA DEPARTMENT OF HEALTH				
Emergency Medical Services Matching Awards	64.003	M230501	32,224	-
Total Florida Department of Health			32,224	
Florida Department of Highway Safety and Motor Vehicles				
Sea Turtle License Plate Project	76.070	22-038E	9,658	-
Total Florida Department of Highway Safety and Motor Vehicles			9,658	
Total Expenditures of State Financial Assistance			2,514,561	-
Total			$ 4,837,262	$ -

City of Satellite Beach, Florida
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
September 30, 2023

Note 1: BASIS OF PRESENTATION

The schedule of expenditures of federal awards and state financial assistance (the "Schedule") include the federal awards and state projects of the City of Satellite Beach, Florida, under programs of the federal government and the State of Florida for the year ended September 30, 2023. 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, 2023.

Note 4: INDIRECT COST RATE

The Uniform Guidance allows a City to elect a 10% de minimus indirect cost rate. For the year ended September 30, 2023, 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, 2023.

Note 6: EXPENDITURES FROM PRIOR FISCAL YEARS

Expenditures for ALN 97.036, *Disaster Grants – Public Assistance* include $87,706 of expenditures that were incurred in the previous fiscal year, but not obligated by the awarding agency until fiscal year 2023.

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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, 2023, 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 20, 2024.

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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider 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 20, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Honorable Mayor and City Council
City of Satellite Beach, Florida

Report on Compliance for Each Major Federal Program and State Project

Qualified and Unmodified Opinions

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, 2023. City of Satellite Beach, Florida's major federal program and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, 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 the *Coronavirus State and Local Fiscal Recovery Funds* for the year ended September 30, 2023.

Unmodified Opinion on the Major State Project

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 state project identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2023.

Basis for Qualified and Unmodified Opinions

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); and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of 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.

Matter Giving Rise to Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds

As described in the accompanying schedule of findings and questioned costs, City of Satellite Beach, Florida did not comply with requirements regarding the *Coronavirus State and Local Fiscal Recovery Funds* as described in finding number 2023-002 for Procurement.

Compliance with such requirements is necessary, in our opinion, for City of Satellite Beach, Florida to comply with the requirements applicable to that program.

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 and state projects.

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*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, 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 and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material 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 and Chapter 10.550, Rules of the Auditor General, 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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on City of Satellite Beach, Florida's response to the noncompliance 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.

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. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a material weakness.

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 item 2003-002 to be a material weakness.

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 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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

Melbourne, Florida
March 20, 2024

City of Satellite Beach, Florida
Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2023

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? No
- 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? Yes
- Significant deficiency(ies) identified? No

Type of auditor's report issued on compliance for major federal programs: Qualified

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:

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

Dollar threshold used to distinguish between type A and B programs was $750,000.

Auditee qualified as low-risk auditee under 2 CFR 200.520? No

State Projects

Internal control over major state projects:
- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Type of auditor's report issued on compliance for major state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550? No

Identification of major state projects:

State CSFA Number	State Project
37.077	Wastewater Treatment Facility Construction Program

Dollar threshold used to distinguish between type A and B programs was $750,000.

Section II – Financial Statement Findings

A. Internal Control Over Financial Reporting

2023-001 Schedule of Expenditures of Federal Awards and State Financial Assistance

Criteria: The Schedule of Expenditures of Federal Awards and State Financial Assistance (SEFA/SESFA) should be prepared in accordance with the Uniform Guidance in 2 CFR 200 and in accordance with the Florida Single Audit Act contained in Florida Statute 215.97 prior to being provided to the auditors for audit.

Condition: The 2023 SEFA/SESFA reports provided by the City did not include all grants and/or reportable expenditures.

Cause of condition: Expenditures were not appropriately identified to the awards (projects) within the BS&A accounting system.

Perspective (context): City personnel responsible for coding expenditures to the grant projects were not experienced with tracking award expenditures; however, the City reconciled required grantor reporting to the general ledger and did not rely on these reports for purposes of grantor reporting or preparing requests for reimbursement so required grantor reporting was not impacted by the errors in assigning expenditures to the grant projects.

Potential effect of condition: The SEFA/SESFA expenditure reports were incomplete or inaccurate. As a result, the SEFA report omitted $570,957 of expenditures and the SESFA omitted $391,749 of expenditures.

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 / SESFA reports at year-end should include a reconciliation to both the expenditures and grant revenues reported in the general ledger.

Management's response on planned corrective action: *The City has worked and will continue to work diligently on this issue. As the City transitions to updated software and technology, this matter will be resolved. The prior .net software, manual journal entries were required to ensure the revenues and expenditures were part of the grant. In the cloud version of the software that the City upgraded to in December 2023 does not require a manual journal entry, rather an edit to the revenue and expenditure to add the grant. This process will allow staff to review all revenues and expenditures and reconcile with the grants monthly.*

B. Compliance and Other Matters

No matters were reported.

Section III – Federal Award and State Project Findings and Questioned Costs

A. Compliance

2023-002 Procurement

U.S. Department of the Treasury
ALN 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Fund
Contract No. Y5283 FL0283 (2021)

Criteria: 2 CFR Sections 202.303(a) and 200.320 set forth the requirements to establish and maintain effective internal controls over federal awards and for acquisition contracts awarded to vendors including the requirement to obtain price or rate quotations from an adequate number of qualified sources and the circumstances in which noncompetitive procurement methods can be used.

The City's Financial & Budget Operational Guidelines specify that purchases over $25,000 must go through a formal bid and proposal process. In addition, the City's practice is to obtain three quotes for purchases between $5,000 and $25,000.

Condition: Competitive quotes and/or bids were not appropriately obtained for purchases from two vendors. These purchases, however, were beneath the Simplified Acquisition Threshold required by Uniform Guidance.

Cause of condition: The vendors were established vendors of the City selected for continuity of service and for their ability to obtain identical materials as previously used by the City. As a result, the City inadvertently exceeded procurement thresholds.

Questioned costs: Known questioned costs $140,644. We calculated these costs by identifying all award expenses with vendors not subjected to competitive procurement practices.

Perspective (context): We noted competitive procurement was not followed for three of the 40 expenses tested, representing two (2) different vendors (out of 14 vendors). The costs associated with these purchases were allowable costs for activities allowed under the grant program, confining the issue to procurement. While the City did not document competitive quotes for these purchases, we did not note any misuse of grant funds.

Potential effect of condition: The City did not comply with Federal compliance requirements or City policies established to promote competition and make the procurement process more transparent.

Recommendation: Competitive quotes should be obtained and retained as specified in the City's procurement policies and Uniform Guidance. Non-competitive procurement (for sole source vendors) should be documented and approved prior to incurring expenses.

The City should update and expand procurement policies to document competitive procurement practices for procurement less than the bid threshold

Management's response on planned corrective action: *Staff have already implemented a procurement policy to attach all the quotes received from vendors to the purchase order. In the future when reviewing, staff will be able to see all the vendors that provided a quote and see the lowest quote was used to procure the item(s).*

B. Internal Control Over Compliance

See 2023-002 Procurement (above).

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

No matters were reported.

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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, 2023, and have issued our report thereon dated March 20, 2024.

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* and Independent Accountants' 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 20, 2024 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:	
2022-001 Capital Asset Inventory	Corrected
2022-002 Building Surcharges	Corrected
2022-003 Compensated Absences	Corrected

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:

Component Unit:	Established by:
1. City of Satellite Beach Police Officers' and Firefighters' Retirement System	City Ordinance
2. City of Satellite Beach General Employees Retirement System	City Ordinance
3. City of Satellite Beach Community Redevelopment Agency	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 have the following recommendations.

2023-003 Building Permit Fees

Criteria: Building permit fees charged should use approved rates as documented in City code.

Condition: Building permit fees selected for testing did not consistently recalculate based on the City's approved rate schedule.

Cause: The City relies on the electronic audit trail maintained within its building department software to detail changes to permits after initial application. The electronic audit trail is incomplete and lacks sufficient detail to support a recalculation of the building permit fees charged after changes are made. As a result a recalculation of the permit fee based on the approved rate schedule did not agree to the permit fees charged.

Effect: The City may make a change to a permit which results in a building permit fee charged not in accordance with the approved rate schedule. The difference in the sample selected for testing was $3,453 which extrapolates to an immaterial amount of $14,385 across all permits issued during the year ended September 30, 2023.

Recommendation: The City should work with its software vendor to determine if permit changes, such as the construction value, can be maintained in the electronic audit trail or a manual documentation retention control should be designed and implemented.

Management's response: *Staff is currently working with the software vendor to address this issue, until they can come up with a better solution, the building department is manually reviewing the permits and having at least two people sign off and upload the documentation to the system.*

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 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.

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

Melbourne, Florida
March 20, 2024



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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, 2023. 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, 2023.

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

Melbourne, Florida
March 20, 2024