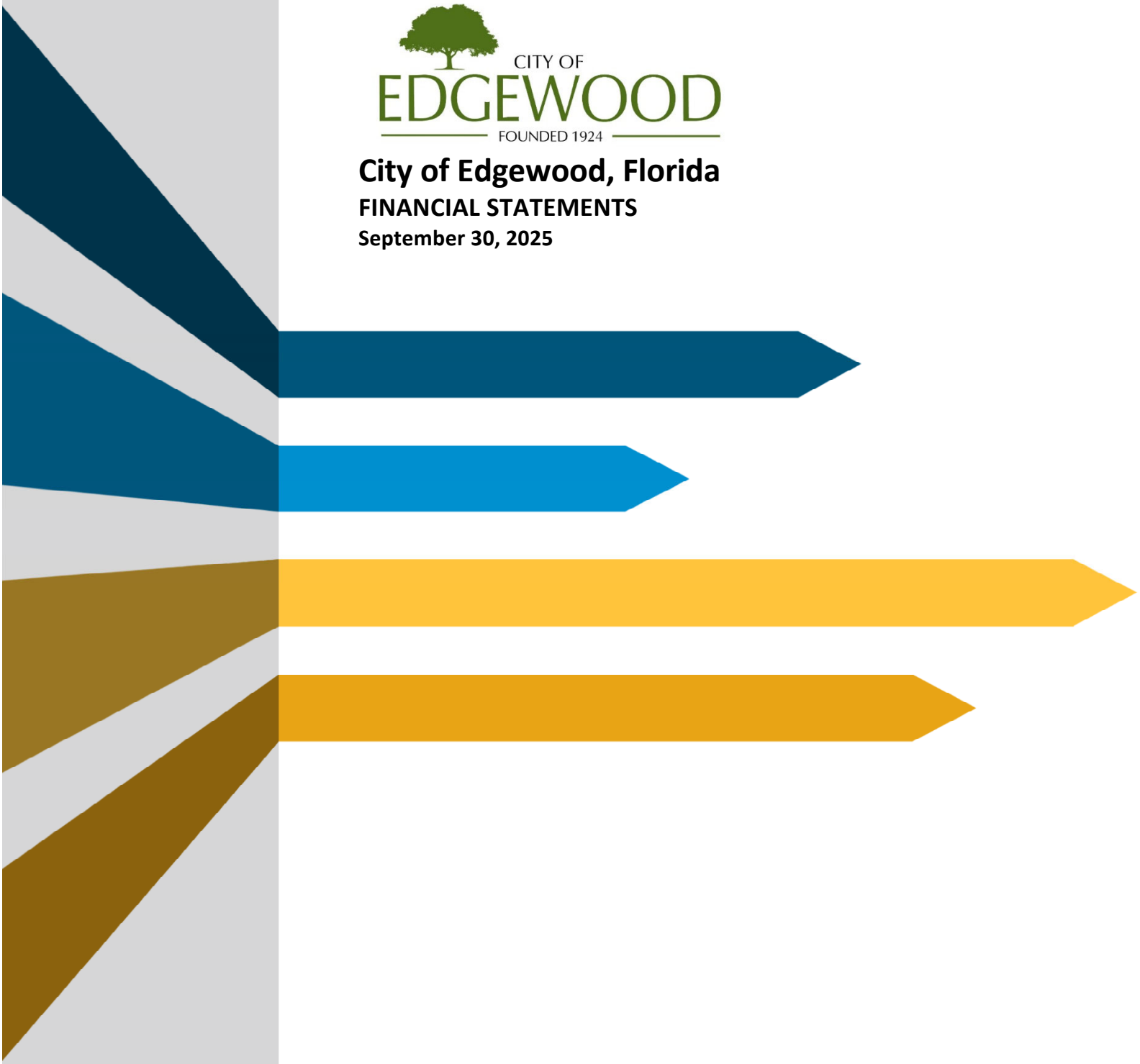


City of Edgewood, Florida

FINANCIAL STATEMENTS

September 30, 2025

City of Edgewood, Florida
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As of September 30, 2025

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City of Edgewood, Florida
City Officials
As of September 30, 2025

MAYOR
John Dowless

COUNCIL PRESIDENT
Richard Alan Horn

COUNCIL PRESIDENT PRO TEM
Chris Rader

CITY COUNCIL
Susan Lomas
Casey McElroy
Beth Steele

CITY ATTORNEY
Drew Smith

CITY CLERK
Sandra Riffle

CITY OF
EDGEWOOD
FOUNDED 1924

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

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

321.255.0088
386.336.4189 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S REPORT

To the City Council
The City of Edgewood, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Edgewood, Florida (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Edgewood, 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 and each major fund of the City of Edgewood, Florida, as of September 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Edgewood, 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 Edgewood, 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 Edgewood, 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 Edgewood, 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 and budgetary comparison information, the defined benefit pension plan supplementary information and the other postemployment benefits supplementary 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section 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 May 7, 2026 on our consideration of the City of Edgewood, Florida'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 of Edgewood, Florida'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 of Edgewood, Florida's internal control over financial reporting and compliance.

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

Melbourne, Florida
May 7, 2026

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

Financial Highlights

- The assets and deferred outflows of resources of the City of Edgewood, Florida, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $5,854,175 (net position). Of this amount, $3,352,838 represents unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by $2,985, compared to a prior year increase of $107,038.
- As of the close of the current fiscal year, the City of Edgewood, Florida's governmental funds reported combined ending fund balances of $6,193,281, an increase of $60,791 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Edgewood, Florida's basic financial statements. The City of Edgewood, 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 Edgewood, 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 Edgewood, 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 Edgewood, 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 20 – 22 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 Edgewood,

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 Edgewood, Florida are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in 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 Edgewood, Florida, maintains two 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 and the Roads and Streets Fund, which are considered to be major funds. The City has no "nonmajor funds."

The basic governmental fund financial statements can be found on pages 23 – 26 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 27 – 53 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 Edgewood, Florida's budgetary compliance, other postemployment benefits and pension obligations. The City of Edgewood, Florida adopts an annual appropriated budget for its General Fund and the Roads and Streets Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the budgets.

Required supplementary information can be found on pages 56 – 64 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 Edgewood, Florida, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $5,854,175 at the close of the most recent fiscal year.

The following table reflects the condensed statement of net position:

CITY OF EDGEWOOD, FLORIDA'S Net Position

	2025	2024	Change
Assets			
Current and other assets	$ 6,352,926	$ 6,386,370	-1%
Net capital assets	2,078,231	2,148,584	-3%
Total assets	8,431,157	8,534,954	-1%
Deferred outflows of resources	971,889	1,242,128	-22%
Liabilities			
Current liabilities	133,037	191,113	-30%
Noncurrent liabilities	2,549,534	3,258,460	-22%
Total liabilities	2,682,571	3,449,573	-22%
Deferred inflows of resources	866,300	560,746	54%
Net position			
Invested in capital assets, net of related debt	1,925,025	2,077,454	-7%
Restricted net position	576,312	602,861	-4%
Unrestricted net position	3,352,838	3,170,875	6%
Total net position	$ 5,854,175	$ 5,851,190	0%

The City had a decrease in deferred outflows of resources of $270,239 which is primarily attributed the decrease in deferred outflows related to changes in pension estimates for the Florida Retirement System and a decrease in noncurrent liabilities related to the decrease in the net pension liability of approximately $641,957 and decrease in OPEB liability of $65,232.

By far the largest portion of the City of Edgewood, 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 Edgewood, Florida, uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Edgewood, 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 $576,312 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 Edgewood, Florida reported an OPEB liability of $239,002; compensated absences of $132,561; aggregate net pension liability of $2,024,765; and OPEB and pension-related deferred outflows of resources of $971,889 offset by OPEB and pension-related deferred inflows of resources of $839,692. These liabilities are not currently funded.

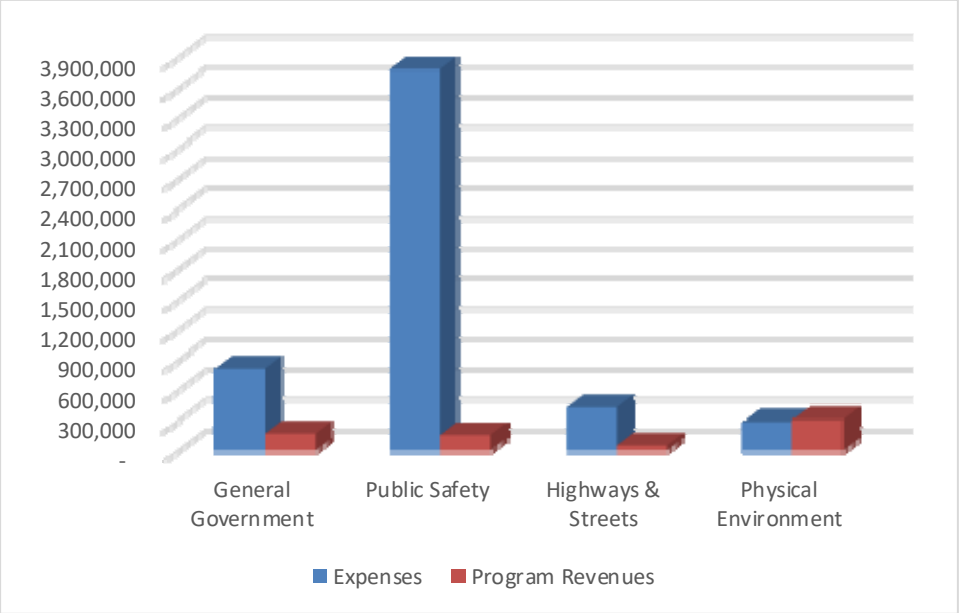
The following table shows condensed revenue and expense data:

CITY OF EDGEWOOD, FLORIDA'S Changes in Net Position

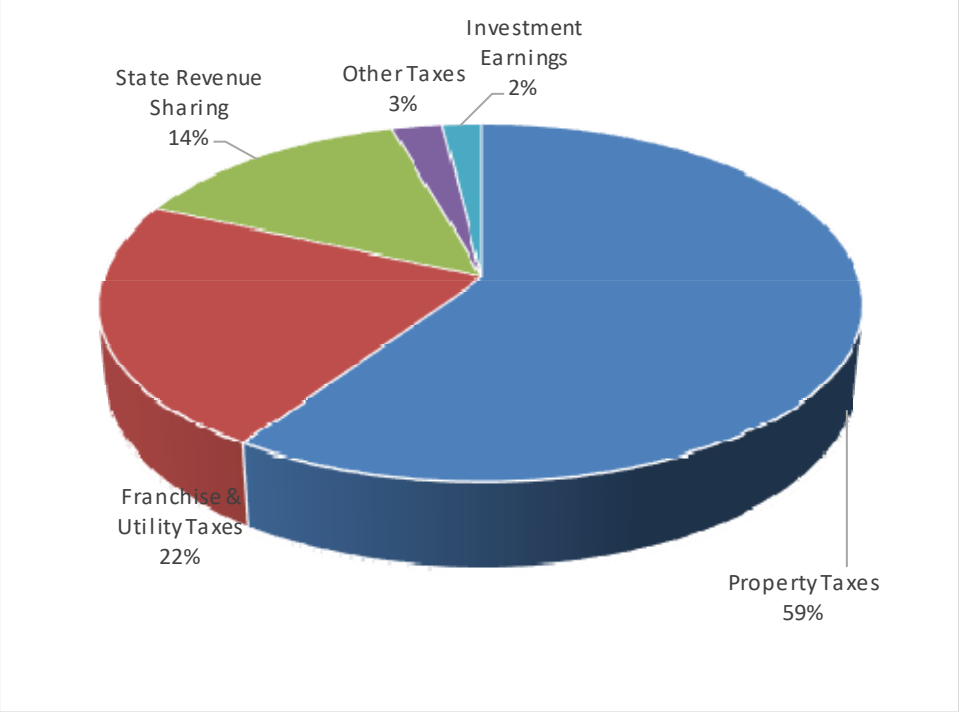
	2025	2024	Change
General Revenue:			
Property taxes	$ 2,734,876	$ 2,547,328	7%
Franchise and utility taxes	1,022,671	916,051	12%
State revenue sharing	646,536	651,190	-1%
Other taxes	114,310	114,564	0%
Unrestricted investment earnings	88,548	106,185	-17%
Miscellaneous	16,522	105,033	-84%
Program Revenue:			
Charges for services	640,259	673,330	-5%
Operating grants and contributions	23,496	20,222	16%
Capital grants and contributions	40,824	80,061	-49%
Total revenue	5,328,042	5,213,964	2%
Expenses:			
General government	820,492	870,293	-6%
Public safety	3,774,765	3,668,591	3%
Highways and streets	429,226	299,350	43%
Physical environment	290,680	263,284	10%
Interest	9,894	5,408	83%
Total expenses	5,325,057	5,106,926	4%
Change in net position	2,985	107,038	-97%
Total net position, beginning of year	5,851,190	5,744,152	2%
Total net position, end of year	$ 5,854,175	$ 5,851,190	0%

The City's net position increased by $2,985 during the current fiscal year, primarily due to an increase property tax revenue and franchise and utility taxes of about $294,000 offset by a decrease in miscellaneous revenue of about $88,000 primarily due to a special event that occurred in prior year. The City had an increase in Public safety expenses primarily attributed to an increase in fire/rescue services of approximately $353,000 plus an increase in OPEB of $70,000 offset by a decrease in pension expense of about $191,000. Highways and streets expenses increased by about $130,000 primarily due to increase in hurricane expenses.

Statement of Activities – Government-wide
Expenses and Program Revenues



Statement of Activities – Government-wide
General Revenues by Source



Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City of Edgewood, 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 Edgewood, 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 Edgewood, Florida's governmental funds reported combined ending fund balances of $6,193,291, an increase of $60,791 in comparison with the prior year. The fund balances of nonspendable, restricted or committed indicate that it is not available for new spending because it is obligated for prepaid items ($32,019), restricted for specific purposes ($576,312) or committed to pay for impact-fee funded projects ($21,846). Additionally, the City has assigned amounts to cover operating costs in the 2025 budget ($77,728) and for future capital projects ($1,557,854). Unrestricted, unassigned fund balance was $3,927,522 at year end. Pursuant to Section 5.09 of the City's Charter, the City's unrestricted reserves shall not exceed 75% of gross annual revenues. At September 30, 2025, the unrestricted, unassigned fund balance approximated 63% of gross annual revenues.

The General Fund is the chief operating fund of the City of Edgewood, Florida. At the end of the current fiscal year, unassigned fund balance was $3,927,522, while total fund balance was $5,667,081. The fund balance of the City of Edgewood, Florida's General Fund increased by $86,661 during the current fiscal year as compared to an increase of $241,447 in the prior fiscal year. The increase is primarily due to an increase in property tax revenues and charges for services.

The Roads and Streets Fund has a total fund balance of $516,200, which is restricted for transportation costs and projects. Fund balance decreased by $25,870 primarily due to the decrease in revenue related to impact fees.

General Fund Budgetary Highlights

Total revenues were over budget by $163,497 due primarily to increases in property tax revenues, and charges for services. Total expenditures were under budget by $173,862 primarily due to decrease in operating expenditures for both general government and public safety as well as a decrease in personnel services for public safety.

Total revenues in between the original budget and the final amended budget increased approximately $347,000 due primarily to increases in amounts budgeted for taxes and charges for services.

Major differences between the original budget and the final amended budget (net increase of $282,950 in appropriated expenditures) can be briefly summarized as follows:

- $87,600 in increases in operating expenditures for General government;

- $133,400 in increases in personnel services for Public safety;
- $51,000 in increases in operating expenditures for Physical environment;

Capital Asset and Debt Administration

Capital assets. The City of Edgewood, Florida's investment in capital assets as of September 30, 2025, amounted to $1,975,251 (net of accumulated depreciation) and right-of-use assets amounted to $102,980 (net of accumulated amortization). This investment in capital assets includes land, buildings, machinery and equipment, and infrastructure. The total decrease in the City of Edgewood, Florida's investment in capital assets for the current fiscal year was approximately 10 percent.

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

	2025	2024	Change
Land	$ 284,796	$ 284,796	0%
Buildings	136,510	159,694	-15%
Machinery and equipment	212,255	317,096	-33%
Infrastructure	1,341,690	1,386,998	-3%
Right-of-use assets	102,980	84,427	22%
Total	$ 2,078,231	$ 2,233,011	-7%

Additional information on the City of Edgewood, Florida's capital assets can be found in Note 2 on page 41 of this report.

Financed purchases payable. At the end of the current fiscal year, the City of Edgewood, Florida, had total financed purchases outstanding of $48,159.

CITY OF EDGEWOOD, FLORIDA'S Outstanding Debt -
Financed Purchases

	2025	2024	Change
Leases	$ 105,047	$ 85,440	23%
Financed purchases - City vehicles	48,159	70,117	-31%
Total	$ 153,206	$ 155,557	

The City's total obligation for financed purchases had a net decrease of $21,958 during the current fiscal year due to current year debt service payments. Leases increased due to a new lease agreement for a vehicle, offset by regular payments.

From Recovery to Stabilization

This past fiscal year marked a strategic shift for the City of Edgewood, moving from a period of "recovery" into a phase of stabilization. While the 2023-2024 year was affected by the immediate impact of recent hurricanes and the first wave of higher Orange County Fire and Rescue rates, 2024-

2025 showed that the City adjusted to the new baseline costs. By moving past post-inflation volatility of the previous year, we have maintained a stable financial posture.

Key Influences

Revenue and Community Growth

The City's financial foundation remains strong thanks to sustained high property values.

- **Taxable Value:** Edgewood's taxable value reached $555.7M during this cycle. The City maintained a steady millage rate of 5.25 mills, resulting in a 7.76% increase in tax revenue over the rolled-back rate.

- **Commercial Progress:** While the EPOC commercial development is technically still waiting for FDOT approval, it is moving from "approved" to active preparation. The development will be a boost to the City's tax revenue. This property is one of the remaining undeveloped parcels left in the City, leaving future modernization to redevelopment rather than new development.

Police Contractual Commitments & Future Planning

The primary focus of "stabilization" this year was managing the ongoing costs of public safety commitments.

- **The Step Plan:** The 2024-2025 fiscal year was a period of adjustment as the City continued to implement the pay plan established during the 2023 PBA negotiations. This contract, which runs through September 30, 2026, introduced higher pay rates specifically designed to keep the City market-competitive and improve officer retention.

- **Future Negotiations:** As we navigate this current audit, the City is already entering a new round of negotiations for the contract cycle beginning October 1, 2026. The next round is expected to pose additional budgetary challenges in the 2026-2027 fiscal year. Identifying these costs now allows the City to plan proactively for the next phase of its financial narrative.

- **Strategic Reserve Use:** For the 2024/2025 fiscal year, to keep the millage rate stable at 5.25 mills, the City Council made the strategic decision to utilize a planned transfer from reserves to cover increased service costs without raising taxes.

Requests for Information

This financial report is designed to provide a general overview of the City of Edgewood, 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 City Clerk, City of Edgewood, 405 Bagshaw Way, Edgewood, Florida, 32809.



City of Edgewood, Florida
Basic Financial Statements

City of Edgewood, Florida
Statement of Net Position

September 30, 2025		Governmental Activities
Assets		
Cash and cash equivalents	$	6,088,212
Receivables, net		96,268
Prepaid items		32,019
Due from other governments		136,427
Capital assets		
Non-depreciable		284,796
Depreciable, net		1,690,455
Right-of-use asset, net		102,980
Total assets		8,431,157
Deferred Outflows of Resources		
Deferred outflows related to pensions		755,238
Deferred outflows related to other postemployment benefits		216,651
Total deferred outflows of resources	$	971,889

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

September 30, 2025		Governmental Activities
Liabilities		
Accounts payable	$	79,598
Accrued liabilities		19,137
Unearned revenue		34,302
Noncurrent liabilities:		
Due within one year		
Compensated absences		26,512
Financed purchases		23,679
Right-of-use lease liability		25,763
Other postemployment benefits		49,319
Due in more than one year		
Compensated absences		106,049
Financed purchases		24,480
Right-of-use lease liability		79,284
Other postemployment benefits		189,683
Net pension liability		2,024,765
Total liabilities		2,682,571
Deferred Inflows of Resources		
Deferred revenue - business tax receipts		23,594
Deferred revenue - solid waste		3,014
Deferred inflows related to pensions		667,175
Deferred inflows related to other postemployment benefits		172,517
Total deferred inflows of resources		866,300
Net Position		
Net investment in capital assets		1,925,025
Restricted for		
Public safety		60,112
Road projects		516,200
Unrestricted		3,352,838
Total net position	$	5,854,175

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

City of Edgewood, Florida
Statement of Activities

For the year ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services and Fines	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Governmental activities					
General government	$ 820,492	$ 169,880	$ 5,867	$ -	$ (644,745)
Public safety	3,774,765	140,372	17,629	3,474	(3,613,290)
Highways and streets	429,226	18,543	-	37,350	(373,333)
Physical environment	290,680	311,464	-	-	20,784
Interest expense	9,894	-	-	-	(9,894)
Total governmental activities	$ 5,325,057	$ 640,259	$ 23,496	$ 40,824	(4,620,478)
General revenues:					
Property taxes					2,734,876
Franchise and utility taxes					1,022,671
State revenue sharing					646,536
Other taxes					114,310
Unrestricted investment earnings					88,548
Miscellaneous					16,522
Total general revenues					4,623,463
Change in net position					2,985
Net position, beginning of year					5,851,190
Net position, end of year					$ 5,854,175

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

City of Edgewood, Florida
Balance Sheet – Governmental Funds

September 30, 2025	General	Roads and Streets	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 5,587,547	$ 500,665	$ 6,088,212
Receivables	96,268	-	96,268
Due from other governments	120,892	15,535	136,427
Prepaid items	32,019	-	32,019
Total assets	$ 5,836,726	$ 516,200	$ 6,352,926
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	$ 79,598	$ -	$ 79,598
Accrued liabilities	19,137	-	19,137
Unearned revenues	34,302	-	34,302
Total liabilities	133,037	-	133,037
Deferred inflows of resources			
Deferred revenue - business tax receipts	23,594	-	23,594
Deferred revenue - solid waste	3,014	-	3,014
Total deferred inflows of resources	26,608	-	26,608
Fund balances			
Nonspendable			
Prepaids	32,019	-	32,019
Restricted for			
Roads and streets	-	516,200	516,200
Public safety	60,112	-	60,112
Committed for			
Impact fees	21,846	-	21,846
Assigned for			
Subsequent year's budget	77,728	-	77,728
Future capital projects	1,557,854	-	1,557,854
Unassigned	3,927,522	-	3,927,522
Total fund balances	5,677,081	516,200	6,193,281
Total liabilities, deferred inflows of resources, and fund balances	$ 5,836,726	$ 516,200	$ 6,352,926

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

City of Edgewood, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2025

Total fund balances - governmental funds		$ 6,193,281
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 6,031,154	
Right-of-use lease assets	131,451	
Less accumulated depreciation and amortization	(4,084,374)	2,078,231
Deferred outflows of resources related to pensions are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		755,238
Deferred inflows of resources related to pensions are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		(667,175)
Deferred inflows of resources related to OPEB are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		(172,517)
Deferred outflows of resources related to OPEB are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		216,651
Long-term liabilities, including total OPEB liability, net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	$ (2,024,765)	
Financed purchases	(48,159)	
Lease liabilities	(105,047)	
Compensated absences	(132,561)	
Other postemployment benefits	(239,002)	(2,549,534)
Net position of governmental activities		$ 5,854,175

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

City of Edgewood, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the year ended September 30, 2025	General	Roads and Streets	Total Governmental Funds
Revenues			
Taxes	$ 3,757,547	$ 82,885	$ 3,840,432
Licenses and permits	48,640	-	48,640
Intergovernmental	667,632	28,350	695,982
Charges for services	592,415	-	592,415
Fines and forfeitures	20,232	-	20,232
Impact fees	9,341	37,350	46,691
Investment earnings	88,423	125	88,548
Miscellaneous	16,132	18,543	34,675
Total revenues	5,200,362	167,253	5,367,615
Expenditures			
Current			
General government	822,071	-	822,071
Public safety	3,758,136	-	3,758,136
Highways and streets	-	316,206	316,206
Physical environment	290,680	-	290,680
Capital outlay	69,108	42,712	111,820
Debt service			
Principal	46,461	-	46,461
Interest	9,894	-	9,894
Total expenditures	4,996,350	358,918	5,355,268
Excess (deficiency) of revenues over (under) expenditures	204,012	(191,665)	12,347
Other Financing Sources (Uses)			
Transfers in	166,000	331,795	497,795
Transfers out	(331,795)	(166,000)	(497,795)
Proceeds from sale of capital assets	4,336	-	4,336
Lease proceeds	44,108	-	44,108
Net other financing sources (uses)	(117,351)	165,795	48,444
Net change in fund balances	86,661	(25,870)	60,791
Fund balances, beginning of year	5,590,420	542,070	6,132,490
Fund balances, end of year	$ 5,677,081	$ 516,200	$ 6,193,281

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

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

For the year ended September 30,		2025
Net change in fund balances - total governmental funds		$ 60,791
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		
Capital outlay	111,820	
Depreciation expense	(266,600)	(154,780)
Some revenues were not be collected within 60 days after the close of the City's fiscal year end in the prior year, therefore they are only recognized in the governmental funds in the current year but were recognized as revenue on the accrual basis in governmental activities in a subsequent period.		(39,571)
Issuance of long-term debt is an other financing source in the governmental funds, but increases long-term liabilities in the statement of net position.		(44,108)
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		46,461
Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year.		(614)
Other postemployment benefit obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.		(77,522)
Cash pensions contributions reported in the funds were greater than the calculated pension expense on the statement of activities and therefore increase net position.		212,328
Change in net position of governmental activities		$ 2,985

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Edgewood, Florida, ("the City") is a political subdivision of the State of Florida, located in Orange County. The City was incorporated as a municipality in 1924 pursuant to Chapter 69-1039 of the Laws of Florida. The City operates under the council-mayor form of government according to its charter. The current City Code authorizes the following services: public safety, street, public improvements, planning and zoning, and general administrative services. Public utilities, education, health, and welfare are administered by other governmental entities.

Reporting Entity

The City is a municipal corporation governed by an elected mayor and a five-member governing council (the "Council"). There are no entities considered to be component units of the City; therefore, the financial statements include only the operations of the City. The accounting policies of the City conform to generally accepted accounting principles (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. The City does not exercise control over other government agencies or authorities.

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. The City only has governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange 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.*

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The 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 capital 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 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and separate financial statements are provided for 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. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The *Roads and Streets Fund* is used to account for the City's share of local option gas tax, 9th cent gas tax and state revenue sharing fuel tax and the expenditures made for the maintenance and improvement of the City's roads.

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 funds) are eliminated.

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.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Roads and Streets Fund. The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, short-term investments with original maturities of three months or less from the date of acquisition, and amounts deposited with the State of Florida Board of Administration Local Government Surplus Trust Fund (Florida PRIME), which is a local government investment pool.

This investment pool meets all of the specified criteria in GASB Codification Section I50: *Investments* to qualify to elect to measure its investment at amortized cost. Accordingly, the fair value of the City's position in the pool is equal to the value of the pooled shares.

Receivables and Due from Other Governments

Receivables and due from other governments represent amounts due for services provided to citizens and claims against another government which are measurable and have been accrued. Property taxes are considered fully collected (96% of the levy) during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2025. Management has determined these amounts are collectible and no allowance for doubtful accounts is necessary.

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 governmental activities columns of the 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/expenses. Reimbursements are when a 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of two years.

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

Capital asset classes	Lives (Years)
Buildings	39
Building improvements	15
Machinery and equipment	5 - 10
Furniture and fixtures	7 - 10
Infrastructure	20 - 30
Software	3
Right-of-use lease assets	5

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 position that applies to a future period(s) 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 pensions*, reported in the government-wide statements of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows/Inflows of Resources

- The *deferred outflows related to other postemployment benefits* (OPEB), reported in the government-wide statements of net position. The deferred outflows related to 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 outflows related to OPEB will be recognized as either OPEB expense or a reduction in the net OPEB liability in future reporting years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has 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 GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. 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*, which arises when cash is received that relates to a future period. The governmental funds report deferred revenues from two sources: business tax receipts and solid waste receipts. This amount is deferred and recognized as an inflow of resources in the period that the amounts become earned.

Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation benefits and "comp" leave. Upon successful completion of the new hire probationary period, employees in authorized, budgeted part-time or full-time positions are eligible for payment of accumulated leave balances upon separation from City employment in good standing (layoff, resignation with proper notice, retirement). The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In accordance with GASB Codification Section L20: *Leases*, contracts that meet the criteria to be reported as financed purchases are recorded as long-term debt and the leased assets are capitalized and depreciated.

In the fund financial statements, governmental fund types recognize payments on financed purchases as debt service expenditures during the current period. The present value of a financed purchase is reported as other financing sources in the period acquired.

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.

Pensions

The City participates in cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State Board of Administration, the Florida Retirement System. For purposes of measuring the net pension liability, 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 total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, the City uses the alternative measurement method as provided for in GASB Codification Section P52: *Postemployment Benefits Other Than Pensions – Report for Benefits Not Provided Through Trusts That Meet Specified Criteria*. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Categories and Classification of Fund Equity

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 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).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Categories and Classification of Fund Equity (Continued)

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.

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 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.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

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. During a Special Session in June 2007, the Florida Legislature adopted HB1B, which limits property tax rates beginning in the 2008 fiscal year. This legislation established reductions in the millage rated 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. Property taxes attach as an enforceable lien on real property and are levied as of November 1st. The billings are considered past due as of April 1st following the levy date, at which time the applicable property is subject to lien, and penalties and interest are assessed. The City's levy for the fiscal year ended September 30, 2025 was 5.25 mills.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Estimates that are particularly susceptible to significant change in the near term are related to pension and other postemployment liabilities.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 7, 2025, and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

The City implemented the following standards during the current year:

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. There were no significant impacts of implementing this Statement. The Statement requires retrospective application; however, the change to the opening balances was de minimis.

GASB Statement No. 102, *Certain Risk Disclosures.* This Statement was issued in December 2023 to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Statement 102 will be effective for the fiscal year ending September 30, 2025. The City implemented this pronouncement but its guidance has no significant impact on the City's financial statements or its current accounting practices.

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

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

GASB Statement 104, *Disclosure of Certain Capital Assets*. This Statement was issued September 2024 to provide users of government financial statements with essential information about certain types of capital assets. This requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

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

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

As of September 30, 2025, $250,000 of the City's bank balances is covered by federal depository insurance (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.

The City has not adopted a separate investment policy and follows Section 218.45, Florida Statutes, which allows the City to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

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. On September 30, 2025, the City had $49,255 invested in Florida PRIME, which is included as a cash equivalent. The fair value of the City's position in the pool is equal to the value of the pooled shares or net asset value.

Under GASB Codification 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, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City's access to 100 percent of their account value in either external investment pool.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

At September 30, 2025, the SBA (Florida PRIME) had a weighted average to maturity (WAM) of 47 days and had a quality rating of AAAm from Standard & Poors (S&P).

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 possibility that interest rates will rise and reduce the fair value of an investment. 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.

Foreign currency risk – The City's investments are not exposed to foreign currency risk.

Concentration 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.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Receivables and Due from Other Governments

Receivables and amounts due from other governments at September 30, 2025 consist of the following:

	General Fund	Roads and Streets Fund	Total
Receivables:			
Franchise fees and utility taxes	$ 86,376	$ -	$ 86,376
Solid waste	9,629	-	9,629
Other receivables	263	-	263
Total receivables	$ 96,268	$ -	$ 96,268
Due from other governments:			
Taxes	$ 119,621	$ 15,535	$ 135,156
Fines and forfeitures	1,146	-	1,146
Police education	125	-	125
Total due from other governments	$ 120,892	$ 15,535	$ 136,427

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated/amortized:				
Land	$ 284,796	$ -	$ -	$ 284,796
Capital assets, not being depreciated	284,796	-	-	284,796
Capital assets, being depreciated/amortized:				
Right-of-use vehicles	87,343	44,108	-	131,451
Buildings	623,118	-	-	623,118
Machinery and equipment	1,159,622	-	(31,022)	1,128,600
Infrastructure	3,926,928	67,712	-	3,994,640
Capital assets, being depreciated/amortized:	5,797,011	111,820	(31,022)	5,877,809
Less accumulated depreciation/amortization for				
Right-of-use vehicles	(2,916)	(25,555)	-	(28,471)
Buildings	(463,424)	(23,184)	-	(486,608)
Machinery and equipment	(842,526)	(104,841)	31,022	(916,345)
Infrastructure	(2,539,930)	(113,020)	-	(2,652,950)
Total accumulated depreciation/amortization	(3,848,796)	(266,600)	31,022	(4,084,374)
Total capital assets being depreciated/amortized, net	1,948,215	(154,780)	-	1,793,435
Governmental activities capital assets, net	$ 2,233,011	$(154,780)	$ -	$2,078,231

Depreciation/amortization expense was allocated to the governmental functions in the statement of activities as follows:

For the year ended September 30,	2025
Governmental activities	
General government	$ 8,438
Public safety	145,142
Highways and streets	113,020
Total depreciation/amortization expense - governmental activities	$ 266,600

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities

Financed Purchases

The City has entered into purchase agreements with a financial institution to acquire various vehicles.

In 2021, the City acquired a vehicle with a contract principle amount of $48,850 accruing interest at a 6.85% per annum. The agreement requires annual payments of $11,169 beginning on October 10, 2021 for five (5) payments ending on October 10, 2025.

In 2024, the City acquired a vehicle with a contract principle amount of $46,926 accruing interest at a 8.24% per annum. The agreement requires annual payments of $10,950 beginning on October 1, 2023 for five (5) payments ending on October 10, 2028.

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

For the year ending September 30,	Financed Purchase	Interest Expense	Total
2026	$ 23,679	$ 3,926	$ 27,605
2027	14,365	2,072	16,437
2028	10,115	835	10,950
Total	$ 48,159	$ 6,833	$ 54,992

Leases

The City has entered into lease agreements to obtain right-to-use vehicles. The annual rent for the leases the City paid for the fiscal year ended September 30, 2025, was $24,501. The lease agreements have monthly payments ranging from $796 to $805, with agreements expiring in fiscal year 2030.

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

For the year ending September 30,	Leased Assets	Interest Expense	Total
2026	$ 25,763	$ 3,017	$ 28,780
2027	26,608	2,172	28,780
2028	27,482	1,298	28,780
2029	25,194	398	25,592
Total	$ 105,047	$ 6,885	$ 111,932

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Changes In Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Financed purchases	$ 70,117	$ -	$ (21,958)*	$ 48,159	$ 23,679
Right-of-use lease liability	85,440	44,108	(24,501)	105,047	25,763
Compensated absences**	131,947	614	-	132,561	26,512
Governmental activity long-term liabilities	$ 287,504	$ 44,722	$ (46,459)	$ 285,767	$ 75,954

*The City recorded additions and reductions net of immaterial non-cash transactions on the statement of revenue, expenditures and changes in fund balance.
** Change is shown net

Financed purchases, right-of-use lease liability and compensated absences will be liquidated in future periods primarily by the General Fund for governmental activities.

Interfund Receivables, Payables And Transfers

	Transfers in:		
	General Fund	Roads and Streets	Total
Transfers out:			
General Fund	$ -	$ 331,795	$ 331,795
Roads and Streets	166,000	-	166,000
Total	$ 166,000	$ 331,795	

The transfer from the General Fund to the Roads and Streets Fund provides additional funding for budgeted capital improvements.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Net Investment In Capital Assets

The elements of this calculation are as follows:

September 30, 2025		Governmental Activities
Capital assets (net)	$	2,078,231
Outstanding debt related to capital assets		(48,159)
Right-of-use assets		(105,047)
Net investment in capital assets	$	1,925,025

Note 3: DEFINED BENEFIT PENSION PLANS

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options.

Note 3: DEFINED BENEFIT PENSION PLANS (Continued)

FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or city school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation.

For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.5. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan.

The employer's contribution rates as of September 30, 2025, were as follows:

Year Ending September 30:	FRS	HIS
Regular class	12.03%	2.00%
Special risk class	33.19%	2.00%
Senior management service class	31.24%	2.00%
Elected officials	52.57%	2.00%
DROP from FRS	20.02%	2.00%

Note 3: DEFINED BENEFIT PENSION PLANS (Continued)

Contributions (Continued)

The employer's contributions for the year ended September 30, 2025, were $308,398 to the FRS Pension Plan and $26,501 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2025, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2025. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

September 30, 2025	FRS	HIS
Net Pension Liability	$ 1,644,715	$ 380,050
Proportion at:		
Current measurement date	0.0053%	0.0030%
Prior measurement date	0.0056%	0.0033%
Pension expense (income)	$ 141,151	$ (1,253)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
September 30, 2025	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 175,673	$ -	$ 2,269	$ (603)
Change of assumptions	190,994	-	3,364	(91,924)
Net difference between projected and actual earnings on pension plan investments	-	(274,602)	-	(316)
Changes in proportion and differences between City pension plan contributions and proportionate share of contributions	248,317	(223,461)	46,864	(76,269)
City pension plan contribution subsequent to the measurement date	81,631	-	6,126	-
Total	$ 696,615	$ (498,063)	$ 58,623	$ (169,112)

Note 3: DEFINED BENEFIT PENSION PLANS (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2025. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30:	FRS	HIS
2026	$ 237,613	$ (27,835)
2027	(42,256)	(31,831)
2028	(29,833)	(26,225)
2029	(48,603)	(16,309)
2030	-	(14,415)
Thereafter	-	-
Total	$ 116,921	$ (116,615)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2025. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2025. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2024.

The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

Year Ending September 30:	FRS	HIS
Inflation	2.40%	2.40%
Salary increases, including inflation	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	5.20%

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2021. For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

The following changes in key actuarial assumptions occurred in 2025:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.93% to 5.20%.

Note 3: DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

HIS: All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2025 FRS Actuarial Assumption Conference during its meeting in October 2025.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption of 3.50%. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation (1)	Annual Arithematic Return	Compound Annual (Geometric) Return
Cash	1.0%	3.2%	320.0%
Fixed income	29.0%	5.5%	5.4%
Global equity	45.0%	8.5%	6.9%
Real estate	12.0%	8.4%	7.1%
Private equity	11.0%	12.4%	8.8%
Strategic investments	2.0%	6.5%	6.1%
Total	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 5.20% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index rate as of June 30, 2025 was used as the applicable municipal bond index.

Note 3: DEFINED BENEFIT PENSION PLANS (Continued)

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
September 30, 2025	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
City's proportionate share of the net pension liability	$ 3,227,728	$ 1,644,715	$ 317,540	$ 428,568	$ 380,050	$ 339,359

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The City of Edgewood, Florida 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. 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.

Funding Policy

The City is funding the postemployment benefits on a pay-as-you-go basis. Contribution rates for the Plan are established by City Council annually during the budget process. The City does not pay for health insurance premiums for retirees. Blended premium rates for active and retired employees combined provide an implicit subsidy for retirees because on an actual basis, their current and future claims are expected to result in higher costs to the Plan than those of active employees. The current year contributions are determined as annualized claims incurred based on the retiree age at the beginning of the fiscal year and the claims table used for liability determination offset by the annual premium paid by the retiree for such coverage. City contributions are assumed to be equal to benefits paid.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Plan Membership

At September 30, 2025, OPEB membership consisted of the following:

	Employees
Inactive members	-
Active members	16
Total	16

Assumptions and Other Inputs

The City's OPEB liability (asset) is calculated using the Alternative Measurement Method permitted by GASB Statement 75 for employers in plans with fewer than one hundred total plan members.

The Alternative Measurement Method involves estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that the determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

In the September 30, 2025 measurement data, the assumptions and other inputs, applied include the following:

Inflation	3.00 %
Discount rate	4.50 % investment rate of return
Health care cost trend rates	5.20 % decreasing to 4.10 % after 2031
Retirees' share of benefit-related costs	100 % of projected health insurance premiums

The discount rate was selected based on a 20-year tax-exempt high-quality general obligation municipal bond yield of index. The S&P Municipal Bond 20 Year High Grade Index at September 30, 2025 was 4.50%.

Mortality rates were based on the RP-2014 Mortality Tables for annuitants for small plans for Males and Females as appropriate with both rates, with adjustments for mortality improvements based on Scale MP, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430.

The actuarial assumptions used in the September 30, 2025 valuation were not based on the results of an actuarial experience study.

At September 30, 2025, the City reported a total OPEB liability of $239,002. The information has been provided as of the September 30, 2025 measurement date.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Assumptions and Other Inputs (Continued)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Total OPEB Liability (a) - (b)
Balance as of September 20, 2024	$ 304,234	$ -	$ 304,234
Changes for the year			
Service cost	51,538	-	51,538
Interest	14,850	-	14,850
Changes of assumptions	(131,620)	-	(131,620)
Net changes	(65,232)	-	(65,232)
Balance as of September 30, 2025	$ 239,002	$ -	$ 239,002

The following table represents the City's total OPEB liability calculated using the discount rate of 4.50%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Total OPEB Liability	$ 281,266	$ 239,002	$ 205,035

The following table represents the City's total OPEB liability calculated using the health care cost trend rate of 5.20%, as well as what the City's total OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (4.20%)	Ultimate Trend (5.20%)	1% Increase (6.20%)
Total OPEB Liability	$ 216,627	$ 239,002	$ 264,497

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

For the fiscal year ended September 30, 2025, the City recognized a decrease to OPEB expense of $65,232. In addition, the City reported deferred inflows of resources relate to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	$ 216,651	$ (172,517)
Total	$ 216,651	$ (172,517)

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

Year ending September 30,	
2026	$ 11,135
2027	11,135
2028	11,135
2029	11,135
2030	11,135
Thereafter	(11,541)
Total	$ 44,134

Note 5: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered through participation in a local government non-assessable self-insurance pool – Florida Municipal Insurance Trust. There have been no significant reductions in insurance coverage from the prior year. No settlements have exceeded the City's insurance coverage for each of the past three fiscal years.

Note 6: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the City is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the City, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the City or results of activities.

Note 6: COMMITMENTS AND CONTINGENCIES (Continued)

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts not recorded, if any, to be immaterial.

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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Edgewood, Florida
Budgetary Comparison Schedule – General Fund

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 3,531,070	$ 3,671,070	$ 3,757,547	$ 86,477
Licenses and permits	40,300	40,300	48,640	8,340
Intergovernmental	628,622	633,622	667,632	34,010
Charges for services	382,060	575,073	592,415	17,342
Fines and forfeitures	19,000	19,000	20,232	1,232
Impact fees	900	4,900	9,341	4,441
Investment earnings	77,500	82,500	88,423	5,923
Miscellaneous revenue	10,400	10,400	16,132	5,732
Total revenues	4,689,852	5,036,865	5,200,362	163,497
Expenditures				
General government				
Personnel services	280,385	288,485	282,704	5,781
Operating expenditures	498,216	585,816	539,367	46,449
Capital outlay	-	-	-	-
Public safety				
Law enforcement:				
Personnel services	1,993,853	2,127,253	2,069,938	57,315
Operating expenditures	324,842	327,692	321,774	5,918
Capital outlay	-	-	-	-
Debt service				
Principal	51,960	46,960	46,461	499
Interest	5,645	10,645	9,894	751
Fire protection:				
Operating expenditures	1,397,410	1,397,410	1,366,424	30,986
Physical environment				
Operating expenditures	265,843	316,843	290,680	26,163
Capital outlay	4,000	4,000	25,000	(21,000)
Total expenditures	4,822,154	5,105,104	4,952,242	152,862

-Continued-

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

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess of revenues over expenditures	(132,302)	(68,239)	248,120	316,359
Other Financing Sources				
Transfers out	(331,765)	(331,765)	(331,795)	(30)
Transfers in	166,000	166,000	166,000	-
Proceeds from sale of capital assets	-	-	4,336.00	4,336
Total other financing sources	(165,765)	(165,765)	(161,459)	4,306.00
Net change in fund balance	(298,067)	(234,004)	86,661	320,665
Fund balance, beginning of the year	5,590,420	5,590,420	5,590,420	-
Fund balance, end of year	$ 5,292,353	$ 5,356,416	5,677,081	$ 320,665

The schedule was prepared on a budgetary basis, the reconciliation between the budgetary basis and GAAP is as follows:

Capital outlay for leases	44,108
Lease proceeds	(44,108)
Fund balance on GAAP basis	$ 5,677,081

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

City of Edgewood, Florida
Budgetary Comparison Schedule – Road and Streets Fund

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 70,000	$ 76,000	$ 82,885	$ 6,885
Intergovernmental	24,000	28,000	28,350	350
Investment earnings	50	50	125	75
Impact fees	-	-	37,350	37,350
Miscellaneous	17,741	17,741	18,543	802
Total revenues	111,791	121,791	167,253	45,462
Expenditures				
Highways and streets	377,786	387,786	316,206	71,580
Capital outlay	-	-	42,712	(42,712)
Total expenditures	377,786	387,786	358,918	28,868
Excess (Deficiency) of Revenues Over (Under) Expenditures	(265,995)	(265,995)	(191,665)	74,330
Other Financing Sources				
Transfers in	165,795	165,795	165,795	-
Total other financing sources	165,795	165,795	165,795	-
Net change in fund balance	(100,200)	(100,200)	(25,870)	74,330
Fund balance, beginning of year	542,070	542,070	542,070	-
Fund balance, end of year	$ 441,870	$ 441,870	$ 516,200	$ 74,330

Note that this schedule is prepared on a budgetary basis, but it is not different from Generally Accepted Accounting Principles (GAAP) in presentation.

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

Note 1: BUDGETARY INFORMATION

The City Council annually adopts a budget for the General Fund and the Roads and Streets Fund. All appropriations are legally controlled at the fund level. The City Council employs the following procedures in establishing the budgetary data reflected in the financial statements:

a) Prior to September 30, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

b) Complete copies of the proposed budget are made available for public inspection. Budget workshops are held and public hearings are conducted to obtain citizens' comments.

c) Prior to October 1, the budget is legally enacted through passage of an ordinance and becomes the basis for the millage levied by the Council.

d) Any transfers of budgeted amounts between departments within any fund, and any revisions that alter the total expenditures of any fund must be approved by the Council.

e) Formal budgetary integration is employed as a management control device during the year for the General Fund and any special revenue funds that have a legally adopted budget.

f) The budgets are integrated into the accounting system and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the budget. All budgets are presented on the modified accrual basis of accounting (GAAP) except as noted on the budgetary comparison schedules.

g) Unexpended appropriations on annual budgets lapse at the end of the fiscal year.

h) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

City of Edgewood, Florida
Schedule of Proportionate Share of Net Pension Liability

	Florida Retirement System (FRS)			
	2025	2024	2023	2022
City's proportion of the net pension liability	**0.0053%**	0.0056%	0.0044%	0.0052%
City's proportionate share of the net pension liability	**$ 1,644,715**	$ 2,171,156	$ 1,737,339	$ 1,920,280
City's covered payroll	**$ 1,360,609**	$ 1,402,283	$ 1,282,785	$ 1,267,221
City's proportionate share of the net pension liability as a percentage of its covered payroll	**120.88%**	154.83%	135.43%	151.53%
Plan fiduciary net position as a percentage of the total pension liability	**87.26%**	83.70%	82.38%	82.89%

	Health Insurance Subsidy (HIS)			
	2025	2024	2023	2022
City's proportion of the net pension liability	**0.0030%**	0.0033%	0.0029%	0.0033%
City's proportionate share of the net pension liability	**$ 380,050**	$ 495,565	$ 459,785	$ 346,110
City's covered payroll	**$ 1,360,609**	$ 1,402,283	$ 1,282,785	$ 1,267,221
City's proportionate share of the net pension liability as a percentage of its covered payroll	**27.93%**	35.34%	35.83%	27.31%
Plan fiduciary net position as a percentage of the total pension liability	**6.36%**	4.80%	4.12%	4.81%

Note 1: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 3 financial statements.

Note 2: Amounts presented were determined as of June 30.

2021	2020	2019	2018	2017	2016
0.0054%	0.0061%	0.0059%	0.0057%	0.0062%	0.0062%
$ 407,697	$ 2,656,804	$ 2,033,346	$ 1,717,322	$ 1,830,978	$ 1,553,082
$ 1,205,151	$ 1,174,032	$ 1,157,916	$ 1,161,110	$ 1,117,456	$ 1,091,698
33.83%	226.30%	175.60%	147.90%	163.85%	142.26%
96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

2021	2020	2019	2018	2017	2016
0.0035%	0.0034%	0.0034%	0.0034%	0.0036%	0.0035%
$ 424,193	$ 421,143	$ 385,721	$ 361,699	$ 383,028	$ 407,902
$ 1,205,151	$ 1,205,151	$ 1,174,032	$ 1,157,916	$ 1,161,110	$ 1,117,456
35.20%	34.95%	32.85%	31.24%	32.99%	36.50%
3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

City of Edgewood, Florida
Schedule of Pension Contributions

	Florida Retirement System (FRS)			
	2025	2024	2023	2022
Contractually required contribution	**$ 316,418**	$ 317,812	$ 209,749	$ 220,226
Contributions in relation to the contractually required contribution	**(316,418)**	(317,812)	(209,749)	(205,610)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ 14,616
City's covered payroll	**$ 1,375,670**	$ 1,429,368	$ 1,275,629	$ 1,235,883
Contributions as a percentage of covered payroll	**23.00%**	22.23%	16.44%	17.82%

	Health Insurance Subsidy (HIS)			
	2025	2024	2023	2022
Contractually required contribution	**$ 26,501**	$ 27,969	$ 19,036	$ 19,773
Contributions in relation to the contractually required contribution	**(26,501)**	(27,969)	(19,036)	(19,773)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
City's covered payroll	**$ 1,375,670**	$ 1,429,368	$ 1,275,629	$ 1,235,883
Contributions as a percentage of covered payroll	**1.93%**	1.96%	1.49%	1.60%

	2021	2020	2019	2018	2017	2016
	$ 205,610	$ 203,671	$ 214,024	$ 194,227	$ 172,477	$ 165,261
	(203,671)	(203,671)	(214,024)	(194,227)	(172,477)	(165,261)
	$ 1,939	$ -	$ -	$ -	$ -	$ -
	$ 1,236,560	$ 1,179,404	$ 1,205,151	$ 1,174,032	$ 1,157,916	$ 1,161,110
	16.63%	17.27%	17.76%	16.54%	14.90%	14.23%

	2021	2020	2019	2018	2017	2016
	$ 20,327	$ 19,876	$ 19,202	$ 18,998	$ 18,621	$ 18,040
	(19,876)	(19,876)	(19,202)	(18,998)	(18,621)	(18,040)
	$ 451	$ -	$ -	$ -	$ -	$ -
	$ 1,236,560	$ 1,236,560	$ 1,179,404	$ 1,205,151	$ 1,174,032	$ 1,157,916
	1.64%	1.61%	1.63%	1.58%	1.59%	1.56%

City of Edgewood, Florida
Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios

Fiscal year ending September 30,	**2025**	2024	2023	2022	2021	2020
Total OPEB liability						
Service cost	**$ 51,538**	$ 35,236	$ 1,916	$ 1,916	$ 2,774	$ 2,419
Interest	**14,850**	12,403	1,792	2,532	1,355	26
Changes of assumptions	**(131,620)**	(31,278)	248,474	(20,878)	(5,482)	51,029
Net changes in total OPEB liability	**(65,232)**	16,361	252,182	(16,430)	(1,353)	53,474
Total OPEB liability - beginning	**304,234**	287,873	35,691	52,121	53,474	-
Total OPEB liability - ending	**$ 239,002**	$ 304,234	$ 287,873	$ 35,691	$ 52,121	$ 53,474
Covered-employee payroll for the measurement period	**$ 1,375,670**	$ 1,429,368	$ 1,275,629	$ 1,235,883	$ 1,236,560	$ 1,236,560
Total OPEB liability as a percentage of covered-employee payroll	17.37%	21.28%	22.57%	2.89%	4.21%	4.32%

Notes to the schedule:

The City began recording an OPEB liability in 2020. As a result, this information is only available for five fiscal years.

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

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

321.255.0088
386.336.4189 (fax)
CRIadv.com

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*

To the Honorable Mayor and City Council,
City of Edgewood, 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 and each major fund of the City of Edgewood, Florida as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Edgewood, Florida's basic financial statements, and have issued our report thereon dated May 7, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Edgewood, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Edgewood, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Edgewood, 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described below, 2025-002, to be a significant deficiency.

2025-002 REVIEW AND SEGREGATION OF DUTIES

Criteria: Review and segregation of duties is critical for effective internal controls to mitigate the risk of errors and inappropriate actions.

Condition: The City does not have preventative review and approval controls in place for data and monthly remittances to the State for the Florida Retirement System.

Cause: Data remitted for FRS is not reviewed prior to being sent.

Effect: Employee data could be remitted and recorded with incorrect information.

Recommendation: Someone other than the preparer should review the information prior to being sent and document their review.

Management's Response: The City of Edgewood agrees with the auditor's recommendation to segregate duties for FRS reporting. While the City strives for accuracy in all financial reporting, we recognize that implementing a formal review process will further mitigate the risk of clerical errors or data inaccuracies.

Corrective Action Plan: Reasonable controls are in place with each employee having a separate, secure password for the BTR and Sage systems. The City will implement the following actions:

1. **Segregation of Duties:** The City will immediately implement a secondary review process. The staff member responsible for preparing the monthly FRS data will no longer be the sole person involved in the submission process.

2. **Review Protocol:**
    - **Preferred method:** The City recognizes the importance of segregation of duties, but the current manual entry process for FRS is time-sensitive. To avoid operational delays, the City Clerk will perform a formal reconciliation and review of the FRS confirmation report against payroll records within 48 hours of submission. This ensures that any discrepancies are identified and corrected immediately through the FRS portal's existing correction mechanism, satisfying the need for independent oversight without halting municipal operations."
    - **Alternative method:** Before any data is remitted to the State, a designated reviewer (primarily the City Clerk or Administrative Manager) will verify the remittance report against internal payroll records.
3. **Documentation:** To ensure a clear audit trail, the reviewer will sign and date a digital approval log for each monthly submission, confirming that the data has been checked for accuracy and completeness.

Implementation Timeline: Immediate. May 4, 2026

Responsible Party: City Clerk and Deputy Police Chief

Report on Compliance and Other Matters

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

City of Edgewood, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Edgewood, Florida's response to the findings identified in our audit as stated above. City of Edgewood, 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
May 7, 2026



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

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

321.255.0088
386.336.4189 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Mayor and City Council,
City of Edgewood, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Edgewood, Florida, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated May 7, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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 Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 7, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective action has been taken to address findings and recommendations made in the preceding financial audit report as noted below.

2024-001 Accrual of Receivables	Comment cleared
2024-002 Census Data	Comment repeated as 2025-001
2024-003 Review and Segregation of Duties	Comment repeated as 2025-002
2024-004 Recording Debt and Capital Outlay	Comment cleared
2024-005 Passthrough Revenue and Expense	Comment cleared

Official Title and Legal Authority

Section 10.554(l)(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 Edgewood, Florida is disclosed in the footnotes. The City has no component units.

Financial Condition and Management

Section 10.554(l)(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 Edgewood, 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 Edgewood, 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 Edgewood, Florida. It is management's responsibility to monitor the City of Edgewood, 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 recommendation:

2025-001 CENSUS DATA

Criteria: GASB standards require governments to report on pension liabilities, and census data could influence actuarial assumptions and reporting on pension obligations.

Condition: The City's personnel records did not support information provided to the actuaries for determining pension and other post-employment benefit liabilities.

Cause: Data entered to or provided to the actuary, such as the date of hire, did not agree with supporting documentation in the City's personnel records.

Effect: Two participants' date of hire did not agree to the information submitted to the Florida Retirement System and used internally for the OPEB liability calculation.

Recommendation: The City should ensure that the information provided agrees with support in personnel files and the same information is provided to all sources that utilize it.

Management's Response: The City Clerk has completed a comprehensive internal "census sweep" of all active personnel files. This review confirmed that the lack of a standardized "Date of Hire" field on

onboarding documents—combined with varying departmental start dates—led to inconsistent data being provided for actuarial and FRS reporting.

Corrective Actions Planned:

- **Administrative Verification:** To ensure data accuracy at the source, the Deputy Police Chief will share a departmental onboarding calendar with the City Clerk. This provides a clear, documented record of the official start date for all new law enforcement personnel.
- **Standardized Documentation:** The City Clerk will record the verified date on the centralized census spreadsheet used to track information for all City employees.
- **Establishment of "Source of Truth":** The Deputy Chief's onboarding schedule will serve as the sole authoritative source for all future census data submissions to the Florida Retirement System and OPEB actuaries.
- **Systemic Correction:** All records flagged during the internal sweep have already been updated to reflect the verified hire dates to ensure historical and future reporting consistency.

Timeline for Implementation: Immediate. May 4, 2026

Responsible Party: City Clerk and Deputy Police Chief

Property Assessed Clean Energy (PACE) Programs (Unaudited)

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

Additional Matters

Section 10.554(l)(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, applicable management and the City of Edgewood, Florida's City Council, 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
May 7, 2026

CITY OF
EDGEWOOD
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CARR, RIGGS & INGRAM, L.L.C.

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

321.255.0088
386.336.4189 (fax)
CRIadv.com

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

To the Honorable Mayor and City Council,
City of Edgewood, Florida

We have examined City of Edgewood, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management of the City of Edgewood, Florida is responsible for the City of Edgewood, Florida's compliance with the specified requirements. Our responsibility is to express an opinion on City of Edgewood, Florida'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 City of Edgewood, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Edgewood, Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including as assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence 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 of Edgewood, Florida's compliance with specified requirements.

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

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

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

Melbourne, Florida
May 7, 2026