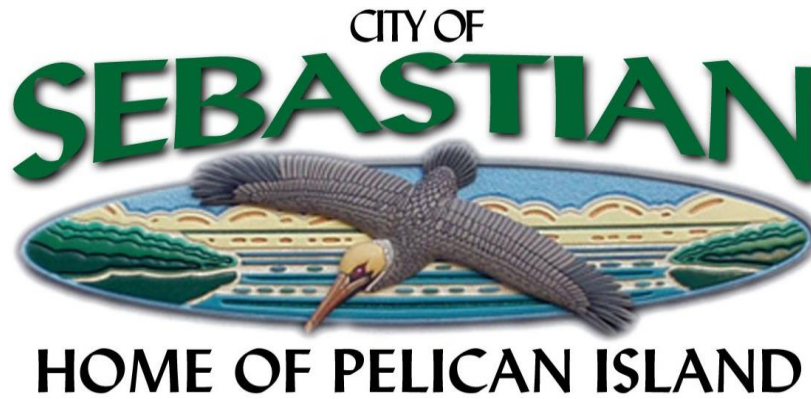


**CITY OF SEBASTIAN, FLORIDA**



**Annual Comprehensive Financial Report**

**For the Fiscal Year Ended September 30, 2024**

**CITY COUNCIL**

Ed Dodd  
***Mayor***

Kelly Dixon  
***Vice-Mayor***

Fred Jones  
***Council Member***

Bob McPartlan  
***Council Member***

Christopher Nunn  
***Council Member***

**City of Sebastian, Florida**  
**Table of Contents**  
**September 30, 2024**

**INTRODUCTORY SECTION**

|                                                                       |   |
|-----------------------------------------------------------------------|---|
| Letter of Transmittal .....                                           | 1 |
| Principal Officials.....                                              | 6 |
| City of Sebastian, Florida Organizational Chart .....                 | 7 |
| Certificate of Achievement for Excellence in Financial Reporting..... | 8 |

**FINANCIAL SECTION**

|                                            |    |
|--------------------------------------------|----|
| Independent Auditor's Report .....         | 11 |
| Management's Discussion and Analysis ..... | 15 |

**Basic Financial Statements**

|                                       |    |
|---------------------------------------|----|
| Government-wide Financial Statements: |    |
| Statement of Net Position .....       | 28 |
| Statement of Activities .....         | 30 |

**Fund Financial Statements**

|                                                                                                                                                     |    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Balance Sheet – Governmental Funds .....                                                                                                            | 32 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement<br>Of Net Position .....                                                 | 34 |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balances – Governmental Funds .....                                                      | 36 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes<br>in Fund Balances of Governmental Funds to the Statement of Activities..... | 38 |
| Statement of Net Position – Proprietary Funds.....                                                                                                  | 39 |
| Statement of Revenues, Expenses and Changes in Fund<br>Net Position – Proprietary Funds.....                                                        | 41 |
| Statement of Cash Flows – Proprietary Funds.....                                                                                                    | 42 |
| Statement of Fiduciary Net Position.....                                                                                                            | 44 |
| Statement of Changes in Fiduciary Net Position .....                                                                                                | 45 |

|                                     |    |
|-------------------------------------|----|
| Notes to Financial Statements ..... | 47 |
|-------------------------------------|----|

**Required Supplementary Information**

|                                                                                                  |    |
|--------------------------------------------------------------------------------------------------|----|
| Schedule of Revenues, Expenditures and Changes in Fund<br>Balances – Budget and Actual:          |    |
| General Fund.....                                                                                | 88 |
| Riverfront Redevelopment Special Revenue Fund .....                                              | 90 |
| Stormwater Utility Fund .....                                                                    | 91 |
| American Rescue Plan Fund.....                                                                   | 92 |
| Discretionary Sales Tax Fund .....                                                               | 93 |
| Budgetary Notes to Required Supplementary Information .....                                      | 94 |
| Single-employer Pension Trust Fund:                                                              |    |
| Schedule of Changes in Net Pension Liability and Related<br>Ratios – Last Ten Fiscal Years ..... | 96 |
| Notes to Schedule of Changes in Net Pension Liability and Related Ratios .....                   | 98 |
| Schedule of Investment Returns – Last Ten Fiscal Years .....                                     | 99 |

**City of Sebastian, Florida**  
**Table of Contents**  
**September 30, 2024**

|                                                                                           |     |
|-------------------------------------------------------------------------------------------|-----|
| Schedule of Contributions – Last Ten Fiscal Years.....                                    | 100 |
| Notes to Schedule of Contributions .....                                                  | 102 |
| Coastal Florida Public Employees Association Pension Plan:                                |     |
| Schedule of Employer Contributions .....                                                  | 105 |
| Combining Fund Statements and Schedules:                                                  |     |
| Nonmajor Governmental Funds:                                                              |     |
| Combining Balance Sheet .....                                                             | 108 |
| Combining Statement of Revenues, Expenditures and Changes<br>in Fund Balances .....       | 110 |
| Schedule of Revenues, Expenditures and Changes in Fund<br>Balances – Budget and Actual:   |     |
| Local Option Gas Tax Fund.....                                                            | 112 |
| Parking In-Lieu-of Fund .....                                                             | 113 |
| Recreation Impact Fee Fund .....                                                          | 114 |
| Law Enforcement Forfeiture Fund .....                                                     | 115 |
| Other Schedules:                                                                          |     |
| Capital Assets used in the Operations of Governmental Funds:                              |     |
| Comparative Schedule by Source .....                                                      | 118 |
| Schedule by Function and Activity .....                                                   | 119 |
| Schedule of Changes by Function and Activity .....                                        | 120 |
| <b>STATISTICAL SECTION (UNAUDITED)</b>                                                    |     |
| Financial Trends Information:                                                             |     |
| Schedule A1 – Net Position by Component.....                                              | 125 |
| Schedule A2 – Changes in Net Position .....                                               | 126 |
| Schedule A3 – Fund Balances – Governmental Funds.....                                     | 129 |
| Schedule A4 – Changes in Fund Balances – Governmental Funds .....                         | 130 |
| Schedule A5 – Program Revenues by Function/Program.....                                   | 131 |
| Revenue Capacity Information:                                                             |     |
| Schedule B1 – Tax Revenues by Source Governmental .....                                   | 132 |
| Schedule B2 – Direct and Overlapping Property Tax Rates .....                             | 133 |
| Schedule B3 – Assessed Value and Estimated Actual Value of Taxable Property.....          | 134 |
| Schedule B4 – Principal Property Taxpayers .....                                          | 135 |
| Schedule B5 – Property Tax Levies and Collections .....                                   | 136 |
| Debt Capacity Information:                                                                |     |
| Schedule C1 – Ratios of Outstanding Debt by Type .....                                    | 137 |
| Demographic and Economic Information:                                                     |     |
| Schedule D1 – Demographic and Economic Statistics.....                                    | 138 |
| Schedule D2 – Principal Employers .....                                                   | 139 |
| Operating Information:                                                                    |     |
| Schedule E1 – Full-Time Equivalent City Government Employees<br>by Function/Program ..... | 140 |
| Schedule E2 – Operating Indicators by Function/Program .....                              | 141 |
| Schedule E3 – Capital Asset Statistics by Function/Program.....                           | 142 |

**REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS**

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* ..... 143

Independent Auditor’s Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; Required by the Uniform Guidance  
And Chapter 10.550, Rules of the Florida Auditor General ..... 145

Schedule of Findings and Questioned Costs ..... 148

Schedule of Expenditures of Federal Awards and State Financial Assistance..... 154

Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance 155

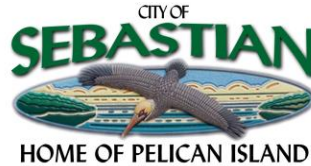
Corrective Action Plan ..... 156

Independent Auditor’s Management Letter ..... 159

Independent Accountant’s Report on Compliance with Local Government  
Investment Policies..... 163



THIS PAGE IS INTENTIONALLY LEFT BLANK.



March 31, 2025

To the Citizens of the City of Sebastian, Florida:

We are submitting the Annual Comprehensive Financial Report of the City of Sebastian, Florida for the fiscal year ended September 30, 2024. State law requires that every general-purpose local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2024.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Chapter 218.39, Florida Statutes requires that the City's financial statements be audited by a certified public accountant. The City's independent Certified Public Accountants, Carr, Riggs & Ingram, L.L.C., has issued an unqualified ("clean") opinion on the City of Sebastian's financial statements for the year ended September 30, 2024. The independent auditors' report is located on page 15-18. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

The City of Sebastian, Florida is located in Indian River County approximately midway through the east coast of the Florida Peninsula (between Melbourne and Vero Beach) in an area known as the Treasure Coast. It is recognized as the Home of Pelican Island, the first designated wildlife refuge in the United States, a Millennium City, and a Tree City USA. It was first incorporated as the Town of Sebastian in 1924. In the late 1950s General Development Corporation purchased the land from the Mackle family of Miami and began the development of a planned community that is now the City of Sebastian. The City has a population of 26,907 residents.

The City is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City is a Florida municipal corporation with a five-member City Council. City Council members serve a two-year term. Annual elections are non-partisan and at-large and are held on the first Tuesday following the first Monday in November. Two members are elected in even-numbered years and three members are elected in odd-numbered years. The Mayor and Vice Mayor are elected from

among the members of every newly seated Council at a Special meeting following the election each year. The City has operated under a Council-City Manager form of government since 1989.

The City provides a wide range of services including general government administration, police protection, community development, maintenance of local roads, public works, City garage, stormwater system maintenance, recreational and cultural activities, a golf course, a general aviation airport, and a building department to enforce building and fire codes.

This report includes all funds of the City. In evaluating the City as a reporting entity, we have included all component units for which the City Council is financially accountable. The component units have been blended with the financial statements presented for the Primary Government because the component unit's governing body is the same as the City Council or because the component unit exclusively serves the City. The blended component units are the Community Redevelopment Agency and Sebastian Police Officers' Pension Trust Fund.

The City Council is required to adopt a final budget no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., transportation), and department (e.g., public works). Shifts in appropriations within department totals and capital project totals may be done administratively on the authority of the City Manager. Total fund appropriation changes and use of contingency appropriations must be approved by the City Council.

### **Local Economy**

The region (which includes the City of Sebastian and the surrounding unincorporated area within the same county) has a fluctuating labor force depending on agricultural demand and is a strong retirement community. Although the labor force fluctuates, unemployment in the region increased to high levels for several years but has shown good improvement in the last few years. As of September 2024, the Florida Research & Economic Database reported an unemployment rate of 4.3%, which generally corresponds with state and national levels. However, the overall unemployment rate for the area has historically not been as good as that of the State of Florida.

The economy was historically made up of agriculture (citrus and cattle), construction and tourism. Increases in the health care, information technology, and light manufacturing industries and service sector jobs have supplemented these industries to boost the local economy in recent years. While the citrus industry has faced challenges in recent years due to citrus greening and foreign competition, construction and tourism have remained vibrant. The largest major industry sector is Health Care with 17.83% of the employment, followed by Retail Trade with 15.75% of the employment, Construction with 8.72% of the employment and Accommodation & Food Services with 10.59%.

Sebastian offers all of the Florida amenities a business needs to consider. Close connection to metropolitan areas without the south Florida hustle and bustle, quality housing for affordable prices, some of the best schools in the State, quality medical services and leisure activities that are second to none. Transportation is efficient in Sebastian, offering nearby access to major freight transportation routes. Interstate Highway I-95, the major north-south trucking route on the Florida

east coast, is just six miles west. The Florida East Coast Railroad (FEC) runs directly through Sebastian. FEC offers freight service from Miami and Ft. Lauderdale ports of entry, as well as direct connections with other major rail lines at Jacksonville.

### **Long-term Financial Planning**

The voters of Indian River County in November 2003 extended the Infrastructure Sales Surtax in the amount of \$.01 per \$1.00 sale for an additional fifteen years and seven months beginning in January 2004. In November 2016, the voters once again extended the Surtax until December 31, 2034. This Infrastructure Sales Surtax is essential in providing for the City's emergency vehicle and capital improvement needs. In addition, the City has funded a number of other capital projects with impact fees and has actively pursued grant funding for some major transportation and environmental improvements. It has also employed the use of a Community Redevelopment Agency that is funded by means of tax-increment financing.

The millage was levied at a increased rate of 3.1955 for fiscal year 2024. However, the City had an 15.05% increase in ad valorem values primarily due to an 10.37% increase in overall property values of existing properties by the Indian River County Property Appraiser. Overall new construction activity slowed down as compared to the prior year. Results were a total of 168 permits being issued for new construction in fiscal year 2024 with a value of \$101.4 million compared to a total of 232 permits being issued for new construction in fiscal year 2023 with a value of \$47.7 million. However, in reviewing these numbers, new commercial had a substantial increase from 1 permit valued at \$25,250 in 2023 to 4 permits valued at \$2.3 million in 2024. The increase in new commercial construction can be primarily attributed to the addition of businesses providing services to residents living in the City or its surrounding area.

General Fund unassigned fund balance has increased to an amount greater than the \$7 million minimum target level for emergencies. By year end, the unassigned fund balance was 64.1% of the general fund expenditures during the year. The City has been steadfast and refused to spend down these balances because the City understands reliance on accumulated fund balances to fund operating expenditures is not a prudent fiscal strategy and because having sufficient balances are essential to handle emergencies such as hurricanes. To this end, the budget for fiscal year 2025 was balanced without a reduction of fund balances.

### **Major Initiatives**

#### **Administration**

During 2024, the new Public Facilities Facility was occupied. This facility includes the City garage and is designed to be a staging area for the daily operations of public works personnel and equipment. This \$9.6 million structure is located on Airport property and is designed to also include fully equipped classrooms for holding training sessions. In conjunction with its construction, improvements were made to provide sewer service to that area of the Airport property. With the relocation, the City initiated the sale of the property where the former facilities were located.

During the year, efforts continued to make use of advanced technology by upgrading computer servers, improving the network and acquiring better audio-visual equipment. In addition, funding was allocated to replace vehicles and heavy equipment; playground and park improvements; and provided funding to match grants for expansion of the working waterfront. In addition, funds were allocated to initiate the development of a City-wide Strategic Plan to guide further policy and operational decisions for the City Council and management team.

### **Traffic & Transportation**

The City also allocated American Rescue Plan Act (ARPA) funding, discretionary sales taxes and local option gas taxes to reconstruct roadways identified in the comprehensive study of condition of the City's roadways. In addition, discretionary sales taxes continue to be used for the replacement of heavy construction equipment needed for maintaining City rights-of-way and transportation infrastructure. The Sebastian Municipal Airport's infrastructure is being developed with the intent of attracting economic development and stimulating the business climate in order to create jobs in the community. Land leases are a primary source of airport revenues and over 150 acres of property is available for lease, for both aviation and non-aviation businesses. The Airport's limited resources continue to be leveraged by aggressively seeking and obtaining grants from the Florida Department of Transportation (FDOT) and Federal Aviation Administration (FAA) to develop the necessary infrastructure.

### **Public Safety**

The Building Department continues to have a high level of permitting activity. It also operates as the City Fire Marshal so we can insure more timely response and review of development plans. The Police Department continues to participate in the accreditation program offered by the commission for Florida Law Enforcement Accreditation. The designation encourages the Police Department to establish goals and objectives with provisions for periodic updating; constant reevaluation of whether departmental resources are being employed in accordance with agency goals, objectives and mission; constant reevaluation of departmental policies and procedures as documented in the department's written directive system; to accommodate correction of internal deficiencies and inefficiencies before they become public problems; and the opportunity to reorganize without the appearance of personal attacks. Standards and performance measurements resulting from the accreditation process will continue to guide both the Sebastian Police Department and the city administration in alleviating potentially adverse conditions.

### **Culture/Recreation**

The City continued efforts to promote the "working waterfront" concept on the riverfront properties that were purchased with grant funding, with City matching funds provided by discretionary sales taxes. Funding is also being designated to that purpose from the Community Redevelopment Agency. In other areas, the City continued supporting the use of Riverview Park for gatherings organized by various community groups, including the Annual Clam Bake, Chamber of Commerce Movies in the Park and Art Club shows. The City is also using recreation impact fees to address needed major facility improvements and replacements at each park, including "all-inclusive" features to accommodate those with special needs.

**Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. This is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe this comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

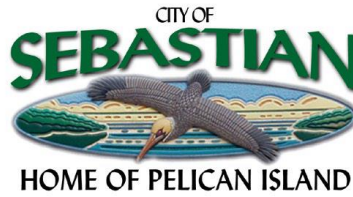
The preparation of this report would not be possible without the dedicated service of the Finance Department accounting staff. Their efforts toward improving the accounting and financial reporting systems has led to the improved quality of information reported to the City Council, State and Federal agencies and the citizens of the City of Sebastian. We sincerely appreciate their contributions.

Respectfully submitted,



---

Brian Stewart, CPA  
Chief Financial Officer  
City of Sebastian, Florida



**City Officials**

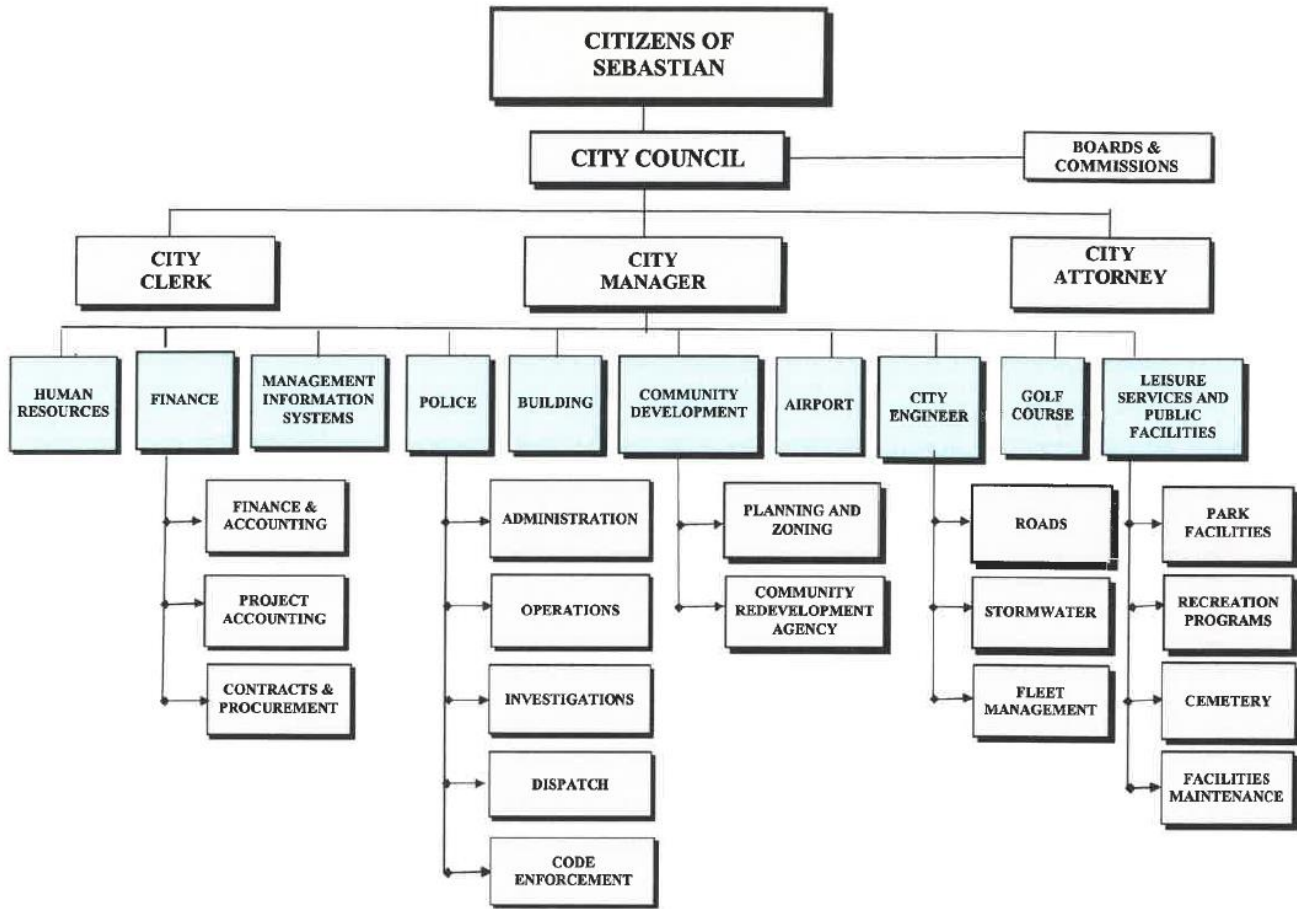
|                    |               |
|--------------------|---------------|
| Brian Benton       | City Manager  |
| Jeanette Williams  | City Clerk    |
| Jennifer Cockcroft | City Attorney |

**Department Heads**

|                      |                                               |
|----------------------|-----------------------------------------------|
| Daniel Acosta        | Police Chief                                  |
| Alix Bernard         | Community Development<br>Director/CRA Manager |
| Richard Blankenship  | Parks and Recreation Director                 |
| Barbara Brooke-Reese | MIS Manager                                   |
| Wayne Eseltine       | Building Official                             |
| Greg Gardner         | Golf Course Director                          |
| Kenneth W. Kilgore   | Finance Director                              |
| Karen Miller         | Special Project Director/City Engineer        |
| Lee Plourde          | Public Works Director                         |
| Jeff Sabo            | Airport Manager                               |
| Cynthia Watson       | Human Resources Director                      |

**As of September 30, 2024**

City of Sebastian, Florida  
Organizational Chart  
September 30, 2024



City of Sebastian, Florida  
Certificate of Achievement for Excellence in Financial Reporting  
September 30, 2024



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Sebastian  
Florida**

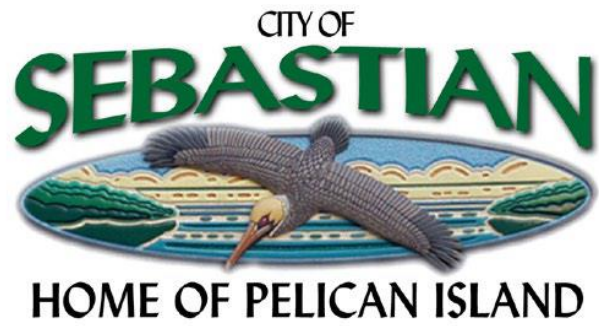
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**



THIS PAGE IS INTENTIONALLY LEFT BLANK.



**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**

The Honorable Mayor and City Council  
City of Sebastian, Florida

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sebastian, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Sebastian, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sebastian, Florida as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 Sebastian, 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 Sebastian, 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 Sebastian, 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 Sebastian, 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 (pages 19 to 29), budgetary comparison information (pages 92 to 98) and pension supplementary information (pages 99 to 108) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sebastian, Florida's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards and State of Florida financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and State of Florida financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, on our consideration of the City of Sebastian, 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 Sebastian, 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 the City of Sebastian, Florida's internal control over financial reporting and compliance.

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

Melbourne, Florida  
March 31, 2025

**City of Sebastian, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2024**

As management of the City of Sebastian ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$90,923,373 (net position). Of this amount, \$9,444,825 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$9,046,705 from fiscal year 2024 activities. No prior period adjustments were recorded.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,325,750 an increase of \$2,114,639 from current year activity. Approximately 49% of this amount (\$11,466,224) is available for spending at the government's discretion (assigned and unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$10,462,385, or approximately 64% of total general fund expenditures.
- The City's total outstanding long-term debt decreased by \$4,212,408 as the lease liability for the golf course ended.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The statement of net position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, recreation, and community development. The business-type activities of the City include a Golf Course, Airport and Building permitting function. The government-wide financial statements can be found on pages 28-31 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

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 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 maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the riverfront redevelopment fund, stormwater utility fund, American Rescue Plan Act (ARPA) fund and discretionary sales tax fund, which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated non-major fund presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**City of Sebastian, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2024**

The City of Sebastian adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund, the riverfront redevelopment fund, Stormwater utility fund, ARPA fund and discretionary sales tax fund, to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found on pages 32-38 of this report.

*Proprietary funds.* The City maintains one type of proprietary fund and each is an enterprise fund.

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund type to account for its Golf Course, Airport and Building activities.

**Proprietary funds** provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Golf Course, Airport and Building activities, which are each considered to be a major fund. The basic proprietary fund financial statements can be found on pages 39-43 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one type of fiduciary fund. The *Pension trust fund* is used to report resources held in trust for retirees and beneficiaries covered by the *Police Officers' Retirement Plan*.

The fiduciary fund financial statements can be found on pages 44-45 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 47-85 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's budgetary compliance and pension and other post-employment benefits obligations. The City adopts an annual appropriated budget for its general fund and other major funds. Budgetary comparison statements have been provided for each of these funds to demonstrate compliance with this budget.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 108-115 of this report.

The Statistical Section includes tables and schedules to provide a more detailed picture of the financial condition of the City than those presented in the financial statements. These include assorted multi-year financial and statistical information and can be found on pages 125-142 of this report.

**City of Sebastian, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2024**

**Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Sebastian, Florida, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$90,923,373 at the close of the most recent fiscal year.

**City of Sebastian's Net Position**

|                          | Governmental Activities |               | Business-type Activities |               | Total         |               |
|--------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
|                          | 2024                    | 2023          | 2024                     | 2023          | 2024          | 2023          |
| Current and other assets | \$ 28,471,546           | \$ 27,185,227 | \$ 2,585,754             | \$ 6,119,475  | \$ 31,057,300 | \$ 33,304,702 |
| Capital assets           | 48,209,293              | 47,281,598    | 22,493,608               | 21,230,654    | 70,702,901    | 68,512,252    |
| Total assets             | 76,680,839              | 74,466,825    | 25,079,362               | 27,350,129    | 101,760,201   | 101,816,954   |
| Deferred outflows        | 244,629                 | 1,581,799     | -                        | -             | 244,629       | 1,581,799     |
| Long-term liabilities    | 3,366,223               | 8,318,703     | 275,622                  | 2,649,893     | 3,641,845     | 10,968,596    |
| Other liabilities        | 2,621,990               | 3,432,761     | 675,142                  | 128,522       | 3,297,132     | 3,561,283     |
| Total liabilities        | 5,988,213               | 11,751,464    | 950,764                  | 2,778,415     | 6,938,977     | 14,529,879    |
| Deferred inflows         | 3,913,901               | 2,814,450     | 228,579                  | 4,177,756     | 4,142,480     | 6,992,206     |
| Net position:            |                         |               |                          |               |               |               |
| Net investment in        |                         |               |                          |               |               |               |
| capital assets           | 48,209,293              | 45,464,209    | 22,293,189               | 18,795,822    | 70,502,482    | 64,260,031    |
| Restricted               | 10,976,066              | 11,400,048    | -                        | -             | 10,976,066    | 11,400,048    |
| Unrestricted             | 7,837,995               | 4,618,453     | 1,606,830                | 1,598,136     | 9,444,825     | 6,216,589     |
| Total net position       | \$ 67,023,354           | \$ 61,482,710 | \$ 23,900,019            | \$ 20,393,958 | \$ 90,923,373 | \$ 81,876,668 |

By far the largest portion of the City's net position (77.5%) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and construction in progress), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (12.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$9,444,825 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2024, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**City of Sebastian, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2024**

**Statements of Activities**

The following table reflects the condensed Statements of Activities for the current and prior year:

|                                                       | Governmental Activities |                      | Business-type Activities |                      | Total                |                      |
|-------------------------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                                       | 2024                    | 2023                 | 2024                     | 2023                 | 2024                 | 2023                 |
| Revenues:                                             |                         |                      |                          |                      |                      |                      |
| Program revenues:                                     |                         |                      |                          |                      |                      |                      |
| Charges for services                                  | \$ 3,224,262            | \$ 3,228,198         | \$ 3,368,619             | \$ 3,509,418         | \$ 6,592,881         | \$ 6,737,616         |
| Operating grants and contributions                    | 2,166,386               | 581,139              | -                        | -                    | 2,166,386            | 581,139              |
| Capital grants and contributions                      | 5,156,156               | 4,977,894            | 3,935,604                | 365,388              | 9,091,760            | 5,343,282            |
| General revenues:                                     |                         |                      |                          |                      |                      |                      |
| Property taxes                                        | 6,915,611               | 5,537,364            | -                        | -                    | 6,915,611            | 5,537,364            |
| Public utility and telecommunication taxes            | 3,696,879               | 3,523,529            | -                        | -                    | 3,696,879            | 3,523,529            |
| Franchise fees                                        | 1,716,016               | 1,775,486            | -                        | -                    | 1,716,016            | 1,775,486            |
| Shared revenues                                       | 4,508,157               | 4,721,538            | -                        | -                    | 4,508,157            | 4,721,538            |
| Investment earnings                                   | 621,019                 | 505,805              | 53,269                   | 68,008               | 674,288              | 573,813              |
| Miscellaneous                                         | 547,888                 | 367,022              | 110,707                  | 147,428              | 658,595              | 514,450              |
| Gain on disposition                                   | 927,469                 | 18,701               | 14,648                   | 182,556              | 942,117              | 201,257              |
| Total revenues                                        | <u>29,479,843</u>       | <u>25,236,676</u>    | <u>7,482,847</u>         | <u>4,272,798</u>     | <u>36,962,690</u>    | <u>29,509,474</u>    |
| Expenses:                                             |                         |                      |                          |                      |                      |                      |
| General government                                    | 6,016,169               | 5,224,980            | -                        | -                    | 6,016,169            | 5,224,980            |
| Public safety                                         | 7,436,062               | 8,093,434            | 1,095,603                | 1,007,261            | 8,531,665            | 9,100,695            |
| Physical environment                                  | 4,393,213               | 3,440,202            | -                        | -                    | 4,393,213            | 3,440,202            |
| Transportation                                        | 3,565,480               | 2,704,831            | 1,649,721                | 1,531,134            | 5,215,201            | 4,235,965            |
| Economic environment                                  | 317,431                 | 338,114              | -                        | -                    | 317,431              | 338,114              |
| Cultural and recreation                               | 1,781,223               | 1,617,044            | 1,661,083                | 1,786,655            | 3,442,306            | 3,403,699            |
| Interest and fiscal charges                           | -                       | 67,178               | -                        | -                    | -                    | 67,178               |
| Total expenses                                        | <u>23,509,578</u>       | <u>21,485,783</u>    | <u>4,406,407</u>         | <u>4,325,050</u>     | <u>27,915,985</u>    | <u>25,810,833</u>    |
| Excess (deficiency) of revenues over (under) expenses | 5,970,265               | 3,750,893            | 3,076,440                | (52,252)             | 9,046,705            | 3,698,641            |
| Other financing sources (uses)                        |                         |                      |                          |                      |                      |                      |
| Transfers in (out)                                    | (429,621)               | (131,788)            | 429,621                  | 131,788              | -                    | -                    |
| Net other financing sources (uses)                    | <u>(429,621)</u>        | <u>(131,788)</u>     | <u>429,621</u>           | <u>131,788</u>       | <u>-</u>             | <u>-</u>             |
| Increase in net position                              | 5,540,644               | 3,619,105            | 3,506,061                | 79,536               | 9,046,705            | 3,698,641            |
| Net position - beginning of year                      | 61,482,710              | 57,069,627           | 20,393,958               | 18,148,582           | 81,876,668           | 75,218,209           |
| Prior period adjustment                               | -                       | 793,978              | -                        | 2,165,840            | -                    | 2,959,818            |
| Net position - beginning (restated)                   | <u>61,482,710</u>       | <u>57,863,605</u>    | <u>20,393,958</u>        | <u>20,314,422</u>    | <u>81,876,668</u>    | <u>78,178,027</u>    |
| Net position - ending                                 | <u>\$ 67,023,354</u>    | <u>\$ 61,482,710</u> | <u>\$ 23,900,019</u>     | <u>\$ 20,393,958</u> | <u>\$ 90,923,373</u> | <u>\$ 81,876,668</u> |

**Governmental Activities:** During the current fiscal year, net position for governmental activities increased by \$5,540,644 from the prior fiscal year. General revenues increased overall by approximately 15% due to increases in property taxes from increased values and an increase in the millage, utility taxes due to increased rates and growth in customers, and increased investment earnings due to higher interest rates. There was also a large gain on disposition of the previous location of the public works facility. Franchise fees decreased due to changes to the agreement with the provider of garbage pickup services. Shared revenues declined as a result of lesser reimbursements from FEMA and the State for damages and cleanup from hurricanes experienced in the previous year.

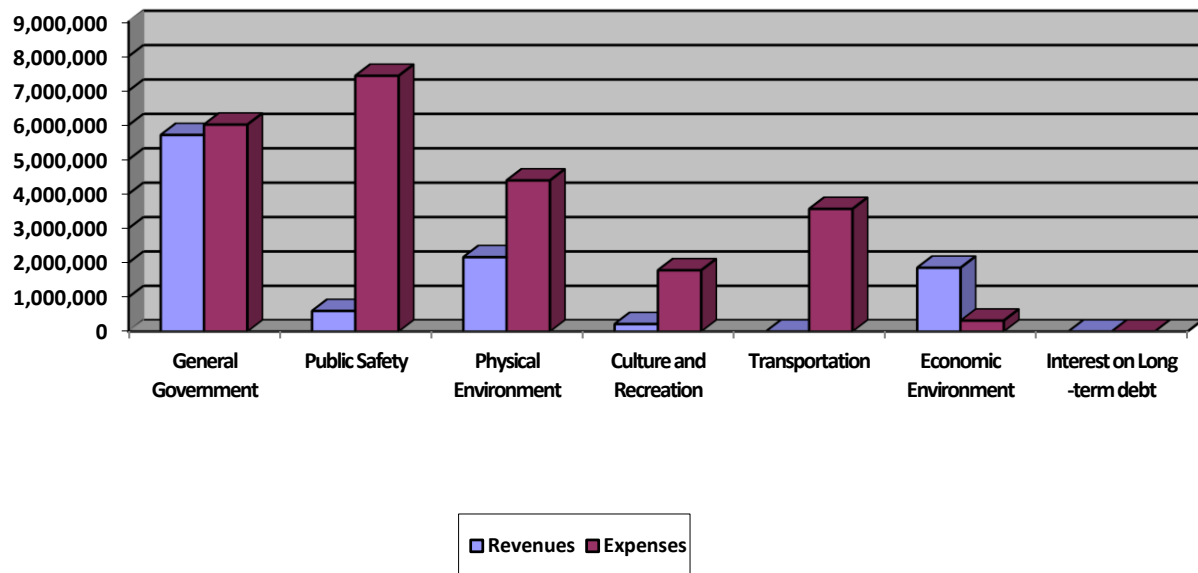
Governmental expenses increased \$2,023,795 (9.4%) compared to the fiscal year ending September 30, 2023. The most significant increase for expenses were for wages and employee benefit related costs. The current year reflects the second year of negotiated pay increases resulting from a pay and benefits study on all City positions, which demonstrated the need to substantially raise the pay rates

**City of Sebastian, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2024**

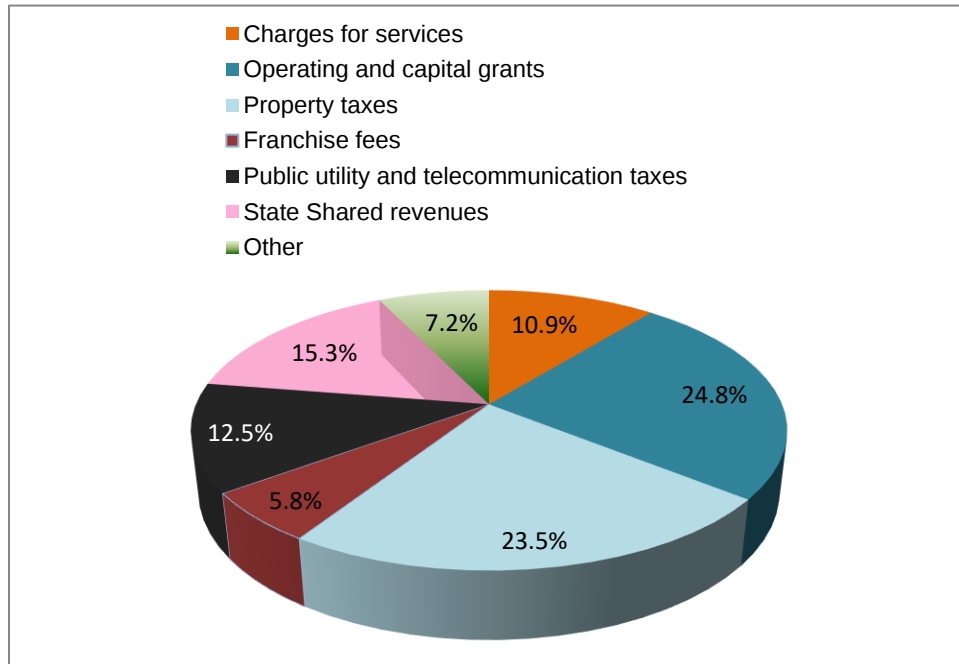
of most of the employees. In particular, law enforcement and maintenance workers were significantly increased to address their lower than market pay rates. The lower pay rates were inhibiting the ability of the City to hire and maintain employees in those positions and was considered essential to addressing that issue. Seven additional positions were also added for the purpose of sustaining a proactive and responsive workforce at the level expected by the public.

The first chart that follows compares each program's expenses with the revenues generated by the program. The next chart displays the City's revenues by source. Public safety represents the City's major services and the majority of resources used to fund the service are not generated by the program. Revenues from taxes and other general resources provide the remaining funding necessary for public safety.

**Expenses and Program Revenues-Governmental Activities**



**Revenues by Source – Governmental Activities**



**Business-type Activities.** Business-type activities increased the City's net position by \$3,506,061. Operating revenues for the Golf Course decreased by \$31,365, attributed to unfavorable weather conditions and expenses decreased by \$55,288 due to reduced depreciation expenses due to fewer assets being leased by the Golf Course. This resulted in slightly more net program revenue than the prior year and \$59,666 in reimbursements from FEMA and the State resulted in a \$240,307 change in net position. Operating revenues for the Airport decreased by \$299,720 with operating expenses increased by \$119,253. Most of the increase in operating expenses was due to the higher amount for facility maintenance cost. Capital contributions received from additional construction grants and transfers from other funds for the addition of a new hangar resulted in a \$3,178,588 positive change in net position for the Airport. The net position of the Building Fund increased \$27,500 from the prior year because of an increase in collected building permit fees which were more than sufficient to cover operating expenses.

**Financial Analysis of Governmental Funds**

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

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City'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.

**City of Sebastian, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2024**

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,325,750, an increase of \$2,114,639 in comparison with the prior year. Approximately 44.4% of this total amount (\$10,356,209) constitutes unassigned fund balance, which has not been appropriated for a specific purpose and is available for spending at the government's discretion. The remainder of fund balance represents a legally restricted funding source, has been committed to a specific purpose by City action or is not in liquid form available for new spending.

The \$1,323,023 of nonspendable fund balance represents prepaid items that have been disbursed for future expenditures, such as insurance or maintenance agreements, as well as inventories of supplies and fuel. The restricted funds include funds of \$543,276 to be used for perpetual care at the Cemetery; \$1,462,590 restricted for stormwater projects; \$54,131 that is for law enforcement purposes; \$1,133,814 limited to community development in the Riverfront Redevelopment boundaries; \$131,961 for funds restricted to American Rescue Plan Act projects; and \$7,089,981 restricted to infrastructure improvements.

The committed fund balances totaling \$120,750 in one of the nonmajor funds is development of public parking.

There was \$229,471 expended by the Riverfront Redevelopment Agency during the fiscal year ended September 30, 2024, and the fund closed the year with a positive fund balance of \$1,134,572. Under the stimulus bill, the American Rescue Plan Act was enacted during 2021, to provide ARPA funds to local governments in order to facilitate the ongoing recovery from the COVID-19 pandemic. ARPA closed the year with a \$131,961 positive fund balance.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,462,385, while total fund balance reached \$10,747,996. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 64% of total General Fund expenditures, while total fund balance represents 66% of that same amount.

The fund balance of the City's General Fund increased by \$808,008 during the current fiscal year, compared to an increase of \$1,357,417 in the prior year. The City saw increased expenditures in the General Fund. Key factors in these results are as follows:

- Total revenues of the General Fund increased by \$1,220,061, largely as a result of increases in payment of property taxes, which were due to higher property values and an increase in the millage.
- General Fund expenditures slightly decreased by \$170,957 compared to the prior year. Increased payroll costs were largely offset by the amount expended on capital outlay.
- The General Fund had an increase in transfers out of \$256,696 for construction projects.

**City of Sebastian, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2024**

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- Unrestricted net position of the Golf Course Fund at the end of the year amounted to a deficit of \$1,191,439. The total increase in net position for this fund was \$299,973.
- Unrestricted net position of the Airport Fund at the end of the year amounted to \$140,568. There was increase in net position of \$3,178,588.
- Unrestricted net position of the Building Fund at the end of the year amounted to \$2,657,701. The net position was increased by \$27,500.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

During the year ended September 30, 2024, significant budgetary variances between the final amended budget and actual results include the following:

- Revenues fell short of the budgeted amounts for franchise fees (\$135,484) as a result of approved reductions enacted with approval of a new agreement with the provider of garbage pickup services. Intergovernmental revenues were less than projected (\$306,490) due to less being received from State revenue sharing and the share of the one-half cent sales tax. Property taxes were slightly less than budget (\$17,074) due to taxpayers taking advantage of early payment discounts. There were also minor variances in collections of fines and forfeitures and contributions and donations. All other revenue categories exceeded budget estimates, as utility rates were raised, licenses and permits increased, charges for services increased, investment earnings and other revenues were greater than anticipated.
- City council used less than budgeted (\$20,327) as a result of not fully spending the allocation for travel expenditures.
- City clerk used less than budgeted (\$54,210) due to not filling a vacant position.
- Finance used less than budgeted (\$69,661) due to not filling a vacant position.
- Community development used less than budgeted (\$135,195) due to turnover of the Director position and less expended for contractual services.
- Non-departmental used less than budgeted for transfers to the capital projects funds to cover major capital items or equipment.
- Other variances were not substantial.

There were budget amendments to increase expenditures during the year totaling \$777,113. The amendments were primarily to cover additional compensation for employees (\$222,374); unanticipated purchase of a truck needed for the police department (\$52,477); unanticipated overtime expenditures in the police department (\$194,819); unanticipated repairs to buildings by the facilities maintenance division (\$68,418); unfinished capital outlays carried forward from the prior year (\$239,025). Total amendments to the General Fund increased expenditures by \$355,334, which includes reductions in the budget of \$421,779.

**City of Sebastian, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2024**

**Capital Assets and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounted to \$70,702,901 (net of accumulated depreciation). This investment in capital assets includes land, right to use land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and other infrastructure items. The percentage increase from prior year in the City's investment in capital assets was approximately 3.1%, due to significant transfers from prior year construction-in-progress projects that are now being depreciated.

**City of Sebastian's Capital Assets**  
(net of depreciation)

|                                   | Governmental Activities |                      | Business-type Activities |                      | Total                |                      |
|-----------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                   | 2024                    | 2023                 | 2024                     | 2023                 | 2024                 | 2023                 |
| Land                              | \$ 9,123,026            | \$ 9,123,041         | \$ 9,060                 | \$ 9,060             | \$ 9,132,086         | \$ 9,132,101         |
| Construction in progress          | 2,023,719               | 221,687              | 4,052,712                | 248,515              | 6,076,431            | 470,202              |
| Right to use land                 | -                       | 1,827,899            | -                        | 2,266,961            | -                    | 4,094,860            |
| Buildings                         | 15,562,302              | 15,902,551           | 8,815,851                | 9,053,695            | 24,378,153           | 24,956,246           |
| Improvements other than buildings | 2,618,707               | 2,491,873            | 893,388                  | 980,803              | 3,512,095            | 3,472,676            |
| Machinery and equipment           | 5,291,034               | 3,200,749            | 788,550                  | 690,649              | 6,079,584            | 3,891,398            |
| Infrastructure                    | 13,590,505              | 14,574,926           | 7,934,047                | 7,980,971            | 21,524,552           | 22,555,897           |
| Total                             | <u>\$ 48,209,293</u>    | <u>\$ 47,342,726</u> | <u>\$ 22,493,608</u>     | <u>\$ 21,230,654</u> | <u>\$ 70,702,901</u> | <u>\$ 68,573,380</u> |

Major capital asset events during the current fiscal year included the following:

- In the City's governmental activities, the construction of the new public works facility was completed. This facility was placed on property that is being rented from the Airport.
- In the City's business-type activities, infrastructural work was completed to provide sewer service on the north-west side of the Airport. Construction was completed on Hangar "D" to provide an additional facility to generate rental income in support of the Airport.

Additional information on the City's capital assets can be found in Note 5 on pages 70-71 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had no notes payable outstanding. Only leases and the pollution remediation are outstanding as of September 30, 2024. The decrease in lease liabilities is due to removal of lease liabilities.

|                       | Governmental Activities |                     | Business-type Activities |                     | Total            |                     |
|-----------------------|-------------------------|---------------------|--------------------------|---------------------|------------------|---------------------|
|                       | 2024                    | 2023                | 2024                     | 2023                | 2024             | 2023                |
| Pollution remediation | \$ 60,000               | \$ 50,000           | \$ -                     | \$ -                | \$ 60,000        | \$ 50,000           |
| Lease liabilities     | -                       | 1,817,389           | -                        | 2,405,019           | -                | 4,222,408           |
| Total                 | <u>\$ 60,000</u>        | <u>\$ 1,867,389</u> | <u>\$ -</u>              | <u>\$ 2,405,019</u> | <u>\$ 60,000</u> | <u>\$ 4,272,408</u> |

Additional information on the City's capital assets can be found in Note 6 on page 72 of this report.

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

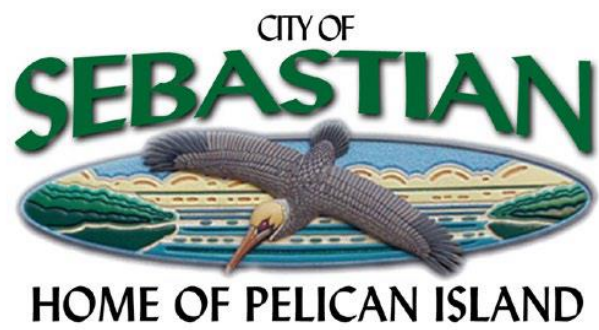
The following economic factors currently affect the City of Sebastian and were considered in developing the 2023-2024 fiscal year budget.

- The estimate for 2024 shows the City's population will be 26,907.
- The City maintains over 157 miles of roadways, 150 miles of swales, 80 miles of ditches and 50 road crossings.
- Over 51 acres of undeveloped property were annexed in the past three years. The City expects a substantial increase in population, as well as commercial growth in the future.
- Employee starting pay rates have been increased but it has still been difficult to attract qualified applicants to replace vacancies.
- The pricing for goods and services continues to escalate.
- The difficulty of obtaining bids on construction projects that are reasonably affordable continues to delay their accomplishment.

All of these factors were considered in preparing the City's budget for the fiscal year ending September 30, 2025

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Sebastian, Florida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Sebastian, Attention: Finance Director, 1225 Main Street, Sebastian, Florida, 32958.



THIS PAGE IS INTENTIONALLY LEFT BLANK.

# **CITY OF SEBASTIAN, FLORIDA**

Basic Financial Statements

**City of Sebastian, Florida**  
**Statement of Net Position**

| <i>September 30, 2024</i>                       | Governmental<br>Activities | Business-type<br>Activities | Total              |
|-------------------------------------------------|----------------------------|-----------------------------|--------------------|
| <b>ASSETS</b>                                   |                            |                             |                    |
| Cash and cash equivalents                       | \$ 12,624,880              | \$ 1,971,205                | \$ 14,596,085      |
| Restricted cash and cash equivalents            | 2,295,292                  | -                           | 2,295,292          |
| Investments                                     | 4,052,975                  | 333,693                     | 4,386,668          |
| Permanently restricted investments              | 553,081                    | -                           | 553,081            |
| Receivables                                     | 398,786                    | 67,185                      | 465,971            |
| Internal balances                               | 3,796,067                  | (3,796,067)                 | -                  |
| Due from other governments                      | 1,763,895                  | 3,797,736                   | 5,561,631          |
| Prepaid items                                   | 242,164                    | 58,666                      | 300,830            |
| Inventory                                       | 73,043                     | 24,920                      | 97,963             |
| Deposits held in escrow                         | -                          | 1,109                       | 1,109              |
| Leases receivable:                              |                            |                             |                    |
| Due within one year                             | 37,133                     | 28,963                      | 66,096             |
| Due in more than one year                       | 2,634,230                  | 98,344                      | 2,732,574          |
| Capital assets not being depreciated            | 11,146,745                 | 4,061,772                   | 15,208,517         |
| Capital assets being depreciated/amortized, net | 37,062,548                 | 18,431,836                  | 55,494,384         |
| <b>Total assets</b>                             | <b>76,680,839</b>          | <b>25,079,362</b>           | <b>101,760,201</b> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                            |                             |                    |
| Deferred pension amounts                        | 244,629                    | -                           | 244,629            |
| <b>Total deferred outflows of resources</b>     | <b>244,629</b>             | <b>-</b>                    | <b>244,629</b>     |
| <b>LIABILITIES</b>                              |                            |                             |                    |
| Accounts payable and accrued liabilities        | 1,045,362                  | 628,386                     | 1,673,748          |
| Deposits payable                                | 93,090                     | -                           | 93,090             |
| Due to other governments                        | 274,619                    | 12,265                      | 286,884            |
| Unearned revenue                                | 1,208,919                  | 34,491                      | 1,243,410          |
| Compensated absences:                           |                            |                             |                    |
| Due within one year                             | 84,045                     | 8,900                       | 92,945             |
| Due in more than one year                       | 1,697,262                  | 266,722                     | 1,963,984          |
| Long-term liabilities:                          |                            |                             |                    |
| Due within one year                             | 30,000                     | -                           | 30,000             |
| Due in more than one year                       | 30,000                     | -                           | 30,000             |
| Net pension liability                           | 1,524,916                  | -                           | 1,524,916          |
| <b>Total liabilities</b>                        | <b>5,988,213</b>           | <b>950,764</b>              | <b>6,938,977</b>   |

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

| <i>September 30, 2024</i>            | Governmental<br>Activities | Business-type<br>Activities | Total                |
|--------------------------------------|----------------------------|-----------------------------|----------------------|
| <b>DEFERRED INFLOWS OF RESOURCES</b> |                            |                             |                      |
| Deferred inflows related to pensions | <b>1,503,121</b>           | -                           | <b>1,503,121</b>     |
| Deferred lease amounts               | <b>2,410,780</b>           | <b>116,505</b>              | <b>2,527,285</b>     |
| Unearned revenue                     | -                          | <b>112,074</b>              | <b>112,074</b>       |
| Total deferred inflows of resources  | <b>3,913,901</b>           | <b>228,579</b>              | <b>4,142,480</b>     |
| <b>NET POSITION</b>                  |                            |                             |                      |
| Net investment in capital assets     | <b>48,209,293</b>          | <b>22,293,189</b>           | <b>70,502,482</b>    |
| Restricted for:                      |                            |                             |                      |
| Perpetual care:                      |                            |                             |                      |
| Nonexpendable                        | <b>560,313</b>             | -                           | <b>560,313</b>       |
| Expendable                           | <b>543,276</b>             | -                           | <b>543,276</b>       |
| Special revenue uses:                |                            |                             |                      |
| Economic environment                 | <b>131,961</b>             | -                           | <b>131,961</b>       |
| Infrastructure improvements          | <b>7,089,981</b>           | -                           | <b>7,089,981</b>     |
| Redevelopment                        | <b>1,133,814</b>           | -                           | <b>1,133,814</b>     |
| Stormwater                           | <b>1,462,590</b>           | -                           | <b>1,462,590</b>     |
| Law enforcement                      | <b>54,131</b>              | -                           | <b>54,131</b>        |
| Unrestricted                         | <b>7,837,995</b>           | <b>1,606,830</b>            | <b>9,444,825</b>     |
| Total net position                   | <b>\$ 67,023,354</b>       | <b>\$ 23,900,019</b>        | <b>\$ 90,923,373</b> |

**City of Sebastian, Florida**  
**Statement of Activities**

*For the year ended September 30, 2024*

| Functions/Programs             | Expenses      | Program Revenues     |                                    |                                  |
|--------------------------------|---------------|----------------------|------------------------------------|----------------------------------|
|                                |               | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government             |               |                      |                                    |                                  |
| Governmental activities:       |               |                      |                                    |                                  |
| General government             | \$ 6,016,169  | \$ 813,109           | \$ -                               | \$ 4,902,213                     |
| Public safety                  | 7,436,062     | 170,853              | 312,089                            | 115,168                          |
| Physical environment           | 4,393,213     | 2,162,030            | -                                  | -                                |
| Transportation                 | 3,565,480     | -                    | -                                  | -                                |
| Economic environment           | 317,431       | -                    | 1,854,297                          | -                                |
| Cultural and recreation        | 1,781,223     | 78,270               | -                                  | 138,775                          |
| Total governmental activities  | 23,509,578    | 3,224,262            | 2,166,386                          | 5,156,156                        |
| Business-type activities:      |               |                      |                                    |                                  |
| Golf course                    | 1,661,083     | 1,877,978            | -                                  | 59,666                           |
| Airport                        | 1,649,721     | 411,519              | -                                  | 3,875,938                        |
| Building                       | 1,095,603     | 1,079,122            | -                                  | -                                |
| Total business-type activities | 4,406,407     | 3,368,619            | -                                  | 3,935,604                        |
| Total primary government       | \$ 27,915,985 | \$ 6,592,881         | \$ 2,166,386                       | \$ 9,091,760                     |

General revenues:

Property taxes, levied for general purposes

Public utility taxes

Franchise fees

Intergovernmental shared revenue - unrestricted

Interest earnings

Gain on sale of capital assets

Miscellaneous

Transfers, net

Total general revenues

Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expense) Revenue  
and Changes in Net Position

---

| Governmental<br>Activities | Business-type<br>Activities | Total                |
|----------------------------|-----------------------------|----------------------|
| <b>\$ (300,847)</b>        | <b>\$ -</b>                 | <b>\$ (300,847)</b>  |
| <b>(6,837,952)</b>         | <b>-</b>                    | <b>(6,837,952)</b>   |
| <b>(2,231,183)</b>         | <b>-</b>                    | <b>(2,231,183)</b>   |
| <b>(3,565,480)</b>         | <b>-</b>                    | <b>(3,565,480)</b>   |
| <b>1,536,866</b>           | <b>-</b>                    | <b>1,536,866</b>     |
| <b>(1,564,178)</b>         | <b>-</b>                    | <b>(1,564,178)</b>   |
| <b>(12,962,774)</b>        | <b>-</b>                    | <b>(12,962,774)</b>  |
| <b>-</b>                   | <b>276,561</b>              | <b>276,561</b>       |
| <b>-</b>                   | <b>2,637,736</b>            | <b>2,637,736</b>     |
| <b>-</b>                   | <b>(16,481)</b>             | <b>(16,481)</b>      |
| <b>-</b>                   | <b>2,897,816</b>            | <b>2,897,816</b>     |
| <b>(12,962,774)</b>        | <b>2,897,816</b>            | <b>(10,064,958)</b>  |
| <b>6,915,611</b>           | <b>-</b>                    | <b>6,915,611</b>     |
| <b>3,696,879</b>           | <b>-</b>                    | <b>3,696,879</b>     |
| <b>1,716,016</b>           | <b>-</b>                    | <b>1,716,016</b>     |
| <b>4,508,157</b>           | <b>-</b>                    | <b>4,508,157</b>     |
| <b>621,019</b>             | <b>53,269</b>               | <b>674,288</b>       |
| <b>927,469</b>             | <b>14,648</b>               | <b>942,117</b>       |
| <b>547,888</b>             | <b>110,707</b>              | <b>658,595</b>       |
| <b>(429,621)</b>           | <b>429,621</b>              | <b>-</b>             |
| <b>18,503,418</b>          | <b>608,245</b>              | <b>19,111,663</b>    |
| <b>5,540,644</b>           | <b>3,506,061</b>            | <b>9,046,705</b>     |
| <b>61,482,710</b>          | <b>20,393,958</b>           | <b>81,876,668</b>    |
| <b>\$ 67,023,354</b>       | <b>\$ 23,900,019</b>        | <b>\$ 90,923,373</b> |

**City of Sebastian, Florida**  
**Balance Sheet - Governmental Funds**

|                                                                         |               | Special Revenue             |                       |                         |
|-------------------------------------------------------------------------|---------------|-----------------------------|-----------------------|-------------------------|
| <i>September 30, 2024</i>                                               | General       | Riverfront<br>Redevelopment | Stormwater<br>Utility | American<br>Rescue Plan |
| <b>ASSETS</b>                                                           |               |                             |                       |                         |
| Cash and cash equivalents                                               | \$ 3,764,089  | \$ 995,006                  | \$ 1,329,132          | \$ 1,136,013            |
| Investments                                                             | 2,684,097     | 139,975                     | 181,994               | 155,244                 |
| Accounts receivable, net                                                | 395,998       | 24                          | 2,764                 | -                       |
| Lease receivable                                                        | 2,671,363     | -                           | -                     | -                       |
| Due from other funds                                                    | 3,434,994     | -                           | -                     | -                       |
| Due from other governments                                              | 664,062       | -                           | 31                    | -                       |
| Prepaid items                                                           | 212,568       | 758                         | 28,838                | -                       |
| Inventories                                                             | 73,043        | -                           | -                     | -                       |
| Advance to other funds                                                  | -             | -                           | -                     | -                       |
| Total assets                                                            | \$ 13,900,214 | \$ 1,135,763                | \$ 1,542,759          | \$ 1,291,257            |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b> |               |                             |                       |                         |
| <b>LIABILITIES</b>                                                      |               |                             |                       |                         |
| Accounts payable and accrued liabilities                                | \$ 324,106    | \$ 1,191                    | \$ 51,331             | \$ -                    |
| Deposits payable                                                        | 93,090        | -                           | -                     | -                       |
| Due to other funds                                                      | -             | -                           | -                     | -                       |
| Due to other governments                                                | 274,619       | -                           | -                     | -                       |
| Unearned revenue                                                        | 49,623        | -                           | -                     | 1,159,296               |
| Total liabilities                                                       | 741,438       | 1,191                       | 51,331                | 1,159,296               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                    |               |                             |                       |                         |
| Deferred lease amounts                                                  | 2,410,780     | -                           | -                     | -                       |
| Deferred unavailable revenue                                            | -             | -                           | -                     | -                       |
| Total deferred inflows of resources                                     | 2,410,780     | -                           | -                     | -                       |
| <b>FUND BALANCES</b>                                                    |               |                             |                       |                         |
| Nonspendable                                                            | 285,611       | 758                         | 28,838                | -                       |
| Restricted                                                              |               |                             |                       |                         |
| Perpetual care                                                          | -             | -                           | -                     | -                       |
| Stormwater                                                              | -             | -                           | 1,462,590             | -                       |
| Law enforcement                                                         | -             | -                           | -                     | -                       |
| Community redevelopment                                                 | -             | 1,133,814                   | -                     | -                       |
| Economic environment                                                    | -             | -                           | -                     | 131,961                 |
| Infrastructure                                                          | -             | -                           | -                     | -                       |
| Committed                                                               |               |                             |                       |                         |
| Development of public parking                                           | -             | -                           | -                     | -                       |
| Assigned                                                                |               |                             |                       |                         |
| Capital projects                                                        |               |                             |                       |                         |
| Unassigned (deficit)                                                    | 10,462,385    | -                           | -                     | -                       |
| Total fund balances                                                     | 10,747,996    | 1,134,572                   | 1,491,428             | 131,961                 |
| Total liabilities, deferred inflows of<br>resources and fund balances   | \$ 13,900,214 | \$ 1,135,763                | \$ 1,542,759          | \$ 1,291,257            |

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

|                            |                  | Capital Projects               |                     |                                |  |
|----------------------------|------------------|--------------------------------|---------------------|--------------------------------|--|
| Discretionary<br>Sales Tax |                  | Transportation<br>Improvements | Nonmajor<br>Funds   | Total<br>Governmental<br>Funds |  |
| \$                         | 4,286,469        | \$ 202,023                     | \$ 3,207,440        | \$ 14,920,172                  |  |
|                            | 623,148          | -                              | 821,598             | 4,606,056                      |  |
|                            | -                | -                              | -                   | 398,786                        |  |
|                            | -                | -                              | -                   | 2,671,363                      |  |
|                            | 19,808           | -                              | -                   | 3,454,802                      |  |
|                            | 823,992          | -                              | 275,810             | 1,763,895                      |  |
|                            | -                | -                              | -                   | 242,164                        |  |
|                            | -                | -                              | -                   | 73,043                         |  |
|                            | 447,503          | -                              | -                   | 447,503                        |  |
| <b>\$</b>                  | <b>6,200,920</b> | <b>\$ 202,023</b>              | <b>\$ 4,304,848</b> | <b>\$ 28,577,784</b>           |  |
|                            |                  |                                |                     |                                |  |
| \$                         | -                | \$ 202,023                     | \$ 466,711          | \$ 1,045,362                   |  |
|                            | -                | -                              | -                   | 93,090                         |  |
|                            | -                | -                              | 106,238             | 106,238                        |  |
|                            | -                | -                              | -                   | 274,619                        |  |
|                            | -                | -                              | -                   | 1,208,919                      |  |
|                            | -                | 202,023                        | 572,949             | 2,728,228                      |  |
|                            |                  |                                |                     |                                |  |
|                            | -                | -                              | -                   | 2,410,780                      |  |
|                            | -                | -                              | 113,026             | 113,026                        |  |
|                            | -                | -                              | 113,026             | 2,523,806                      |  |
|                            |                  |                                |                     |                                |  |
|                            | 447,503          | -                              | 560,313             | 1,323,023                      |  |
|                            | -                | -                              | 543,276             | 543,276                        |  |
|                            | -                | -                              | -                   | 1,462,590                      |  |
|                            | -                | -                              | 54,131              | 54,131                         |  |
|                            | -                | -                              | -                   | 1,133,814                      |  |
|                            | -                | -                              | -                   | 131,961                        |  |
|                            | 5,753,417        | -                              | 1,336,564           | 7,089,981                      |  |
|                            | -                | -                              | 120,750             | 120,750                        |  |
|                            | -                | -                              | 1,110,015           | 1,110,015                      |  |
|                            | -                | -                              | (106,176)           | 10,356,209                     |  |
|                            | 6,200,920        | -                              | 3,618,873           | 23,325,750                     |  |
| <b>\$</b>                  | <b>6,200,920</b> | <b>\$ 202,023</b>              | <b>\$ 4,304,848</b> | <b>\$ 28,577,784</b>           |  |

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

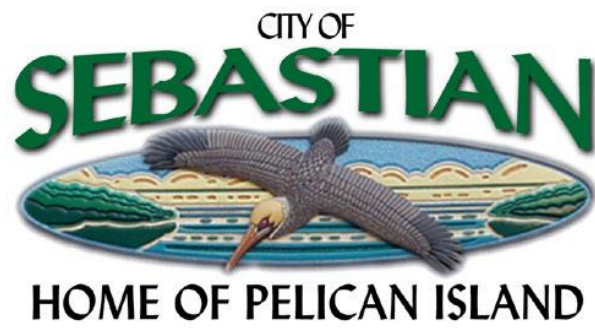
**City of Sebastian, Florida**

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of  
Net Position**

September 30, 2024

|                                                                                                                                                                                                                                                                 |                     |                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------|
| Total fund balances - governmental funds                                                                                                                                                                                                                        |                     | <b>\$23,325,750</b>        |
| Some revenues not collected within 60 days after the close of the City's fiscal year-end are not considered as "available" revenue in the governmental funds. In the statement of net position, presented on full accrual basis, these revenues are recognized. |                     | <b>113,026</b>             |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.                                                                                                                                       |                     |                            |
| Governmental capital assets                                                                                                                                                                                                                                     | \$ 105,717,963      |                            |
| Less accumulated depreciation/amortization                                                                                                                                                                                                                      | <u>(57,508,670)</u> | <b>48,209,293</b>          |
| Deferred outflows and deferred inflows of resources related to pensions, related earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.                              |                     |                            |
| Deferred outflows related to pensions                                                                                                                                                                                                                           | 244,629             |                            |
| Deferred inflows related to pensions                                                                                                                                                                                                                            | <u>(1,503,121)</u>  | <b>(1,258,492)</b>         |
| Long-term liabilities, including capital lease obligations, compensated absences, and net pension liability are not due and payable in the current period and therefore are not reported in the funds.                                                          |                     |                            |
| Net pension liability                                                                                                                                                                                                                                           | (1,524,916)         |                            |
| Compensated absences                                                                                                                                                                                                                                            | (1,781,307)         |                            |
| Pollution remediation                                                                                                                                                                                                                                           | (60,000)            | <b>(3,366,223)</b>         |
| <b>Net position of governmental activities</b>                                                                                                                                                                                                                  |                     | <b><u>\$67,023,354</u></b> |

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



THIS PAGE IS INTENTIONALLY LEFT BLANK.

**City of Sebastian, Florida**

**Statement of Revenues, Expenditures and Changes in Fund Balances –  
Governmental Funds**

| For the year ended September 30, 2024                        | General       | Special Revenue             |                       |
|--------------------------------------------------------------|---------------|-----------------------------|-----------------------|
|                                                              |               | Riverfront<br>Redevelopment | Stormwater<br>Utility |
| Revenues                                                     |               |                             |                       |
| Taxes                                                        |               |                             |                       |
| Property                                                     | \$ 6,443,644  | \$ 471,967                  | \$ -                  |
| Public utility                                               | 3,696,879     | -                           | -                     |
| Franchise fee                                                | 1,716,016     | -                           | -                     |
| Licenses and permits                                         | 193,385       | -                           | -                     |
| Intergovernmental                                            | 4,077,829     | -                           | -                     |
| Charges for services                                         | 1,043,774     | -                           | 1,948,735             |
| Fines and forfeitures                                        | 54,845        | -                           | -                     |
| Investment earnings                                          | 259,375       | 26,362                      | 53,941                |
| Impact fees                                                  | -             | -                           | -                     |
| Contributions and donations                                  | 6,441         | -                           | -                     |
| Other revenues                                               | 147,332       | 23,739                      | -                     |
| Total revenues                                               | 17,639,520    | 522,068                     | 2,002,676             |
| Expenditures                                                 |               |                             |                       |
| Current:                                                     |               |                             |                       |
| General government                                           | 5,553,916     | -                           | -                     |
| Public safety                                                | 7,583,085     | -                           | -                     |
| Physical environment                                         | 171,047       | -                           | 2,074,490             |
| Recreation                                                   | 1,292,330     | -                           | -                     |
| Transportation                                               | 1,421,151     | -                           | -                     |
| Economic environment                                         | -             | 229,471                     | -                     |
| Capital outlay                                               | 292,158       | -                           | 49,939                |
| Total expenditures                                           | 16,313,687    | 229,471                     | 2,124,429             |
| Excess (deficiency) of revenues over<br>(under) expenditures | 1,325,833     | 292,597                     | (121,753)             |
| Other financing sources (uses)                               |               |                             |                       |
| Transfers in                                                 | -             | -                           | -                     |
| Transfers out                                                | (537,507)     | (47,310)                    | (287,188)             |
| Proceeds from sale of capital assets                         | 19,682        | -                           | -                     |
| Net other financing sources (uses)                           | (517,825)     | (47,310)                    | (287,188)             |
| Net change in fund balances                                  | 808,008       | 245,287                     | (408,941)             |
| Fund balances, beginning                                     | 9,939,988     | 889,285                     | 1,900,369             |
| Fund balances, ending                                        | \$ 10,747,996 | \$ 1,134,572                | \$ 1,491,428          |

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

| American<br>Rescue Plan | Discretionary<br>Sales Tax | Capital Projects<br>Transportation<br>Improvements | Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------|----------------------------|----------------------------------------------------|-------------------|--------------------------------|
| \$ -                    | \$ -                       | \$ -                                               | \$ -              | \$ 6,915,611                   |
| -                       | -                          | -                                                  | -                 | 3,696,879                      |
| -                       | -                          | -                                                  | -                 | 1,716,016                      |
| -                       | -                          | -                                                  | -                 | 193,385                        |
| 1,674,337               | 4,902,213                  | -                                                  | 924,519           | 11,578,898                     |
| -                       | -                          | -                                                  | 200,450           | 3,192,959                      |
| -                       | -                          | -                                                  | 183               | 55,028                         |
| 58,361                  | 143,175                    | -                                                  | 79,805            | 621,019                        |
| -                       | -                          | -                                                  | 138,775           | 138,775                        |
| -                       | -                          | -                                                  | 136,339           | 142,780                        |
| -                       | -                          | -                                                  | 16,927            | 187,998                        |
| 1,732,698               | 5,045,388                  | -                                                  | 1,496,998         | 28,439,348                     |
| -                       | -                          | -                                                  | 960,800           | 6,514,716                      |
| -                       | -                          | 1,200,814                                          | -                 | 8,783,899                      |
| -                       | -                          | -                                                  | 612,063           | 2,857,600                      |
| -                       | -                          | -                                                  | -                 | 1,292,330                      |
| -                       | -                          | -                                                  | 3,933             | 1,425,084                      |
| -                       | -                          | -                                                  | -                 | 229,471                        |
| -                       | -                          | 2,268,821                                          | 3,200,700         | 5,811,618                      |
| -                       | -                          | 3,469,635                                          | 4,777,496         | 26,914,718                     |
| 1,732,698               | 5,045,388                  | (3,469,635)                                        | (3,280,498)       | 1,524,630                      |
| -                       | -                          | 3,469,635                                          | 4,382,328         | 7,851,963                      |
| (1,674,336)             | (4,226,409)                | -                                                  | (1,508,834)       | (8,281,584)                    |
| -                       | -                          | -                                                  | 999,948           | 1,019,630                      |
| (1,674,336)             | (4,226,409)                | 3,469,635                                          | 3,873,442         | 590,009                        |
| 58,362                  | 818,979                    | -                                                  | 592,944           | 2,114,639                      |
| 73,599                  | 5,381,941                  | -                                                  | 3,025,929         | 21,211,111                     |
| \$ 131,961              | \$ 6,200,920               | \$ -                                               | \$ 3,618,873      | \$ 23,325,750                  |

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

**City of Sebastian, 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, 2024*

---

**Net change in fund balances - total governmental funds** **\$ 2,114,639**

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

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

|                           |                    |                  |
|---------------------------|--------------------|------------------|
| Capital outlay            | \$ 5,811,618       |                  |
| Depreciation/amortization | <u>(3,024,991)</u> | <b>2,786,627</b> |

In the statement of activities, the gain (loss) on the disposal of capital assets  
is reported, whereas in the governmental funds, disposals are not reported.  
Thus, the change in net position differs from the change in fund balance by  
the net book value of the disposed capital assets. **(41,543)**

Some revenues will not be collected within 60 days after the close of the City's  
fiscal year-end and are not considered as "available" revenue in the  
governmental funds. In the statement of net position, presented on the  
accrual basis, these revenues are recognized. **113,026**

The change in pollution remediation reported in the statement of activities  
does not require the use of current financial resources and, therefore are  
not reported as expenditures in governmental funds. **(10,000)**

Under the modified accrual basis of accounting used in governmental funds,  
expenditures are not recognized for transactions that are not normally paid  
with expendable available financial resources. In the statement of activities,  
however, which is presented on the accrual basis, pension is reported  
regardless of when the financial resources are available.  
Police officers' pension and related deferred outflows and inflows. **638,653**

Compensated absences reported in the statement of activities do not require  
the use of current financial resources and, therefore, are not reported as  
expenditures in governmental funds. **(60,758)**

---

**Change in net position of governmental activities** **\$ 5,540,644**

---

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

**City of Sebastian, Florida**  
**Statement of Net Position - Proprietary Funds**

| <i>September 30, 2024</i>                                          | Business-type Activities - Enterprise Funds |                   |                  |                   |
|--------------------------------------------------------------------|---------------------------------------------|-------------------|------------------|-------------------|
|                                                                    | Golf Course                                 | Airport           | Building         | Total             |
| <b>ASSETS</b>                                                      |                                             |                   |                  |                   |
| Current assets:                                                    |                                             |                   |                  |                   |
| Cash and cash equivalents                                          | \$ 379,415                                  | \$ -              | \$ 1,591,790     | \$ 1,971,205      |
| Investments                                                        | 51,706                                      | 63,730            | 218,257          | 333,693           |
| Accounts receivable, net                                           | 362                                         | 66,716            | 107              | 67,185            |
| Due from other funds                                               | -                                           | -                 | 32,143           | 32,143            |
| Due from other governments                                         | -                                           | 3,797,736         | -                | 3,797,736         |
| Leases receivable                                                  | 28,963                                      | -                 | -                | 28,963            |
| Prepaid items                                                      | 8,339                                       | 42,654            | 7,673            | 58,666            |
| Inventory                                                          | 24,920                                      | -                 | -                | 24,920            |
| Deposits held in escrow                                            | -                                           | 616               | 493              | 1,109             |
| Total current assets                                               | 493,705                                     | 3,971,452         | 1,850,463        | 6,315,620         |
| Noncurrent assets:                                                 |                                             |                   |                  |                   |
| Leases receivable                                                  | 98,344                                      | -                 | -                | 98,344            |
| Advance from other funds                                           | -                                           | -                 | 1,016,962        | 1,016,962         |
| Capital assets:                                                    |                                             |                   |                  |                   |
| Land                                                               | -                                           | 9,060             | -                | 9,060             |
| Construction in process                                            | -                                           | 4,052,712         | -                | 4,052,712         |
| Buildings                                                          | 697,985                                     | 11,723,569        | 189,061          | 12,610,615        |
| Non-building improvements                                          | 1,146,368                                   | 1,734,722         | -                | 2,881,090         |
| Machinery and equipment                                            | 647,155                                     | 1,068,242         | 181,839          | 1,897,236         |
| Infrastructure                                                     | 1,478,751                                   | 15,398,818        | -                | 16,877,569        |
| Less accumulated depreciation/amortization                         | (2,229,534)                                 | (13,470,221)      | (134,919)        | (15,834,674)      |
| Total capital assets, net of accumulated depreciation/amortization | 1,740,725                                   | 20,516,902        | 235,981          | 22,493,608        |
| Total noncurrent assets                                            | 1,839,069                                   | 20,516,902        | 1,252,943        | 23,608,914        |
| <b>Total assets</b>                                                | <b>2,332,774</b>                            | <b>24,488,354</b> | <b>3,103,406</b> | <b>29,924,534</b> |
| <b>LIABILITIES</b>                                                 |                                             |                   |                  |                   |
| Current liabilities:                                               |                                             |                   |                  |                   |
| Accounts payable and accrued liabilities                           | 105,968                                     | 502,376           | 20,042           | 628,386           |
| Due to other funds                                                 | 462,143                                     | 2,918,564         | -                | 3,380,707         |
| Due to other governments                                           | 4,671                                       | 671               | 6,923            | 12,265            |
| Compensated absences                                               | 5,819                                       | 2,856             | 225              | 8,900             |
| Unearned revenue                                                   | 34,491                                      | -                 | -                | 34,491            |
| Total current liabilities                                          | 613,092                                     | 3,424,467         | 27,190           | 4,064,749         |
| Noncurrent liabilities:                                            |                                             |                   |                  |                   |
| Advance from other funds                                           | 1,016,962                                   | 447,503           | -                | 1,464,465         |
| Compensated absences                                               | 76,929                                      | 11,589            | 178,204          | 266,722           |
| Total noncurrent liabilities                                       | 1,093,891                                   | 459,092           | 178,204          | 1,731,187         |
| <b>Total liabilities</b>                                           | <b>1,706,983</b>                            | <b>3,883,559</b>  | <b>205,394</b>   | <b>5,795,936</b>  |

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

**City of Sebastian, Florida**  
**Statement of Net Position - Proprietary Funds**

| <i>September 30, 2024</i>                  | Business-type Activities - Enterprise Funds |                      |                     |                     |
|--------------------------------------------|---------------------------------------------|----------------------|---------------------|---------------------|
|                                            | Golf Course                                 | Airport              | Building            | Total               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                                             |                      |                     |                     |
| Deferred lease amounts                     | 116,505                                     | -                    | -                   | 116,505             |
| Deferred revenue                           | -                                           | 107,744              | 4,330               | 112,074             |
| <b>Total deferred inflows of resources</b> | <b>116,505</b>                              | <b>107,744</b>       | <b>4,330</b>        | <b>228,579</b>      |
| <b>NET POSITION</b>                        |                                             |                      |                     |                     |
| Net investment in capital assets           | 1,700,725                                   | 20,356,483           | 235,981             | 22,293,189          |
| Unrestricted (deficit)                     | (1,191,439)                                 | 140,568              | 2,657,701           | 1,606,830           |
| <b>Total net position</b>                  | <b>\$ 509,286</b>                           | <b>\$ 20,497,051</b> | <b>\$ 2,893,682</b> | <b>\$23,900,019</b> |

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

**City of Sebastian, Florida**

**Statement of Revenues, Expenses and Changes in Fund Net Position –  
Proprietary Funds**

|                                                          | Business-type Activities - Enterprise Funds |                      |                     |                      |
|----------------------------------------------------------|---------------------------------------------|----------------------|---------------------|----------------------|
| <i>For the year ended September 30, 2024</i>             | Golf Course                                 | Airport              | Building            | Total                |
| <b>Operating revenues:</b>                               |                                             |                      |                     |                      |
| Charges for fees and rents:                              |                                             |                      |                     |                      |
| Building permit fees                                     | \$ -                                        | \$ -                 | \$ 1,079,122        | \$ 1,079,122         |
| Golf course fees                                         | 1,845,143                                   | -                    | -                   | 1,845,143            |
| Rents                                                    | 32,835                                      | 411,519              | -                   | 444,354              |
| Other revenues                                           | 3,389                                       | 82,318               | -                   | 85,707               |
| Total operating revenues                                 | 1,881,367                                   | 493,837              | 1,079,122           | 3,454,326            |
| <b>Operating expenses:</b>                               |                                             |                      |                     |                      |
| Salaries, wages and employee benefits                    | 501,022                                     | 213,688              | 939,693             | 1,654,403            |
| Contractual services, materials and supplies             | 1,053,184                                   | 438,114              | 146,328             | 1,637,626            |
| Depreciation and amortization                            | 106,877                                     | 978,475              | 9,582               | 1,094,934            |
| Total operating expenses                                 | 1,661,083                                   | 1,630,277            | 1,095,603           | 4,386,963            |
| <b>Operating income (loss)</b>                           | <b>220,284</b>                              | <b>(1,136,440)</b>   | <b>(16,481)</b>     | <b>(932,637)</b>     |
| <b>Nonoperating revenues (expenses):</b>                 |                                             |                      |                     |                      |
| Federal and state grants                                 | 59,666                                      | 11,938               | -                   | 71,604               |
| Investment income                                        | 10,387                                      | 3,913                | 38,969              | 53,269               |
| Interest expense                                         | -                                           | (19,454)             | -                   | (19,454)             |
| Gain/(Loss) on disposal of fixed assets                  | 14,648                                      | -                    | -                   | 14,648               |
| Insurance proceeds                                       | -                                           | 25,000               | -                   | 25,000               |
| Total nonoperating revenues (expenses)                   | 84,701                                      | 21,397               | 38,969              | 145,067              |
| <b>Income before capital contributions and transfers</b> | <b>304,985</b>                              | <b>(1,115,043)</b>   | <b>22,488</b>       | <b>(787,570)</b>     |
| Capital contributions                                    | -                                           | 3,864,010            | -                   | 3,864,010            |
| Transfers in                                             | -                                           | 429,621              | 5,012               | 434,633              |
| Transfers out                                            | (5,012)                                     | -                    | -                   | (5,012)              |
| <b>Change in net position</b>                            | <b>299,973</b>                              | <b>3,178,588</b>     | <b>27,500</b>       | <b>3,506,061</b>     |
| <b>Net position, beginning of year</b>                   | <b>209,313</b>                              | <b>17,318,463</b>    | <b>2,866,182</b>    | <b>20,393,958</b>    |
| <b>Net position, end of year</b>                         | <b>\$ 509,286</b>                           | <b>\$ 20,497,051</b> | <b>\$ 2,893,682</b> | <b>\$ 23,900,019</b> |

**City of Sebastian, Florida**  
**Statement of Cash Flows - Proprietary Funds**

| <i>For the year ended September 30, 2024</i>                            | Business-type Activities - Enterprise Funds |                  |                     |                     |
|-------------------------------------------------------------------------|---------------------------------------------|------------------|---------------------|---------------------|
|                                                                         | Golf Course                                 | Airport          | Building            | Total               |
| <b>Cash flows from operating activities:</b>                            |                                             |                  |                     |                     |
| Cash received from customers and users                                  | \$ 1,911,986                                | \$ 728,701       | \$ 1,078,970        | \$ 3,719,657        |
| Cash payments to suppliers                                              | (947,810)                                   | (3,723,402)      | (119,962)           | (4,791,174)         |
| Cash payments for employee services                                     | (501,022)                                   | (213,688)        | (939,693)           | (1,654,403)         |
| Net cash provided by/(used in) operating activities                     | 463,154                                     | (3,208,389)      | 19,315              | (2,725,920)         |
| <b>Cash flows from noncapital financing activities:</b>                 |                                             |                  |                     |                     |
| Cash payments to other governments                                      | (138,058)                                   | (500)            | -                   | (138,558)           |
| Cash receipts from other governments                                    | 59,393                                      | 11,938           | -                   | 71,331              |
| Cash payments for transfers/advances to other funds                     | (40,442)                                    | (19,808)         | 40,442              | (19,808)            |
| Cash receipts for transfers/advances to other funds                     | -                                           | 3,329,139        | -                   | 3,329,139           |
| Net cash provided by/(used) in noncapital financing activities          | (119,107)                                   | 3,320,769        | 40,442              | 3,242,104           |
| <b>Cash flows from capital and related financing activities:</b>        |                                             |                  |                     |                     |
| Interest paid on advance from other funds                               | -                                           | (19,454)         | -                   | (19,454)            |
| Acquisition and construction of capital assets                          | (64,278)                                    | (4,523,661)      | (36,910)            | (4,624,849)         |
| Proceeds from sale of capital assets                                    | 14,648                                      | -                | -                   | 14,648              |
| Receipts from capital contributions                                     | -                                           | 3,864,010        | -                   | 3,864,010           |
| Insurance proceeds                                                      | -                                           | 25,000           | -                   | 25,000              |
| Net cash provided by/(used) in capital and related financing activities | (49,630)                                    | (654,105)        | (36,910)            | (740,645)           |
| <b>Cash flows from investing activities:</b>                            |                                             |                  |                     |                     |
| Purchases of investments                                                | -                                           | 20,287           | 44,547              | 64,834              |
| Sale of investments                                                     | 59,939                                      | -                | -                   | 59,939              |
| Investment income                                                       | 10,387                                      | 3,913            | 38,969              | 53,269              |
| Net cash provided by/(used) in investing activities                     | 70,326                                      | 24,200           | 83,516              | 178,042             |
| <b>Net increase (decrease) in cash and cash equivalents</b>             | <b>364,743</b>                              | <b>(517,525)</b> | <b>106,363</b>      | <b>(46,419)</b>     |
| <b>Cash and cash equivalents, beginning of year</b>                     | <b>14,672</b>                               | <b>517,525</b>   | <b>1,485,427</b>    | <b>2,017,624</b>    |
| <b>Cash and cash equivalents, end of year</b>                           | <b>\$ 379,415</b>                           | <b>\$ -</b>      | <b>\$ 1,591,790</b> | <b>\$ 1,971,205</b> |

**City of Sebastian, Florida**  
**Statement of Cash Flows - Proprietary Funds (Continued)**

| <i>For the year ended September 30, 2024</i>                                                      | Business-type Activities - Enterprise Funds |               |             |                |
|---------------------------------------------------------------------------------------------------|---------------------------------------------|---------------|-------------|----------------|
|                                                                                                   | Golf Course                                 | Airport       | Building    | Total          |
| <b>Reconciliation of operating income to net cash provided by/(used in) operating activities:</b> |                                             |               |             |                |
| Operating income (loss)                                                                           | \$ 220,284                                  | \$(1,136,440) | \$ (16,481) | \$ (932,637)   |
| Adjustments to reconcile operating income to net cash provided by/(used by) operating activities: |                                             |               |             |                |
| Depreciation/amortization expense                                                                 | 106,877                                     | 978,475       | 9,582       | 1,094,934      |
| Change in assets and liabilities:                                                                 |                                             |               |             |                |
| (Increase) decrease in assets:                                                                    |                                             |               |             |                |
| Accounts receivable                                                                               | 28,865                                      | (66,716)      | (107)       | (37,958)       |
| Due from other governments                                                                        | -                                           | (3,539,399)   | 2,222       | (3,537,177)    |
| Due from other funds                                                                              | -                                           | -             | (3,044)     | (3,044)        |
| Leases receivable                                                                                 | 27,192                                      | -             | -           | 27,192         |
| Prepaid items                                                                                     | 104                                         | 3,092         | 9,945       | 13,141         |
| Inventory                                                                                         | (7,965)                                     | -             | -           | (7,965)        |
| Increase (decrease) in liabilities:                                                               |                                             |               |             |                |
| Accounts payable and accrued liabilities                                                          | 103,929                                     | 438,949       | 1,649       | 544,527        |
| Due to other funds                                                                                | 3,044                                       | -             | -           | 3,044          |
| Unearned revenue                                                                                  | 644                                         | -             | -           | 644            |
| Compensated absences                                                                              | 9,306                                       | 6,670         | 14,772      | 30,748         |
| Deferred lease amounts                                                                            | (29,126)                                    | -             | -           | (29,126)       |
| Deferred revenue                                                                                  | -                                           | 106,980       | 777         | 107,757        |
| Total adjustments                                                                                 | 242,870                                     | (2,071,949)   | 35,796      | (1,793,283)    |
| Net cash provided by/(used in) operating activities                                               | \$ 463,154                                  | \$(3,208,389) | \$ 19,315   | \$ (2,725,920) |

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

**City of Sebastian, Florida**  
**Statement of Fiduciary Net Position**

|                           |                                              |
|---------------------------|----------------------------------------------|
|                           | Police<br>Officers'<br>Pension Trust<br>Fund |
| <i>September 30, 2024</i> |                                              |

**ASSETS**

|                                      |               |
|--------------------------------------|---------------|
| Receivables:                         |               |
| Interest and dividends               | \$ 43,169     |
| Investments at fair value:           |               |
| Money market funds                   | 1,480,099     |
| United States government obligations | 2,038,419     |
| Mortgage backed securities           | 629,339       |
| Collateralized mortgage obligations  | 970,580       |
| Municipal obligations                | 133,322       |
| Domestic corporate bonds             | 1,281,658     |
| Foreign corporate bonds              | 213,636       |
| Domestic corporate equities          | 8,406,626     |
| Foreign corporate equities           | 3,774,681     |
| Exchange-traded fund equities        | 5,628,295     |
| Real estate investment trust         | 683,748       |
| Total investments                    | 25,240,403    |
| Total assets                         | \$ 25,283,572 |

**FIDUCIARY NET POSITION**

|                                 |               |
|---------------------------------|---------------|
| Restricted for pension benefits | \$ 25,283,572 |
|---------------------------------|---------------|

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

**City of Sebastian, Florida**  
**Statement of Changes in Fiduciary Net Position**

Police  
Officers'  
Pension Trust  
Fund

*For the year ended September 30, 2024*

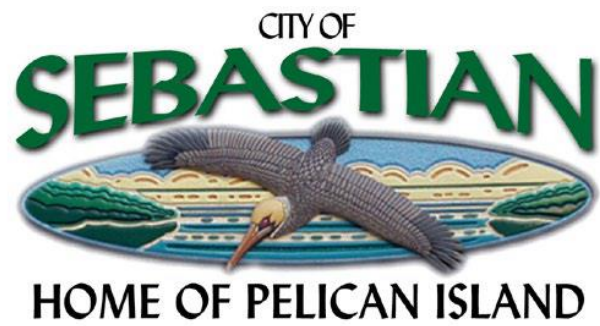
**ADDITIONS**

|                                               |                  |
|-----------------------------------------------|------------------|
| Contributions:                                |                  |
| Employer                                      | \$ 854,737       |
| Plan members                                  | 245,182          |
| State                                         | 307,681          |
| Total contributions                           | 1,407,600        |
| Investment income:                            |                  |
| Net increase in the fair value of investments | 3,823,271        |
| Interest and dividends                        | 526,816          |
| Total investment income                       | 4,350,087        |
| Less investment-related expense               | (134,243)        |
| Net investment income                         | 4,215,844        |
| <b>Total additions</b>                        | <b>5,623,444</b> |

**DEDUCTIONS**

|                                                  |                      |
|--------------------------------------------------|----------------------|
| Benefit payments                                 | 1,051,129            |
| Administrative expenses                          | 69,082               |
| Total deductions                                 | 1,120,211            |
| <b>Change in net position</b>                    | <b>4,503,233</b>     |
| <b>Fiduciary net position, beginning of year</b> | <b>20,780,339</b>    |
| <b>Fiduciary net position, end of year</b>       | <b>\$ 25,283,572</b> |

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



THIS PAGE IS INTENTIONALLY LEFT BLANK.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Sebastian (the "City"), a Florida Municipal Corporation, was incorporated in 1924 under Sections 1826-1832 of the Revised Florida Statutes. The City has a population of 26,405 living in an area of approximately 16.3 square miles. The governing body is a five member elected City Council with a mayor elected from the five members. The City Council appoints the City Manager who is responsible for the administration of all City services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

***Reporting Entity***

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the City is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and as such, data from these units are combined with data of the primary government. The City has two component units that are blended with the primary government for financial statement purposes because the component unit's governing body is substantially the same as the City Council and/or there is a financial benefit/burden relationship between the primary government and the component unit. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. The City has no discretely presented component units. 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.

***Blended Component Unit***

***Community Redevelopment Agency (CRA)***

The CRA was formally established in March 1995 with the adoption of Ordinance No. 0-95-08 by the City Council. The CRA was organized to finance development within the geographic boundaries of the community redevelopment area. Although legally separate, the CRA is governed by the City Council and there is a benefit/burden relationship to the City. The CRA is accounted for in a special revenue fund entitled "Riverfront Redevelopment." The CRA financial statements are included in the City's Annual Comprehensive Financial Report as a special revenue fund for the year ended September 30, 2024.

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

***Fiduciary Component Unit***

City of Sebastian Police Officers' Pension Plan (the "Plan") – The City sponsors and administers a single-employer, defined benefit pension plan, which covers the City's police officers. The Plan was established and may be amended by the City Council and is administered by a 5-member Board of Trustees. The Plan is administered through a qualified trust. The Plan is included as a fiduciary component unit of the City because (1) the System is a legally separate entity; (2) the City Council appoints a voting majority of the Plan Board of Trustees; and (3) the City makes contributions to the Plan on behalf of its participants.

***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 and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in

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

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

the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for expenditure-driven grants which must be collected within one year. 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, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period. 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 government.

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

***Government-wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates governmental funds, while business-type activities incorporate the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The General Fund provides certain central services to other funds of the City which are presented as program expenses in the funds receiving services. The related General Fund revenue has been netted against program expense in the government-wide statement of activities.

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

***Fund Financial Statements***

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, and internal service funds and fiduciary funds each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others that cannot be used to support the government's own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

The City reports the following major governmental funds:

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

The *Riverfront Redevelopment Special Revenue Fund* accounts for revenues and expenditures to be used for special operations in the defined City's riverfront redevelopment area.

The *Stormwater Utility Special Revenue Fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for system maintenance.

The *American Rescue Plan Special Revenue Fund* accounts for all financial resources of the American Rescue Plan Act grant program administered by the City.

The *Discretionary Sales Tax Special Revenue Fund* accounts for the financial resources that are legally restricted for infrastructure improvements and equipment purchases.

The *Transportation Improvements Capital Projects Fund* accounts for the financial resources that are used for improvements and equipment purchases in support of the City's roadway infrastructure.

The City reports the following major proprietary funds:

The *Golf Course Fund* accounts for the activities of the municipal golf course.

The *Airport Fund* accounts for the activities of the municipality's general aviation airport.

The *Building Fund* accounts for the activities of the municipality's building department that enforces state and local regulations pertaining to construction.

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

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

Additionally, the City reports the following fund types:

*Special Revenue Funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Capital Projects Funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

*The Permanent Fund* is used to record the activity and balance of the Cemetery Trust, which provides funds for perpetual care of cemetery lots.

*The Pension Trust Fund* accounts for the activities of the Police Officers' Pension Plan, which accumulates resources for pension benefit payments to qualified police officers.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted net position represents resources that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity***

***Deposits and Investments***

The City considers cash on hand and demand deposits, restricted cash deposits, and short-term investments with maturities of three months or less when purchased to be cash for the statement of cash flows. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments.

Deposits available within various funds of the primary government were consolidated for investment purposes. Substantially all deposits of the primary government at September 30, 2024, were invested using the pooled investment concept. Interest earned was allocated monthly to the City based on its month ending cash and investment balances in proportion to the primary government.

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

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity (Continued)***

*Deposits and Investments (continued)*

Investments for the City are reported at fair value for the position in the State Board of Administration ("SBA") Local Government Surplus Trust Fund (Florida PRIME) external investment pool. The SBA Local Government Surplus Trust Fund external investment pool meets all of the specified criteria in Section 150: Investments of the GASB Codification to qualify to elect to measure its investments at amortized cost. Accordingly, the fair value of the City's position in the pool is equal to the value of pooled shares.

The City is empowered by statute to invest in the following instruments and may divest itself of such investments, at prevailing market prices or rates subject to the limitations of Section 218.415 – a) the Local Government Surplus Funds Trust Fund, administered by the Florida State Board of Administration or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01, Florida Statutes; b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; c) savings accounts in state-certified qualified public depositories, as defined in Florida Statute 280.02; d) certificates of deposits and Repurchased Agreements in state-certified qualified public depositories, as defined in Florida Statute 280.02; e) direct obligation of the U.S. Treasury; and f) Federal agencies and instrumentalities.

Banks and savings and loans in which City funds are deposited must be classified as a qualified public depository as defined in the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, before any deposits are made with those institutions.

*Internal Balances*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Advances between funds are offset by nonspendable fund balance in the General Fund and restricted fund balance in other applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

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

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity (Continued)***

*Restricted Assets*

Certain amounts reported as cash and cash equivalents are classified as restricted assets. These include balances in the debt service funds that are set aside to meet bonded debt requirements, balances in the capital projects funds to be used for the payment of project costs and balances in the Cemetery Fund that are either not permitted to be spent or can only be spent for items incidental to cemetery expansions. The amount of the Cemetery Fund investments is also classified as restricted assets and reported as restricted investments.

*Receivables and Payables*

All trade and tax receivables are shown net of an allowance for uncollectible, as applicable.

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenues received in advance of project costs being incurred are deferred. Receivables consist of trade receivables, due from other governments and interest receivable and are recorded at the net realizable value. As of September 30, 2024, the City has no allowance for doubtful accounts, since all receivables are considered collectible.

Lease Receivables - The City's lease receivables are measured at the present value of lease payments expected to be received during the least term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

*Leases*

The City is a lessee for noncancellable leases of land. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity (Continued)***

*Leases (continued)*

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

The City is a lessor for noncancellable leases of certain properties. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund financial statements, and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

*Inventory and Prepaid Items*

Inventories are valued at cost using the average cost method. Inventory in the General Fund consists of materials and supplies held for consumption. The cost is recorded as an expenditure/expense at the time the individual inventory items are consumed. Inventory in the Golf Course consists of supplies held for resale.

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

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity (Continued)***

*Inventory and Prepaid Items (continued)*

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.

*Capital Assets*

Capital assets, which include land, construction in progress, leased land, buildings, non-building improvements, machinery and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$750 and an estimated useful life in excess of one year. Such assets are recorded at historical cost, if purchased, and at estimated acquisition cost at date of gift, if donated. Major additions are capitalized while maintenance and repairs that do not improve or extend the life of the respective assets are expensed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is expensed.

Land and construction in progress are not depreciated. Remaining capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

|                                   | Years |
|-----------------------------------|-------|
| Buildings and improvements        | 10-40 |
| Public domain infrastructure      | 40-50 |
| System infrastructure             | 15-30 |
| Improvements other than buildings | 10-40 |
| Machinery, equipment and other    | 5-15  |
| Airport runways                   | 20    |

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

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity (Continued)***

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports 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.

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 represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources until that time. The City reports deferred inflows of resources related to its pension plan, lease amounts, and tax revenue. 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 leases are associated with amounts owed to the City, as lessor, by entities leasing the City's capital assets. *Unavailable revenue*, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one sources: grant revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits and these are accounted for using the termination payment method. All vacation and sick leave amounts are accrued in the government-wide and proprietary funds financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

*Unearned Revenue*

Governmental funds report unearned revenue in connection with resources that have been received before eligibility requirements are met.

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

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity (Continued)***

*Long-term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

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

*Categories and Classification of Net Position and Fund Balance*

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

*Fund balance flow assumptions* – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity (Continued)***

*Categories and Classification of Net Position and Fund Balance (continued)*

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.

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

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

*Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to/deductions from the plan 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.

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

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2025, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

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

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

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

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.

GASB Statement 102, *Certain Risk Disclosures*. This statement was issued 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. 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.

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

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

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

superseded or amended upon implementation. Statement 103 will be effective for the fiscal year ending September 30, 2026.

GASB Statement 104, Disclosure of Certain Capital Assets. This Statement was issued September 2024 to provide users of government financial statements with essential information about certain types of capital assets.

This requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public- Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. Statement 10 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: CHANGE IN ACCOUNTING PRINCIPLE**

The City's fiscal year 2024 financial statements incorporate a change within the financial reporting entity. GASB Statement No. 100, Accounting Changes and Error Corrections, requires disclosure of the nature and effect on amounts reported in the financial statements.

The Transportation Improvements Fund, a capital projects fund, was presented as a nonmajor fund in a separate column in the City's fiscal year 2023 governmental fund financial statements. However, in fiscal year 2024 the fund met the quantitative thresholds that require major fund presentation. The City consequently reclassified the fund as major and presented it in a major fund column. The Transportation Improvement Fund had a fund balance of \$0 as of October 1, 2023.

**Note 3: DEPOSITS AND INVESTMENTS**

As of September 30, 2024, \$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 investment program is established in accordance with the City's investment policy, pertinent bond resolutions and 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.

The investing of public funds with the Florida State Board of Administration (SBA) - Local Government Surplus Funds Trust Fund is governed by Section 218.407, Florida Statutes. The SBA is under regulatory oversight of the State of Florida. The investment pool consists largely of corporate notes and commercial paper. On September 30, 2024, the City had \$4,354,585 invested. The fair value of the City's position in the pool is equal to the value of the pooled shares or net asset value.

The City participates in the Florida Local Government Investment Trust fund, (Florida LGIT), external investment pool. The Florida LGIT is a common law trust established under the laws of the State of Florida and is designed to meet both short and medium term cash management needs of its participants. The Fund is sponsored by the Florida Court Clerks and Comptrollers and the Florida Association of Counties and is directed by a board of trustees. The fair value of the City's position in the pool is equal to the value of the pooled shares or net asset value. On September 30, 2024, the City had \$585,164 invested.

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

Deposits available within various funds, except pension trust funds, were consolidated for investment purposes. Interest earned was allocated to the various funds based on their average cash and investment balances. The pension trust funds are authorized to invest in corporate bonds and stocks, money markets funds, and mortgages and notes.

Investment holdings during the year included United States Government Agencies which were reported at fair value in accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." These investments were held in trust by the City's bank depository in the City's name or by the Custodian of the Pension Trust Funds.

**Note 3: DEPOSITS AND INVESTMENTS (Continued)**

Section 218.415, Florida Statutes, limits the types of investments that the City can invest in unless specially authorized in the City's investment policy. The City's formal investment policy, for all investments except the Pension Trust Fund, allows for the following investments: Florida Local Government Surplus Funds Trust Fund, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Saving Accounts, Repurchase Agreements, Commercial Paper, High Grade Corporate Notes, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Money Market Mutual Funds), and Intergovernmental Investment Pool.

Florida Statutes Chapter 185 regulates the types of investment that may be held by the Police Pension Trust Fund. The investment guidelines have been augmented by City ordinance that have adopted specific investment policies. Compliance with the policies and guidelines has been evaluated by the pension board.

Following is a reconciliation of deposit and investment balances as of September 30, 2024:

**Statement of Net Position**

|                                      |               |
|--------------------------------------|---------------|
| Cash and cash equivalents            | \$ 14,596,085 |
| Restricted cash and cash equivalents | 2,295,292     |
| Investments                          | 4,386,668     |
| Permanently restricted investments   | 553,081       |

**Statement of Fiduciary Net Position**

|                                           |            |
|-------------------------------------------|------------|
| Police officers' pension fund investments | 25,240,403 |
|-------------------------------------------|------------|

|              |                      |
|--------------|----------------------|
| <b>Total</b> | <b>\$ 47,071,529</b> |
|--------------|----------------------|

**Deposits and investments**

|                                           |               |
|-------------------------------------------|---------------|
| Bank deposits:                            |               |
| Checking and savings accounts             | \$ 16,888,947 |
| Investments:                              |               |
| Investments, at fair value                | 4,939,749     |
| Police officers' pension fund investments | 25,240,403    |
| Cash on hand                              | 2,430         |

|              |                      |
|--------------|----------------------|
| <b>Total</b> | <b>\$ 47,071,529</b> |
|--------------|----------------------|

*Custodial Credit Risk* — Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be returned. At September 30, 2024, the carrying amount of the City of Sebastian's deposits with banks was \$16,888,947 and the bank balance was \$17,341,884. All the deposits were covered by the FDIC or collateralized in accordance with the "Florida Security for Public Deposits Act". Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral having a fair value equal to 50% of the average daily balance for each month that all public deposits are in excess of any applicable deposit insurance. If the public deposits exceed the

**Note 3: DEPOSITS AND INVESTMENTS (Continued)**

total amount of the regulatory capital accounts of a bank or the regulatory net worth of a savings association, the required collateral shall have a fair value equal to 125% of the deposits.

*Custodial Credit Risk — Investments.* On April 23, 2003, Sebastian City Council formally adopted an investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits and issuer limits, credit ratings requirements and maturity limits for all investments except the Pension Trust Funds. The City maintains a common cash and investment pool for the use of all funds, except the Pension Trust Funds, which are held with third party trustees and are governed by rules established by Florida Statute Chapter 185.

*Custodial Credit Risk* —The City's investment policy pursuant to Section 218.415(18), Florida Statutes requires securities, with the exception of certificates of deposits, to be held with a third party custodian; and all securities purchased by, and all collateral obtained by the City to be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States, which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits maintained by book-entry at the issuing bank shall clearly identify the City as the owner.

*Interest Rate Risk.* The City's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. Investment maturities shall not exceed thirty-six (36) months. Investments of construction funds shall have a term appropriate to the need for funds and in accordance with debt covenants.

*Credit Risk.* The City investment policy that covers all investments, except the Pension Trust Fund, permits investments in the following securities, which are limited to credit quality ratings from nationally recognized agencies as follows:

Mutual funds shall be rated "m" or "AAM-G" or better by Standard & Poor's, or the equivalent by another rating agency. State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt. Bankers' acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" Standard & Poor's. Commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). Corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum "Aa" by Moody's and a minimum long-term debt rating of "AA" by Standard & Poor's.

**Note 3: DEPOSITS AND INVESTMENTS (Continued)**

As of September 30, 2024, the City's investment securities, for all investments except the Pension Trust Fund, were all individually rated AAAM by Standard & Poor's or Moody's. The investment ratings for the Pension Trust Fund ranged between AAA through BBB-.

Investment in the City's pension trust funds are limited by State Statutes Chapter 185 and by an investment policy adopted by the fund's Board of Trustees on December 31, 2016. The allowable investment instruments include: United States government and agency issues, bankers acceptances and certificates of deposit by United States banks, savings accounts with banks or other financial institutions incorporated in the United States and commercial paper rated A-2 or P-2 or higher by Moody's or Standard & Poor's. See table below for credit ratings by investment type. In addition, common stocks of corporations listed on a recognized national stock exchange, plus issues convertible into common stock are also allowed. No more than ten percent (10%) of the cost value of total assets may be invested in foreign securities.

*Concentration of Credit Risk.* The City's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the City's investment portfolio.

A maximum of 100% of available funds may be invested in the SBA and in the United States Government Securities, 50% of available funds may be invested in United States Government agencies with a 25% limit on individual issuers, 80% of available funds may be invested in Federal Instrumentalities with a 40% limit on individual issuers, 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposits with a 15% limit on individual issuers, 50% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements with a 25% limit on any one institution, 25% of available funds may be directly invested in prime commercial paper with a 10% limit on individual issuers, 15% of available funds may be directly invested in corporate notes with a 5% limit on individual issuers, 25% of available funds may be directly invested in Bankers' Acceptances with a 10% limit on individual issuers, 20% of available funds may be invested in taxable and tax-exempt debts, 50% of available funds may be invested in money market mutual fund with a 25% limit on individual issuers, 10% of available funds may be invested in intergovernmental investment pools.

The City's pension trust fund's investment policy adopted by the fund's Board of Trustees has established asset allocation and issuer limits on the following investments, which are designed to focus on performance. A maximum of 100% of available funds may be invested in fixed income securities and a maximum of 60% of available funds may be invested in equity securities.

As of September 30, 2024, the City had the following issuer concentration based on fair value and investment ratings.

Fair Value – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to

**Note 3: DEPOSITS AND INVESTMENTS (Continued)**

unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Money Market: Values at publicly traded market prices.

Equities: Valued at publicly traded market prices.

Fixed Income: Valued using pricing models maximizing the use of observable inputs for similar securities.

Real Estate trust: Valued at net asset value, with approximate fair value, or discounted cash flows.

**City of Sebastian, Florida**  
**Notes to Financial Statements**

**Note 3: DEPOSITS AND INVESTMENTS (Continued)**

As of September 30, 2024, the City had the following investments and effective duration presented in terms of years:

| Investment type                                   | Level | Fair Value   | No Maturities | Investment Maturities (in years) |      |                   | S&P/Moody Rating |
|---------------------------------------------------|-------|--------------|---------------|----------------------------------|------|-------------------|------------------|
|                                                   |       |              |               | Less than 1                      | 1-5  | More than 5 years |                  |
| General investments                               |       |              |               |                                  |      |                   |                  |
| Local government surplus funds trust fund ("SBA") | L1    | \$ 4,354,585 | \$ -          | \$ 4,354,585                     | \$ - | \$ -              | AAAm             |
| Florida Local Government Investment Trust         | L1    | 585,164      | -             | 585,164                          | -    | -                 | AAAm             |
| Total primary government investments              |       | \$ 4,939,749 | \$ -          | \$ 4,939,749                     | \$ - | \$ -              |                  |

| Investment type                           |       | Fair Value    | No Maturities | Investment Maturities (in years) |              |                   | S&P/Moody Rating |
|-------------------------------------------|-------|---------------|---------------|----------------------------------|--------------|-------------------|------------------|
|                                           |       |               |               | Less than 1                      | 1-5          | More than 5 years |                  |
| Police officers' pension fund investments |       |               |               |                                  |              |                   |                  |
| Money market                              | L1    | \$ 1,480,099  | \$ 1,480,099  | \$ -                             | \$ -         | \$ -              | AA+              |
| US government obligations                 | L2    | 2,038,419     | -             | -                                | 750,268      | 1,288,151         | Aaa              |
| Mortgage backed securities                | L2    | 629,339       | -             | 227                              | 112,632      | 516,480           | AAA/A-           |
| Collateralized mortgage obligations       | L2    | 970,580       | -             | -                                | -            | 970,580           | AAA/A-           |
| Municipal obligations                     | L2    | 133,322       | -             | -                                | -            | 133,322           | AAA/BBB-         |
| Domestic corporate bonds                  | L2    | 1,281,658     | -             | 68,958                           | 593,130      | 619,570           | A+/A-            |
| Foreign corporate bonds                   | L2    | 213,636       | -             | -                                | 213,636      | -                 | Not Rated        |
| Domestic corporate equities               | L1    | 8,406,626     | 8,406,626     | -                                | -            | -                 | Not Rated        |
| Foreign corporate equities                | L1/L2 | 3,774,681     | 3,774,681     | -                                | -            | -                 | Not Rated        |
| Exchange-traded fund equities             | L1    | 5,628,295     | 5,628,295     | -                                | -            | -                 | Not Rated        |
| Real estate investment trust              | L3    | 683,748       | 683,748       | -                                | -            | -                 | Not rated        |
| Total fiduciary fund investments          |       | \$ 25,240,403 | \$ 19,973,449 | \$ 69,185                        | \$ 1,669,666 | \$ 3,528,103      |                  |

| Investment                   | Fair Value | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|------------------------------|------------|----------------------|----------------------------------------------|--------------------------|
| Real estate investment trust | \$ 683,748 | N/A                  | Quarterly                                    | 90 days                  |

**City of Sebastian, Florida**  
**Notes to Financial Statements**

**Note 4: INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS**

The composition of interfund balances as of September 30, 2024, was as follows:

**Due to and from primary government funds**

|                              | <b>Due from Other<br/>Funds</b> | <b>Due to Other<br/>Funds</b> |
|------------------------------|---------------------------------|-------------------------------|
| General Fund                 | \$ 3,434,994                    | \$ -                          |
| Discretionary Sales Tax Fund | 19,808                          | -                             |
| Nonmajor Funds               | -                               | 106,238                       |
| Building Fund                | 32,143                          | -                             |
| Airport Fund                 | -                               | 2,918,564                     |
| Golf Course Fund             | -                               | 462,143                       |
| <b>Total</b>                 | <b>\$ 3,486,945</b>             | <b>\$ 3,486,945</b>           |

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Advances to and from primary government funds**

|                         | <b>Advance from<br/>Other Funds</b> | <b>Advance to<br/>Other Funds</b> |
|-------------------------|-------------------------------------|-----------------------------------|
| Discretionary Sales Tax | \$ -                                | \$ 447,503                        |
| Golf Course             | 1,016,962                           | -                                 |
| Airport                 | 447,503                             | -                                 |
| Building                | -                                   | 1,016,962                         |
| <b>Total</b>            | <b>\$ 1,464,465</b>                 | <b>\$ 1,464,465</b>               |

The balance of \$447,503 advanced to the airport fund from the discretionary sales tax fund is being repaid in accordance with Resolution No. R-08-20 for the initial \$285,000 advance and with Resolution No. R-10-22 authorizing an additional \$290,000 advance. Both of these advances provided for repayment over a thirty-year period. The airport is being charged 4% interest on the advances. The \$1,016,962 was advanced from the Building Fund to replace the irrigation system and make other improvements at the Golf Course. This advance is to be repaid over 20 years. The Golf course is being charged 1.3% interest on the advance.

**City of Sebastian, Florida**  
**Notes to Financial Statements**

**Note 4: INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS (Continued)**

For the year ended September 30, 2024, interfund transfers consisted of the following:

| Description                   | Total<br>Transfers<br>Out | Transfers In    |                                   |                                        |                   |                  |
|-------------------------------|---------------------------|-----------------|-----------------------------------|----------------------------------------|-------------------|------------------|
|                               |                           | Governmental    |                                   |                                        | Proprietary       |                  |
|                               |                           | General<br>Fund | Nonmajor<br>Governmental<br>Funds | Transportation<br>Improvements<br>Fund | Airport<br>Fund   | Building<br>Fund |
| Governmental funds:           |                           |                 |                                   |                                        |                   |                  |
| General Fund                  | \$ (537,507)              | \$ -            | \$ 460,413                        | \$ 77,094                              | \$ -              | \$ -             |
| American Rescue Plan Fund     | (1,674,336)               | -               | 129                               | 1,674,207                              | -                 | -                |
| Discretionary Sales Tax Fund  | (4,226,409)               | -               | 2,926,455                         | 870,333                                | 429,621           | -                |
| Riverfront Redevelopment Fund | (47,310)                  | -               | 47,310                            | -                                      | -                 | -                |
| Stormwater Utility Fund       | (287,188)                 | -               | 287,188                           | -                                      | -                 | -                |
| Nonmajor Governmental Funds   | (1,508,834)               | -               | 660,833                           | 848,001                                | -                 | -                |
| Golf Course Fund              | (5,012)                   | -               | -                                 | -                                      | -                 | 5,012            |
| <b>Total</b>                  | <b>\$ (8,286,596)</b>     | <b>\$ -</b>     | <b>\$ 4,382,328</b>               | <b>\$ 3,469,635</b>                    | <b>\$ 429,621</b> | <b>\$ 5,012</b>  |

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**City of Sebastian, Florida**  
**Notes to Financial Statements**

**Note 5: CAPITAL ASSETS**

Capital asset activity for the primary government for the year ended September 30, 2024, was as follows:

|                                                              | Beginning<br>Balance | Increases /<br>Transfers | Decreases /<br>Transfers | Ending<br>Balance    |
|--------------------------------------------------------------|----------------------|--------------------------|--------------------------|----------------------|
| <b>Governmental activities:</b>                              |                      |                          |                          |                      |
| Capital assets, not being depreciated/amortized:             |                      |                          |                          |                      |
| Land                                                         | \$ 9,123,041         | \$ -                     | \$ (15)                  | \$ 9,123,026         |
| Construction in progress                                     | 221,687              | 5,459,431                | (3,657,399)              | 2,023,719            |
| <b>Total capital assets, not being depreciated/amortized</b> | <b>9,344,728</b>     | <b>5,459,431</b>         | <b>(3,657,414)</b>       | <b>11,146,745</b>    |
| Capital assets, being depreciated/amortized:                 |                      |                          |                          |                      |
| Right to use land                                            | 1,827,899            | -                        | (1,827,899)              | -                    |
| Buildings                                                    | 23,989,507           | 70,564                   | (169,912)                | 23,890,159           |
| Improvements other than buildings                            | 8,067,760            | 490,530                  | (235,919)                | 8,322,371            |
| Machinery and equipment                                      | 12,616,953           | 3,133,123                | (278,690)                | 15,471,386           |
| Infrastructure                                               | 46,571,933           | 315,369                  | -                        | 46,887,302           |
| <b>Total capital assets being depreciated/amortized</b>      | <b>93,074,052</b>    | <b>4,009,586</b>         | <b>(2,512,420)</b>       | <b>94,571,218</b>    |
| Less accumulated depreciation/amortization for:              |                      |                          |                          |                      |
| Right to use land                                            | (61,128)             | -                        | 61,128                   | -                    |
| Buildings                                                    | (8,086,956)          | (372,232)                | 131,331                  | (8,327,857)          |
| Improvements other than buildings                            | (5,575,887)          | (317,141)                | 189,364                  | (5,703,664)          |
| Machinery and equipment                                      | (9,416,204)          | (1,035,828)              | 271,680                  | (10,180,352)         |
| Infrastructure                                               | (31,997,007)         | (1,299,790)              | -                        | (33,296,797)         |
| <b>Total accumulated depreciation/amortization</b>           | <b>(55,137,182)</b>  | <b>(3,024,991)</b>       | <b>653,503</b>           | <b>(57,508,670)</b>  |
| <b>Total capital assets being depreciated/amortized, net</b> | <b>37,936,870</b>    | <b>984,595</b>           | <b>(1,858,917)</b>       | <b>37,062,548</b>    |
| <b>Governmental activities capital assets, net</b>           | <b>\$ 47,281,598</b> | <b>\$ 6,444,026</b>      | <b>\$ (5,516,331)</b>    | <b>\$ 48,209,293</b> |

**City of Sebastian, Florida**  
**Notes to Financial Statements**

**Note 5: CAPITAL ASSETS (Continued)**

|                                                       | Beginning<br>Balance | Increases /<br>Transfers | Decreases /<br>Transfers | Ending<br>Balance |
|-------------------------------------------------------|----------------------|--------------------------|--------------------------|-------------------|
| <b>Business-type activities:</b>                      |                      |                          |                          |                   |
| Capital assets, not being depreciated/amortized:      |                      |                          |                          |                   |
| Land                                                  | \$ 9,060             | \$ -                     | \$ -                     | \$ 9,060          |
| Construction in progress                              | 248,515              | 3,804,197                | -                        | 4,052,712         |
| Total capital assets, not being depreciated/amortized | 257,575              | 3,804,197                | -                        | 4,061,772         |
| Capital assets, being depreciated/amortized:          |                      |                          |                          |                   |
| Right to use land                                     | 2,473,049            | -                        | (2,473,049)              | -                 |
| Buildings                                             | 12,598,290           | 12,325                   | -                        | 12,610,615        |
| Improvements other than buildings                     | 2,927,616            | 3,600                    | (50,126)                 | 2,881,090         |
| Machinery and equipment                               | 1,779,815            | 147,282                  | (29,861)                 | 1,897,236         |
| Infrastructure                                        | 16,220,125           | 657,444                  | -                        | 16,877,569        |
| Total capital assets being depreciated/amortized      | 35,998,895           | 820,651                  | (2,553,036)              | 34,266,510        |
| Less accumulated depreciation/amortization for:       |                      |                          |                          |                   |
| Right to use land                                     | (206,088)            | -                        | 206,088                  | -                 |
| Buildings                                             | (3,544,595)          | (250,169)                | -                        | (3,794,764)       |
| Improvements other than buildings                     | (1,946,813)          | (91,016)                 | 50,127                   | (1,987,702)       |
| Machinery and equipment                               | (1,089,166)          | (49,381)                 | 29,861                   | (1,108,686)       |
| Infrastructure                                        | (8,239,154)          | (704,368)                | -                        | (8,943,522)       |
| Total accumulated depreciation/amortization           | (15,025,816)         | (1,094,934)              | 286,076                  | (15,834,674)      |
| Total capital assets being depreciated/amortized, net | 20,973,079           | (274,283)                | (2,266,960)              | 18,431,836        |
| Business-type activities capital assets, net          | \$ 21,230,654        | \$ 3,529,914             | \$ (2,266,960)           | \$ 22,493,608     |

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

**Depreciation/amortization of governmental activities by function**

|                               |              |
|-------------------------------|--------------|
| General government:           |              |
| Public safety                 | \$ 372,232   |
| Physical environment          | 317,141      |
| Transportation                | 1,035,828    |
| Cultural and recreation       | 1,299,790    |
| Total governmental activities | \$ 3,024,991 |

**Depreciation/amortization of business-type activities by function**

|                                |              |
|--------------------------------|--------------|
| Business-type activities:      |              |
| Golf course                    | \$ 106,877   |
| Airport                        | 978,475      |
| Building                       | 9,582        |
| Total business-type activities | \$ 1,094,934 |

**City of Sebastian, Florida**  
**Notes to Financial Statements**

**Note 6: LONG-TERM DEBT**

The following is a summary of governmental activities long-term debt transactions for the year ended September 30, 2024:

|                                                  | Beginning<br>Balance | Additions  | Reductions     | Ending<br>Balance | Due Within<br>One Year |
|--------------------------------------------------|----------------------|------------|----------------|-------------------|------------------------|
| <b>Governmental activities:</b>                  |                      |            |                |                   |                        |
| Compensated absences                             | \$ 1,720,549         | \$ 766,412 | \$ (705,654)   | \$ 1,781,307      | \$ 84,045              |
| Lease liabilities                                | 1,817,389            | -          | (1,817,389)    | -                 | -                      |
| Pollution remediation                            | 50,000               | 39,905     | (29,905)       | 60,000            | 30,000                 |
| Governmental activities<br>long-term liabilities | \$ 3,587,938         | \$ 806,317 | \$ (2,552,948) | \$ 1,841,307      | \$ 114,045             |

A pollution remediation obligation was recorded for a Florida Department of Environmental (FDEP) Order dated March 10, 1997. This was related to an incident of petroleum contamination at the Public Works Department on April 22, 1991. The City was named as the party responsible for the cleanup but FDEP determined the discharge is eligible under the Petroleum Cleanup Participation Program and will not compel site rehabilitation prior to funding becoming available from that program. The program has a funding cap of \$400,000, with a 25% required cost share percentage. The City must also pay for a limited contamination assessment report sufficient to determine the extent of the contamination and cleanup. Based on the information available, the City estimated its expenditure to be \$60,000 dependent on the extent of work that is eventually required and recorded a current liability of \$30,000 and a long-term liability of \$30,000. This liability would generally be liquidated by the General Fund.

The following is a summary of business-type activities long-term debt transactions for the year ended September 30, 2024:

|                                                   | Beginning<br>Balance | Additions  | Reductions     | Ending<br>Balance | Due Within<br>One Year |
|---------------------------------------------------|----------------------|------------|----------------|-------------------|------------------------|
| <b>Business-type activities:</b>                  |                      |            |                |                   |                        |
| Compensated absences                              | \$ 244,874           | \$ 108,210 | \$ (77,462)    | \$ 275,622        | \$ 8,900               |
| Lease liabilities                                 | 2,405,019            | -          | (2,405,019)    | -                 | -                      |
| Business-type activities<br>long-term liabilities | \$ 2,649,893         | \$ 108,210 | \$ (2,482,481) | \$ 275,622        | \$ 8,900               |

**Note 7: LEASES**

***Lessor***

The City is involved in three agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the City will not surrender control of the assets at the end of the term and the noncancelable term of the agreements surpasses one year. The principal lease revenue for the governmental and business-type activities for the year ended September 30, 2024 was \$49,148 and \$27,192, respectively. The lease interest revenue for the governmental and business type activities for year ended September 30, 2024 was \$81,615 and \$4,635, respectively.

|                                 | Beginning Balance |  | Additions |  | Deletions      |  | Ending Balance |
|---------------------------------|-------------------|--|-----------|--|----------------|--|----------------|
| <b>Governmental activities</b>  |                   |  |           |  |                |  |                |
| Leases receivable               | \$ 2,720,511      |  | \$ -      |  | \$ (49,148)    |  | \$ 2,671,363   |
| <b>Business-type activities</b> |                   |  |           |  |                |  |                |
| Leases receivable               | \$ 4,376,908      |  | \$ -      |  | \$ (4,249,601) |  | \$ 127,307     |

***Regulated Lease Agreements***

The Airport's operations include certain lease agreements that are classified as regulated leases under paragraph 42 of GASB Statement No. 87, *Leases*. These agreements consist of aeronautical lease agreements, as defined by the Federal Aviation Administration, which are made up of air carrier agreements, facility agreements that directly or substantially relate to the movement of passengers, ticketing, baggage, mail and cargo, and aircraft storage and maintenance service agreements. Upon the conclusion of the lease and options, or upon default, ownership of the premises reverts to the airport. Rates cannot exceed a reasonable amount and the Airport cannot deny potential lessees the right to enter into leases if facilities are available, provided that the potential lessee's use of the facilities complies with use restrictions. The Airport recognizes the revenues from these lease agreements as inflows each year based on the payment provisions of each lease contract. The Airport recognized \$384,327 of regulated lease revenue principal and \$11,204 of regulated lease interest for the year ended September 30, 2024.

**City of Sebastian, Florida**  
**Notes to Financial Statements**

**Note 7: LEASES (Continued)**

***Lessor (Continued)***

*Regulated Lease Agreements (continued)*

The future revenues as of September 30, 2024 are as follows.

| <b>Fiscal Year Ended</b> | <b>Principal</b>    | <b>Interest</b>   | <b>Amount</b>       |
|--------------------------|---------------------|-------------------|---------------------|
| 2025                     | \$ 507,867          | \$ 14,893         | \$ 522,760          |
| 2026                     | 520,372             | 15,256            | 535,628             |
| 2027                     | 522,713             | 15,597            | 538,310             |
| 2028                     | 515,594             | 15,949            | 531,543             |
| 2029                     | 462,181             | 14,297            | 476,478             |
| 2030 - 2034              | 2,295,114           | 70,995            | 2,366,109           |
| 2035 - 2039              | 1,828,308           | 56,436            | 1,884,744           |
| 2040 - 2044              | 1,671,291           | 51,689            | 1,722,980           |
| 2045 - 2049              | 438,333             | 13,557            | 451,890             |
| 2050 - 2054              | 143,702             | 4,444             | 148,146             |
| <b>Totals</b>            | <b>\$ 8,905,475</b> | <b>\$ 273,113</b> | <b>\$ 9,178,588</b> |

**Note 8: PROPERTY TAXES**

The City is permitted by State law to levy taxes up to 10 mills on assessed valuation. The millage rate levied by the City for the fiscal year ended September 30, 2024, was 3.1955 mills. Total tax collections were approximately 96% of the total tax levy.

The tax levy of the City is established by City Council. Under Florida law, the assessment of all properties and the collection of municipal taxes are provided by offices of the County's Property Appraiser and Tax Collector. Ad Valorem taxes are levied on property values as of January 1. The fiscal year for which taxes are levied begins October 1. Taxes are due November 1 and become delinquent on April 1. All taxes unpaid as of May 30 are subject to a tax certificate sale. Property tax revenues are recognized in the fiscal year for which they are levied and also become due and payable.

**Note 9: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of or damage to and destruction of assets; errors and omissions; and natural disasters. The City purchases commercial insurance with various deductibles for different types of losses. The cost of this insurance is accounted for in the General Fund, Golf Course Fund, Airport Fund, and Building Fund. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

**Note 10: BENEFIT PLANS**

***Police Officers' Pension Plan***

*Defined Benefit Pension Plan*

**Plan Description.** The Police Officers' Pension Plan is a Florida Statute Chapter 185 single-employer defined benefit plan. Only City police officers participate in the Police Pension Plan. The state provides a contribution to the Police Pension Plan through a distribution of funds collected from insurance premium taxes. The pension plan data provided in these financial statements are from the actuarial valuation as of October 1, 2023 to determine the required contribution for the fiscal year ending September 30, 2024. Although the Police Officers' Pension Plan provides separate reporting, which may be obtained in the Finance department, it is also a component unit (reporting as a Pension Trust Fund) of the City's financial reporting entity.

**Basis of Accounting.** Financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due, and the employer has made formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**Plan Membership.** The Plan is administrated by a Board of Trustees comprised of two (2) City Council appointees, two (2) members of the System, elected by the Membership and a fifth Trustee elected by the other four (4) members of the Board of Trustees and appointed by City Council. Membership of the Plan consisted of the following at October 1, 2023, the date of the latest actuarial valuation:

*Plan membership as of October 1, 2023:*

|                                                                     |    |
|---------------------------------------------------------------------|----|
| Inactive plan members or beneficiaries currently receiving benefits | 23 |
| Inactive plan members entitled to but not yet receiving benefits    | 16 |
| Active plan members                                                 | 36 |
| Total plan members                                                  | 75 |

**Benefit Provisions and Contribution Requirements.** The Police Officers' Pension Plan provides retirement and disability benefits to plan members and beneficiaries. This plan is administered by a separate local Board of Trustees. Chapter 185, Florida Statutes, as amended governs all benefit provisions of the plan. Contribution requirements, in accordance with Chapter 185, Florida Statutes, are established by City ordinance, as provided in Chapter 58, Article III of the Sebastian City Code. The City Council has the authority to amend funding requirements.

**Contributions.** Members contribute 8% of their salary. City and state contributions consist of the remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over a period not exceeding 30 years, as provided in Chapter 112, Florida Statutes. State contributions are reported as revenues and expenditures in the General Fund before being reported in the Pension Trust Fund. For 2024, employee contributions to the plan totaled \$245,182, while the City and State contributions were \$1,162,418, or 37.93% of covered payroll.

**Note 10: BENEFIT PLANS (Continued)**

***Police Officers' Pension Plan (Continued)***

*Defined Benefit Pension Plan (continued)*

**Normal retirement.** Normal retirement is the earlier of: 1) Age 55 and 10 years of credited service, or 2) age 52 and 25 years of credited service, regardless of age. Upon retirement, the member receives a monthly benefit equal to 3.0% of Average Final Compensation (AFC) for each year of credited service, if member hired prior to April 11, 2012, otherwise 2.0% of AFC for each year of credited service through September 30, 2016, plus 3% of AFC for years of credited service after September 30, 2016.

**Early retirement.** Members are eligible for early retirement upon attaining age 50 and completing 10 years of credited service. Accrued benefits are reduced by 3% for each year from the otherwise normal retirement date.

**Vesting.** 100% after 10 years of credit service. Members will receive the vested portion of his (her) accrued benefit payable at otherwise normal retirement date.

**Deferred Retirement Option Plan (DROP).** Eligibility is based on satisfaction of normal retirement requirements. Participation is not to exceed 60 months. Rate of return is 1.30% annual interest, compounded monthly. Amount is distributed in lump sum at termination of employment.

**Disability.** Eligibility for a service-incurred disability is covered from date of employment. Eligibility for a non-service incurred liability vests after 10 years of credited service. The benefit for a service-incurred disability is the member's accrued benefit but not less than 42% of AFC and not less than 25% of AFC for a non-service incurred disability. The duration is payable for life, with ten years certain, or until recovery (as determined by the Board).

**Pre-Retirement death benefits.** Eligibility for pre-retirement death benefits for non-vested is the refund of accumulated contributions. For vested, accrued benefit is payable to beneficiary for 10 years at otherwise normal retirement date.

**Retirement death benefits.** Benefits are payable to beneficiary in accordance with option selected at retirement.

**Cost of living adjustment.** A 1% automatic cost-of-living adjustment (COLA), beginning on the first October 1 following age 58 for Members retiring after August 23, 2017 with at least 15 years of Credited Service. The COLA is applicable to all categories of retirement, including Normal, Early, Vesting, Disability, and pre-retirement death beneficiaries.

**Rate of Return.** For the year ended September 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 20.16 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Note 10: BENEFIT PLANS (Continued)**

***Police Officers' Pension Plan (Continued)***

*Defined Benefit Pension Plan (continued)*

**Net Pension Liability of the City.** The components of the net pension liability of the City at September 30, 2024, were as follows:

|                                                                                   |                     |
|-----------------------------------------------------------------------------------|---------------------|
| Total pension liability                                                           | \$ 26,808,488       |
| Plan fiduciary net position                                                       | (25,283,572)        |
| <u>Sponsor's net pension liability (asset)</u>                                    | <u>\$ 1,524,916</u> |
| Plan fiduciary net position as a percentage of<br>total pension liability (asset) | <u>94.31%</u>       |

**Actuarial Assumptions.** The total pension liability was determined by an actuarial valuation as of October 1, 2023 updated to September 30, 2024 (the measurement date) using the following actuarial assumptions applied to all measurement periods.

|                           |               |
|---------------------------|---------------|
| Inflation                 | 2.40%         |
| Salary increases          | Service based |
| Discount rate             | 7.10%         |
| Investment rate of return | 7.10%         |

*Mortality Rate Healthy Active Lives:* PubS.H-2010 (Below Median) for Employees, set forward one year.

*Mortality Rate Healthy Retiree Lives:* PubS.H-2010 for Healthy Retirees, set forward one year.

*Mortality Rate Beneficiary Lives:* Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H 2010 (Below Median) for Healthy Retirees, set back one year.

*Mortality Rate Disabled Lives:* 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All mortality rates are projected generationally with Mortality Improvement Scale MP-2018.

The most recent actuarial experience study used to review the other significant assumptions was dated September 13, 2019.

**Note 10: BENEFIT PLANS (Continued)**

***Police Officers' Pension Plan (Continued)***

*Defined Benefit Pension Plan (continued)*

**Long-term Expected Real Rate of Return.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce a long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

| <b>Asset Class:</b>       | Target<br>Allocation | Long-term<br>Expected Real<br>Rate of Return |
|---------------------------|----------------------|----------------------------------------------|
| Domestic equity           | 52.5%                | 5.51%                                        |
| International equity      | 12.5%                | 4.25%                                        |
| Fixed income              | 25.0%                | 1.10%                                        |
| Private real estate       | 5.0%                 | 3.50%                                        |
| MLP/Energy infrastructure | 5.0%                 | 4.23%                                        |
| <b>Total</b>              | <u>100.0%</u>        |                                              |

Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns, as reflected above.

**Discount Rate.** The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Sebastian, Florida**  
**Notes to Financial Statements**

**Note 10: BENEFIT PLANS (Continued)**

***Police Officers' Pension Plan (Continued)***

*Defined Benefit Pension Plan (continued)*

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the net pension liability of the City, calculated using the discount rate of 7.10 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.10 percent) or one percentage point higher (8.10 percent) than the current rate.

|                               | 1% Decrease<br>(6.10%) | Current<br>Discount Rate<br>(7.10%) | 1% Increase<br>(8.10%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability (asset) | \$ 4,612,964           | \$ 1,524,916                        | \$ (1,047,402)         |

**Changes in the Net Pension Liability.** The components of the change in the net pension liability are summarized as follows:

|                                                                  | Increase (Decrease)               |                                       |                                               |
|------------------------------------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------------------|
|                                                                  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability (Asset)<br>(a) - (b) |
| Balances at September 30, 2023                                   | \$ 25,496,816                     | \$ 20,766,051                         | \$ 4,730,765                                  |
| Changes for the year:                                            |                                   |                                       |                                               |
| Service cost                                                     | 610,193                           | -                                     | 610,193                                       |
| Interest                                                         | 1,816,283                         | -                                     | 1,816,283                                     |
| Change in excess State money                                     | -                                 | -                                     | -                                             |
| Differences between expected and<br>actual experience            | (63,675)                          | -                                     | (63,675)                                      |
| Changes of assumptions                                           | -                                 | -                                     | -                                             |
| Changes of benefit terms                                         | -                                 | -                                     | -                                             |
| Contributions - employer                                         | -                                 | 854,737                               | (854,737)                                     |
| Contributions - state                                            | -                                 | 307,681                               | (307,681)                                     |
| Contributions - employee                                         | -                                 | 245,182                               | (245,182)                                     |
| Net investment income                                            | -                                 | 4,230,132                             | (4,230,132)                                   |
| Benefit payments, including refunds of<br>employee contributions | (1,051,129)                       | (1,051,129)                           | -                                             |
| Administrative expense                                           | -                                 | (69,082)                              | 69,082                                        |
| Net changes                                                      | 1,311,672                         | 4,517,521                             | (3,205,849)                                   |
| Balances at September 30, 2024                                   | \$ 26,808,488                     | \$ 25,283,572                         | \$ 1,524,916                                  |

State statutes mandate that the State contribution be recorded as revenue to the General Fund and then paid to the Pension Trust Fund.

**City of Sebastian, Florida**  
**Notes to Financial Statements**

**Note 10: BENEFIT PLANS (Continued)**

***Police Officers' Pension Plan (Continued)***

*Defined Benefit Pension Plan (continued)*

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** For the year ended September 30, 2024, the City recognized pension expense of \$523,765.

At September 30, 2024, the City reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

|                                                                                   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net Deferred<br>Outflows of<br>Resources |
|-----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                | \$ 153,137                           | \$ 127,433                          | \$ 25,704                                |
| Changes of assumptions                                                            | 91,492                               | 74,631                              | 16,861                                   |
| Net differences between projected and actual earnings on pension plan investments | -                                    | 1,301,057                           | (1,301,057)                              |
| <b>Total</b>                                                                      | <b>\$ 244,629</b>                    | <b>\$ 1,503,121</b>                 | <b>\$ (1,258,492)</b>                    |

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

| <i>Year ending<br/>September 30,</i> |                       |
|--------------------------------------|-----------------------|
| 2025                                 | \$ (277,008)          |
| 2026                                 | 303,684               |
| 2027                                 | (736,060)             |
| 2028                                 | (549,108)             |
| <b>Total</b>                         | <b>\$ (1,258,492)</b> |

**Payable to the Pension Plan.** At September 30, 2024, the City had no amounts payable for contributions to the Police Officers' Pension Plan.

**Note 10: BENEFIT PLANS (Continued)**

***Police Officers' Pension Plan (Continued)***

***International Union of Police Association AFL-CIO Local 6054 · Local 6056***

***Negotiated Defined Benefit Pension Plan***

Plan Description: All City employees who are members of International Union of Police Association AFL-CIO Local 6054 · Local 6056, in addition to participating in the Employees' Retirement System, also participate in the Communication Workers of America / International Typographical Union Negotiated Pension Plan (NPP). The NPP, which is a non-governmental union-sponsored plan with no predominant governmental employer, provides pensions to employees of governmental entities and to employees of non-governmental entities. The NPP is a cost-sharing multiemployer defined benefit pension plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The NPP is administered by the Fund's Board of Trustees. Eligibility and benefit provisions are defined in the NPP document adopted by the Board of Trustees. As of September 30, 2024, 66 employees were members of the NPP.

Consistent with the provisions of GASB Statement No. 78, which provides an exception for non-governmental sponsored plans, no determination of the proportionate net pension liability, pension expense, or deferred outflows or inflows of resources, if any, is made for this cost-sharing defined benefit pension plan.

**Normal Pension.** Minimum age 65: 5 years of service credit required if any portion of service credit was earned after January 1, 1989. 10 years of service credit required if employees coverage ended before January 1, 1989. Once the service credit amount is accrued, the employee is vested and cannot lose the right to a pension.

**Early Pension.** Minimum age 62: 20 years of service credit (5 years of service for disabled participants). Pension amounts are permanently reduced based on age on the effective date, because the payments are expected to be made for a longer period of time.

**Disability Pension.** No minimum age and the pension amount is not reduced for age; there must be a Social Security Disability Award, 10 years of actual service credit and a contribution for covered employment must have been made within three calendar years preceding the entitlement date to Social Security Disability Pension. An application must be filed with the plan within 6 months of the Social Security Notice of Award date to receive pension retroactive to the Social Security entitlement date.

**Lump Sum Disability Benefit.** If the employee has been awarded a Social Security Disability Award with the date of entitlement before May 1, 2009 and is vested, but not immediately eligible to receive any pension described above, the employee may be eligible for a lump sum disability benefit.

**Note 10: BENEFIT PLANS (Continued)**

***International Union of Police Association AFL-CIO Local 6054 · Local 6056 (Continued)***

***Negotiated Defined Benefit Pension Plan (continued)***

**Death Benefit.** If the employee dies before becoming a pensioner and has at least \$250 contributed on the employee's behalf, a benefit under Option B on the date that the participant would have been eligible for a pension benefit. Beneficiaries of unmarried participants receive 100% of employer contributions payable in 60 equal monthly installments commencing at the participant's earliest retirement age.

**Withdrawal Benefit.** If the employee did not earn enough service credit to qualify for a normal pension, the employee may be eligible for a lump sum withdrawal benefit, based on total contributions, after the employee has incurred a break in service. **Benefit Provisions and Contribution Requirements:** The NPP provides retirement and disability benefits to plan members and beneficiaries. The plan is administered by a third-party administrator, Frank M. Vaccaro & Associates, Inc. Contribution requirements are established by the CWA contract, effective date April 29, 2001, which does not specify an ending date.

**Benefit Provisions and Contribution Requirements.** The NPP provides retirement and disability benefits to plan members and beneficiaries. The plan is administered by a third-party administrator, Frank M. Vaccaro & Associates, Inc. Contribution requirements are established by the CWA contract, effective date October 1, 2013, which is negotiated every 3 years, and approved by City Council.

**Employer Withdrawal Liability.** Under federal law, employers who partially or completely withdraw from a multiemployer plan are assessed withdrawal liability for their proportionate share of the plan's unfunded vested liabilities as of the beginning of the year in which they withdraw. Withdrawal liability is usually paid in quarterly installments as determined by a statutory formula over a maximum of 20 years.

**Funding Policy.** The contribution requirements are established by contract and may be amended by union negotiation. Under the current contract, which expires September 30, 2025, the employer contribution rate, expressed as a percentage of compensation, was 9.0%. Employees do not contribute to this plan. Contributions which are equal to 100% of the required contribution for the year ended September 30, 2024 to the CWA Pension Plan was \$305,371.

Information regarding the NPP, including audited financial statements, can be obtained from the Board of Trustees at the following address: CWA/ITU Negotiated Pension Plan 27 Roland Avenue, Suite 200, Mount Laurel, NJ 08054, or at [cwaitunpp.org](http://cwaitunpp.org).

The Multiemployer Pension Plan Amendments Act of 1980 imposes certain liabilities upon employers associated with multiemployer pension plans who withdraw from or terminate such plans. The City has no plans to withdraw or partially withdraw from the Plan.

**Note 10: BENEFIT PLANS (Continued)**

*Negotiated Defined Benefit Pension Plan (continued)*

***Defined Contribution 401(a) Plan***

**Plan Description.** The Mission Square Retirement Corporation's 401 Retirement Plan is a Defined Contribution Plan "qualified" under Section 401(a) of the Internal Revenue Code. Each participant has a plan account to which contributions are made. Plan benefits are based on the total amount of money in the employee's account at retirement or other eligible event. The plan is available to all management staff and may be rolled over to another "qualified" employer plan that accepts rollovers, or Traditional IRAs.

**Plan Participation.** As of September 30, 2024, there were a total of 25 employees participating in the plan.

**Periodic Payments.** Retirement benefits can be paid monthly, quarterly, semi-annual (at six-month intervals only) or annual payments until assets are fully paid out.

**Rollover.** Retirement benefits can be rolled over to another employer plan (including a 457 deferred compensation plan) that accepts rollovers, or to a Traditional IRA.

**Lump Sum.** Retirement benefits can be paid either partially or by total distribution of the employee's account balance.

**Annuities.** Retirement benefits can be utilized to purchase an annuity.

**Benefit Provisions and Contribution Requirements.** The 401 provides retirement benefits to plan members and beneficiaries. The plan is administered by the Mission Square Retirement Corporation.

Contribution requirements are established by the City of Sebastian, Management Benefit Package, revised October 1, 2006, and approved by the City Manager.

**Funding Policy.** The employer contribution rate, expressed as a percentage of compensation, was 9% for the 2023-2024 fiscal year. Employees do not contribute to this Plan. Contributions which are equal to 100% of the required contribution for each year to the 401 Defined Contribution Plan were \$220,531.

**City of Sebastian, Florida**  
**Notes to Financial Statements**

**Note 11: OTHER POSTEMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 11, the City provides postemployment benefits pursuant to Section 112.0801, Florida Statutes. This permits participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The City, by policy, has elected to provide qualified retirees with partial subsidy. In this respect, the City operates a single-employer plan. Employees are eligible to receive a partial subsidy from the Retiree Medical Plan upon retirement, if they are enrolled in the active medical plan immediately prior to retiring and achieved at least 20 years of service in a full time capacity. If eligible, the City pays 50% of the costs of single coverage group health insurance for up to 2 years after retirement. Such premiums are expected to be funded on a pay-as-you-go basis. Management has determined that the net other postemployment benefit liability is immaterial to the financial statements taken as a whole.

**Note 12: FUND BALANCES AND NET POSITION**

In accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The capital projects fund had a unassigned fund balances deficit of \$(106,176). Detailed information on fund balances of governmental funds is as follows:

|                                                                | General Fund         | Riverfront<br>Redevelopment<br>Fund | Stormwater<br>Utility Fund | American<br>Rescue Plan<br>Act | Discretionary<br>Sales Tax | Transportation<br>Improvements | Nonmajor<br>Governmental<br>Funds | Total                |
|----------------------------------------------------------------|----------------------|-------------------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|-----------------------------------|----------------------|
| Nonspendable:                                                  |                      |                                     |                            |                                |                            |                                |                                   |                      |
| Prepaid items                                                  | \$ 212,568           | \$ 758                              | \$ 28,838                  | \$ -                           | \$ -                       | \$ -                           | \$ -                              | \$ 242,164           |
| Inventories                                                    | 73,043               | -                                   | -                          | -                              | -                          | -                              | -                                 | 73,043               |
| Permanent fund corpus                                          | -                    | -                                   | -                          | -                              | -                          | -                              | 560,313                           | 560,313              |
| Advances to other funds                                        | -                    | -                                   | -                          | -                              | 447,503                    | -                              | -                                 | 447,503              |
| Total nonspendable                                             | 285,611              | 758                                 | 28,838                     | -                              | 447,503                    | -                              | 560,313                           | 1,323,023            |
| Restricted for:                                                |                      |                                     |                            |                                |                            |                                |                                   |                      |
| Perpetual care                                                 | -                    | -                                   | -                          | -                              | -                          | -                              | 543,276                           | 543,276              |
| Infrastructure                                                 | -                    | -                                   | -                          | -                              | 5,753,417                  | -                              | 1,336,564                         | 7,089,981            |
| Redevelopment                                                  | -                    | 1,133,814                           | -                          | -                              | -                          | -                              | -                                 | 1,133,814            |
| Stormwater                                                     | -                    | -                                   | 1,462,590                  | -                              | -                          | -                              | -                                 | 1,462,590            |
| Law enforcement                                                | -                    | -                                   | -                          | -                              | -                          | -                              | 54,131                            | 54,131               |
| Economic environment                                           | -                    | -                                   | -                          | 131,961                        | -                          | -                              | -                                 | 131,961              |
| Total restricted                                               | -                    | 1,133,814                           | 1,462,590                  | 131,961                        | 5,753,417                  | -                              | 1,933,971                         | 10,415,753           |
| Committed for:                                                 |                      |                                     |                            |                                |                            |                                |                                   |                      |
| Development of<br>public parking                               | -                    | -                                   | -                          | -                              | -                          | -                              | 120,750                           | 120,750              |
| Total committed                                                | -                    | -                                   | -                          | -                              | -                          | -                              | 120,750                           | 120,750              |
| Assigned for:                                                  |                      |                                     |                            |                                |                            |                                |                                   |                      |
| Capital projects                                               | -                    | -                                   | -                          | -                              | -                          | -                              | 1,110,015                         | 1,110,015            |
| Total assigned                                                 | -                    | -                                   | -                          | -                              | -                          | -                              | 1,110,015                         | 1,110,015            |
| Unassigned (deficit)                                           | 10,462,385           | -                                   | -                          | -                              | -                          | -                              | (106,176)                         | 10,356,209           |
| <b>Total funds balances (deficits),<br/>governmental funds</b> | <b>\$ 10,747,996</b> | <b>\$ 1,134,572</b>                 | <b>\$ 1,491,428</b>        | <b>\$ 131,961</b>              | <b>\$ 6,200,920</b>        | <b>\$ -</b>                    | <b>\$ 3,618,873</b>               | <b>\$ 23,325,750</b> |

**City of Sebastian, Florida**  
**Notes to Financial Statements**

**Note 13: NET INVESTMENT IN CAPITAL ASSETS**

The composition of net investment in capital assets as of September 30, 2024, was as follows:

|                                       | Governmental<br>Activities | Business-type<br>Activities | Total         |
|---------------------------------------|----------------------------|-----------------------------|---------------|
| Capital assets:                       |                            |                             |               |
| Capital assets not being depreciated  | \$ 11,146,745              | \$ 4,061,772                | \$ 15,208,517 |
| Capital assets being depreciated, net | 37,062,548                 | 18,431,836                  | 55,494,384    |
| Total capital assets                  | 48,209,293                 | 22,493,608                  | 70,702,901    |
| Less related debt:                    |                            |                             |               |
| Retainage payable                     | -                          | 165,090                     | 165,090       |
| Accounts payable                      | -                          | 35,329                      | 35,329        |
| Net investment in capital assets      | \$ 48,209,293              | \$ 22,293,189               | \$ 70,502,482 |

**Note 14: 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 the City Attorney, 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.

The City has various major contracts and other commitments outstanding as of September 30, 2024. Major funding has been committed toward Road Improvements, Concha Dam Replacement, Gardenia Ditch Improvements, Riverview Park Improvement and Square Hangers.

A summary of these projects at September 30, 2024 is as follows:

|                               | Total<br>Commitments | Total Paid as of<br>September 30,<br>2024 | Encumbered at<br>September 30,<br>2024 |
|-------------------------------|----------------------|-------------------------------------------|----------------------------------------|
| <b>Major Commitments</b>      |                      |                                           |                                        |
| Road Improvements             | \$ 3,899,163         | \$ 2,007,530                              | \$ 1,004,734                           |
| Concha Dam Replacement        | 700,000              | -                                         | -                                      |
| Gardenia Ditch Improvements   | 971,772              | 10,016                                    | 961,756                                |
| Riverview Park Improvement    | 1,500,000            | -                                         | -                                      |
| Construct Square Hangers      | 349,895              | 101,448                                   | 195,718                                |
| Total outstanding commitments | \$ 7,420,830         | \$ 2,118,994                              | \$ 2,162,208                           |



THIS PAGE IS INTENTIONALLY LEFT BLANK.

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

**City of Sebastian, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**— Budget and Actual**  
**General Fund**

| <i>For the year ended September 30, 2024</i> | Original<br>Budget | Final<br>Budget   | Actual<br>(Budgetary<br>Basis) | Variance with<br>Final Budget |
|----------------------------------------------|--------------------|-------------------|--------------------------------|-------------------------------|
| <b>Revenues</b>                              |                    |                   |                                |                               |
| Taxes                                        |                    |                   |                                |                               |
| Property                                     | \$ 6,460,718       | \$ 6,460,718      | \$ 6,443,644                   | \$ (17,074)                   |
| Public utility                               | 3,621,900          | 3,621,900         | 3,696,879                      | 74,979                        |
| Franchise fee                                | 1,851,500          | 1,851,500         | 1,716,016                      | (135,484)                     |
| Licenses and permits                         | 184,400            | 184,400           | 193,385                        | 8,985                         |
| Intergovernmental                            | 4,076,638          | 4,384,319         | 4,077,829                      | (306,490)                     |
| Charges for services                         | 939,439            | 939,439           | 1,043,774                      | 104,335                       |
| Fines and forfeitures                        | 67,050             | 67,050            | 54,845                         | (12,205)                      |
| Investment earnings                          | 174,500            | 174,500           | 259,375                        | 84,875                        |
| Contributions and donations                  | 6,500              | 8,040             | 6,441                          | (1,599)                       |
| Other revenues                               | 96,000             | 115,392           | 147,332                        | 31,940                        |
| <b>Total revenues</b>                        | <b>17,478,645</b>  | <b>17,807,258</b> | <b>17,639,520</b>              | <b>(167,738)</b>              |
| <b>Expenditures</b>                          |                    |                   |                                |                               |
| General government:                          |                    |                   |                                |                               |
| City council                                 | 75,895             | 85,895            | 65,568                         | 20,327                        |
| City manager                                 | 342,675            | 441,296           | 439,997                        | 1,299                         |
| City clerk                                   | 358,215            | 358,569           | 304,359                        | 54,210                        |
| City attorney                                | 252,880            | 253,095           | 248,365                        | 4,730                         |
| Finance                                      | 735,002            | 820,005           | 750,344                        | 69,661                        |
| Management information services              | 678,425            | 697,054           | 696,973                        | 81                            |
| Facilities maintenance                       | 742,455            | 815,406           | 798,624                        | 16,782                        |
| Community development                        | 803,365            | 714,921           | 579,726                        | 135,195                       |
| Human resources                              | 288,670            | 281,971           | 266,818                        | 15,153                        |
| Non-departmental                             | 1,642,243          | 1,471,139         | 1,403,142                      | 67,997                        |
| <b>Total general government</b>              | <b>5,919,825</b>   | <b>5,939,351</b>  | <b>5,553,916</b>               | <b>385,435</b>                |
| Public safety:                               |                    |                   |                                |                               |
| Police administration                        | 972,765            | 1,292,597         | 1,270,173                      | 22,424                        |
| Police operations                            | 4,468,595          | 4,470,355         | 4,127,937                      | 342,418                       |
| Police detective division                    | 1,504,139          | 1,507,385         | 1,237,683                      | 269,702                       |
| Police dispatch unit                         | 863,515            | 865,788           | 750,881                        | 114,907                       |
| Code enforcement division                    | 220,385            | 220,852           | 196,411                        | 24,441                        |
| <b>Total public safety</b>                   | <b>8,029,399</b>   | <b>8,356,977</b>  | <b>7,583,085</b>               | <b>773,892</b>                |
| Physical environment:                        |                    |                   |                                |                               |
| Cemetery                                     | 190,375            | 190,692           | 171,047                        | 19,645                        |
| Transportation:                              |                    |                   |                                |                               |
| Roads and maintenance                        | 1,340,815          | 1,261,808         | 1,172,085                      | 89,723                        |
| Fleet management                             | 324,175            | 324,857           | 249,066                        | 75,791                        |
| <b>Total transportation</b>                  | <b>1,664,990</b>   | <b>1,586,665</b>  | <b>1,421,151</b>               | <b>165,514</b>                |

**City of Sebastian, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**— Budget and Actual**  
**General Fund**

| <i>For the year ended September 30, 2024</i>                                                                                      | Original<br>Budget  | Final<br>Budget     | Actual<br>(Budgetary<br>Basis) | Variance with<br>Final Budget |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|--------------------------------|-------------------------------|
| Culture and recreation:                                                                                                           |                     |                     |                                |                               |
| Leisure services                                                                                                                  | 1,377,065           | 1,373,208           | 1,292,330                      | 80,878                        |
| Capital outlay                                                                                                                    | 311,760             | 401,855             | 292,158                        | 109,697                       |
| Debt service:                                                                                                                     |                     |                     |                                |                               |
| Lease principal                                                                                                                   | 70,231              | 70,231              | -                              | 70,231                        |
| Total expenditures                                                                                                                | 17,563,645          | 17,918,979          | 16,313,687                     | 1,605,292                     |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b>                                                              | <b>(85,000)</b>     | <b>(111,721)</b>    | <b>1,325,833</b>               | <b>1,437,554</b>              |
| <b>Other financing sources (uses)</b>                                                                                             |                     |                     |                                |                               |
| Transfers in                                                                                                                      | 80,000              | 80,000              | -                              | (80,000)                      |
| Transfers out                                                                                                                     | (30,000)            | (780,392)           | (537,507)                      | 242,885                       |
| Proceeds from sale of capital assets                                                                                              | 35,000              | 35,000              | 19,682                         | (15,318)                      |
| Net other financing sources (uses)                                                                                                | 85,000              | (665,392)           | (517,825)                      | 147,567                       |
| <b>Excess (deficiency) of revenues and<br/>other financing sources over<br/>(under) expenditures and other<br/>financing uses</b> | <b>-</b>            | <b>(777,113)</b>    | <b>808,008</b>                 | <b>1,585,121</b>              |
| <b>Fund balance, beginning of year</b>                                                                                            | <b>9,939,988</b>    | <b>9,939,988</b>    | <b>9,939,988</b>               | <b>-</b>                      |
| <b>Fund balance, end of year</b>                                                                                                  | <b>\$ 9,939,988</b> | <b>\$ 9,162,875</b> | <b>\$10,747,996</b>            | <b>\$ 1,585,121</b>           |

\* The City budgets for capital outlay at the departmental level.

**City of Sebastian, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**— Budget and Actual**  
**Riverfront Redevelopment Special Revenue Fund**

| <i>For the year ended September 30, 2024</i>                                                                                      | Original<br>Budget  | Final<br>Budget   | Actual              | Variance with<br>Final Budget |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|---------------------|-------------------------------|
| <b>Revenues</b>                                                                                                                   |                     |                   |                     |                               |
| Taxes:                                                                                                                            |                     |                   |                     |                               |
| Property                                                                                                                          | \$ 471,765          | \$ 471,765        | \$ 471,967          | \$ 202                        |
| Investment earnings                                                                                                               | 11,950              | 11,950            | 26,362              | 14,412                        |
| Other revenues                                                                                                                    | 16,500              | 16,500            | 23,739              | 7,239                         |
| <b>Total revenues</b>                                                                                                             | <b>500,215</b>      | <b>500,215</b>    | <b>522,068</b>      | <b>21,853</b>                 |
| <b>Expenditures</b>                                                                                                               |                     |                   |                     |                               |
| Current:                                                                                                                          |                     |                   |                     |                               |
| Economic environment                                                                                                              | 311,370             | 343,321           | 229,471             | 113,850                       |
| <b>Excess of revenues over<br/>expenditures</b>                                                                                   | <b>188,845</b>      | <b>156,894</b>    | <b>292,597</b>      | <b>135,703</b>                |
| <b>Other financing sources (uses)</b>                                                                                             |                     |                   |                     |                               |
| Transfers out                                                                                                                     | (60,000)            | (174,583)         | (47,310)            | 127,273                       |
| <b>Excess (deficiency) of revenues and<br/>other financing sources over<br/>(under) expenditures and other<br/>financing uses</b> | <b>128,845</b>      | <b>(17,689)</b>   | <b>245,287</b>      | <b>262,976</b>                |
| <b>Fund balance, beginning of year</b>                                                                                            | <b>889,285</b>      | <b>889,285</b>    | <b>889,285</b>      | <b>-</b>                      |
| <b>Fund balance, end of year</b>                                                                                                  | <b>\$ 1,018,130</b> | <b>\$ 871,596</b> | <b>\$ 1,134,572</b> | <b>\$ 262,976</b>             |

**City of Sebastian, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**— Budget and Actual**  
**Stormwater Utility Fund**

| <i>For the year ended September 30, 2024</i>                                                                                      | Original<br>Budget | Final<br>Budget | Actual       | Variance with<br>Final Budget |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------|--------------|-------------------------------|
| <b>Revenues</b>                                                                                                                   |                    |                 |              |                               |
| Charges for services                                                                                                              | \$ 1,926,000       | \$ 1,926,000    | \$ 1,948,735 | \$ 22,735                     |
| Investment earnings                                                                                                               | 40,583             | 40,583          | 53,941       | 13,358                        |
| Total revenues                                                                                                                    | 1,966,583          | 1,966,583       | 2,002,676    | 36,093                        |
| <b>Expenditures</b>                                                                                                               |                    |                 |              |                               |
| Current:                                                                                                                          |                    |                 |              |                               |
| Physical environment                                                                                                              | 2,211,332          | 2,185,643       | 2,074,490    | 111,153                       |
| Capital outlay                                                                                                                    | 10,000             | 50,190          | 49,939       | 251                           |
| Total expenditures                                                                                                                | 2,221,332          | 2,235,833       | 2,124,429    | 111,404                       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b>                                                              | (254,749)          | (269,250)       | (121,753)    | 147,497                       |
| <b>Other financing sources (uses)</b>                                                                                             |                    |                 |              |                               |
| Transfers out                                                                                                                     | 165,000            | (305,813)       | (287,188)    | (18,625)                      |
| <b>Excess (deficiency) of revenues and<br/>other financing sources over<br/>(under) expenditures and other<br/>financing uses</b> | (89,749)           | 36,563          | (408,941)    | (445,504)                     |
| <b>Fund balance, beginning of year</b>                                                                                            | 1,900,369          | 1,900,369       | 1,900,369    | -                             |
| <b>Fund balance, end of year</b>                                                                                                  | \$ 1,810,620       | \$ 1,936,932    | \$ 1,491,428 | \$ (445,504)                  |

**City of Sebastian, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**— Budget and Actual**  
**American Rescue Plan Fund**

| <i>For the year ended September 30, 2024</i>                                                                                      | Original<br>Budget    | Final<br>Budget       | Actual            | Variance with<br>Final Budget |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-------------------|-------------------------------|
| <b>Revenues</b>                                                                                                                   |                       |                       |                   |                               |
| Intergovernmental                                                                                                                 | \$ -                  | \$ -                  | \$ 1,674,337      | \$ 1,674,337                  |
| Investment earnings (loss)                                                                                                        | (51,398)              | (51,398)              | 58,361            | 109,759                       |
| <b>Total revenues</b>                                                                                                             | <b>(51,398)</b>       | <b>(51,398)</b>       | <b>1,732,698</b>  | <b>1,784,096</b>              |
| <b>Expenditures</b>                                                                                                               |                       |                       |                   |                               |
| Current:                                                                                                                          |                       |                       |                   |                               |
| Physical environment                                                                                                              | -                     | -                     | -                 | -                             |
| <b>Total expenditures</b>                                                                                                         | <b>-</b>              | <b>-</b>              | <b>-</b>          | <b>-</b>                      |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b>                                                              | <b>(51,398)</b>       | <b>(51,398)</b>       | <b>1,732,698</b>  | <b>1,784,096</b>              |
| <b>Other financing sources (uses)</b>                                                                                             |                       |                       |                   |                               |
| Transfers out                                                                                                                     | (2,682,517)           | (2,833,633)           | (1,674,336)       | 1,159,297                     |
| <b>Excess (deficiency) of revenues and<br/>other financing sources over<br/>(under) expenditures and other<br/>financing uses</b> | <b>(2,733,915)</b>    | <b>(2,885,031)</b>    | <b>58,362</b>     | <b>2,943,393</b>              |
| <b>Fund balance, beginning of year</b>                                                                                            | <b>73,599</b>         | <b>73,599</b>         | <b>73,599</b>     | <b>-</b>                      |
| <b>Fund balance, end of year</b>                                                                                                  | <b>\$ (2,660,316)</b> | <b>\$ (2,811,432)</b> | <b>\$ 131,961</b> | <b>\$ 2,943,393</b>           |

**City of Sebastian, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**— Budget and Actual**  
**Discretionary Sales Tax Fund**

| <i>For the year ended September 30, 2024</i>                                                                                      | Original<br>Budget | Final<br>Budget | Actual       | Variance with<br>Final Budget |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------|--------------|-------------------------------|
| <b>Revenues</b>                                                                                                                   |                    |                 |              |                               |
| Intergovernmental                                                                                                                 | \$ 5,120,145       | \$ 5,120,145    | \$ 4,902,213 | \$ (217,932)                  |
| Investment earnings (loss)                                                                                                        | 32,914             | 32,914          | 143,175      | 110,261                       |
| Total revenues                                                                                                                    | 5,153,059          | 5,153,059       | 5,045,388    | (107,671)                     |
| <b>Expenditures</b>                                                                                                               |                    |                 |              |                               |
| Current:                                                                                                                          |                    |                 |              |                               |
| Capital outlay                                                                                                                    | -                  | -               | -            | -                             |
| Total expenditures                                                                                                                | -                  | -               | -            | -                             |
| <b>Excess (deficiency) of revenues over<br/>(under) expenditures</b>                                                              | 5,153,059          | 5,153,059       | 5,045,388    | (107,671)                     |
| <b>Other financing sources</b>                                                                                                    |                    |                 |              |                               |
| Transfers out                                                                                                                     | (4,491,235)        | (9,938,672)     | (4,226,409)  | 5,712,263                     |
| <b>Excess (deficiency) of revenues and<br/>other financing sources over<br/>(under) expenditures and other<br/>financing uses</b> | 661,824            | (4,785,613)     | 818,979      | 5,604,592                     |
| <b>Fund balance, beginning of year</b>                                                                                            | 5,381,941          | 5,381,941       | 5,381,941    | -                             |
| <b>Fund balance, end of year</b>                                                                                                  | \$ 6,043,765       | \$ 596,328      | \$ 6,200,920 | \$ 5,604,592                  |

**City of Sebastian, Florida**  
**Budgetary Notes to Required Supplementary Information**

**Note 1: BUDGETARY INFORMATION**

Budgets are prepared annually on a modified accrual basis consistent with GAAP for all governmental funds except the capital project funds, which are approved on a "life of the project basis", and the permanent fund, which is not budgeted. All annual appropriations lapse at year-end.

On or before the third Friday in May of each year, all agencies of the government submit requests for appropriations to the government's City Manager so that a budget may be prepared. Before July 31, the proposed budget is presented to the government's council for review. The council holds budget workshops, public hearings, and a final budget must be prepared and adopted no later than September 30.

The legal level of budgetary control is at the departmental level for the general fund and at the fund level for special revenue funds.



THIS PAGE IS INTENTIONALLY LEFT BLANK.

**City of Sebastian, Florida**  
**Required Pension Supplementary Information**  
**Single-employer Pension Trust Fund**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Ten Fiscal Years**

| <i>For the year ended September 30,</i>                                           | <b>2024</b>          | <b>2023</b>          | <b>2022</b>          |
|-----------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| <b>Total pension liability</b>                                                    |                      |                      |                      |
| Service cost                                                                      | \$ 610,193           | \$ 582,328           | \$ 582,925           |
| Interest on total pension liability                                               | 1,816,283            | 1,725,577            | 1,648,636            |
| Change in excess state money                                                      | -                    | -                    | -                    |
| Changes of benefit terms                                                          | -                    | -                    | -                    |
| Differences between expected and actual experience                                | (63,675)             | 3,289                | (199,190)            |
| Changes of assumptions                                                            | -                    | -                    | -                    |
| Contributions - buy back                                                          | -                    | -                    | -                    |
| Benefit payments, including refunds of employee contributions                     | (1,051,129)          | (1,071,895)          | (824,301)            |
| <b>Net change in total pension liability</b>                                      | <b>1,311,672</b>     | <b>1,239,299</b>     | <b>1,208,070</b>     |
| <b>Total pension liability - beginning</b>                                        | <b>25,496,816</b>    | <b>24,257,517</b>    | <b>23,049,447</b>    |
| <b>Total pension liability - ending (a)</b>                                       | <b>\$ 26,808,488</b> | <b>\$ 25,496,816</b> | <b>\$ 24,257,517</b> |
| <b>Plan fiduciary net position</b>                                                |                      |                      |                      |
| Contributions - employer                                                          | \$ 854,737           | \$ 763,666           | \$ 799,032           |
| Contributions - state                                                             | 307,681              | 272,496              | 227,003              |
| Contributions - employee                                                          | 245,182              | 234,525              | 227,488              |
| Contributions - buy back                                                          | -                    | -                    | -                    |
| Pension plan net investment income (loss)                                         | 4,230,132            | 2,174,593            | (3,419,334)          |
| Benefit payments, including refunds of employee contributions                     | (1,051,129)          | (1,071,895)          | (824,301)            |
| Administrative expense                                                            | (69,082)             | (90,249)             | (70,188)             |
| <b>Net change in plan fiduciary net position</b>                                  | <b>4,517,521</b>     | <b>2,283,136</b>     | <b>(3,060,300)</b>   |
| <b>Plan fiduciary net position - beginning</b>                                    | <b>20,766,051</b>    | <b>18,482,915</b>    | <b>21,543,215</b>    |
| <b>Plan fiduciary net position - ending (b)</b>                                   | <b>\$ 25,283,572</b> | <b>\$ 20,766,051</b> | <b>\$ 18,482,915</b> |
| <b>Net pension liability - ending (a) - (b)</b>                                   | <b>\$ 1,524,916</b>  | <b>\$ 4,730,765</b>  | <b>\$ 5,774,602</b>  |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | <b>94.31%</b>        | <b>81.45%</b>        | <b>76.19%</b>        |
| <b>Covered payroll<sup>(1)</sup></b>                                              | <b>3,064,776</b>     | <b>2,931,563</b>     | <b>\$ 2,843,600</b>  |
| <b>Net pension liability as a percentage of covered payroll</b>                   | <b>49.76%</b>        | <b>161.37%</b>       | <b>203.07%</b>       |

**City of Sebastian, Florida**  
**Required Pension Supplementary Information**  
**Single-employer Pension Trust Fund**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Ten Fiscal Years**

| 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 546,747    | \$ 600,789    | \$ 609,880    | \$ 589,149    | \$ 479,778    | \$ 418,143    | \$ 403,611    |
| 1,539,609     | 1,451,768     | 1,371,857     | 1,270,670     | 1,179,511     | 1,027,558     | 979,259       |
| -             | -             | -             | (84,863)      | -             | -             | 22,218        |
| -             | -             | -             | -             | 613,973       | -             | (4,316)       |
| 249,038       | 408,904       | (25,912)      | 164,601       | 20,758        | 59,175        | (240,633)     |
| 274,475       | (447,786)     | 22,520        | -             | 382,825       | 626,069       | 223,200       |
| -             | -             | 52,749        | -             | -             | -             | -             |
| (794,272)     | (684,963)     | (617,282)     | (700,733)     | (495,629)     | (493,765)     | (496,363)     |
| 1,815,597     | 1,328,712     | 1,413,812     | 1,238,824     | 2,181,216     | 1,637,180     | 886,976       |
| 21,233,850    | 19,905,138    | 18,491,326    | 17,252,502    | 15,071,286    | 13,434,106    | 12,547,130    |
| \$ 23,049,447 | \$ 21,233,850 | \$ 19,905,138 | \$ 18,491,326 | \$ 17,252,502 | \$ 15,071,286 | \$ 13,434,106 |
| \$ 686,778    | \$ 703,814    | \$ 595,045    | \$ 525,296    | \$ 337,201    | \$ 322,998    | \$ 320,179    |
| 206,017       | 208,645       | 198,770       | 188,923       | 168,628       | 169,027       | 145,700       |
| 220,466       | 229,327       | 223,495       | 204,854       | 177,585       | 167,309       | 161,270       |
| -             | -             | 52,749        | -             | -             | -             | -             |
| 4,116,810     | 974,847       | 261,888       | 1,028,549     | 1,371,657     | 1,067,139     | (60,326)      |
| (794,272)     | (684,963)     | (617,282)     | (700,733)     | (495,629)     | (493,765)     | (496,363)     |
| (70,384)      | (67,989)      | (67,867)      | (82,088)      | (45,633)      | (28,025)      | (39,673)      |
| 4,365,415     | 1,363,681     | 646,798       | 1,164,801     | 1,513,809     | 1,204,683     | 30,787        |
| 17,177,800    | 15,814,119    | 15,167,321    | 14,002,520    | 12,488,711    | 11,284,028    | 11,253,241    |
| \$ 21,543,215 | \$ 17,177,800 | \$ 15,814,119 | \$ 15,167,321 | \$ 14,002,520 | \$ 12,488,711 | \$ 11,284,028 |
| \$ 1,506,232  | \$ 4,056,050  | \$ 4,091,019  | \$ 3,324,005  | \$ 3,249,982  | \$ 2,582,575  | \$ 2,150,078  |
| 93.47%        | 80.90%        | 79.45%        | 82.02%        | 81.16%        | 82.86%        | 84.00%        |
| \$ 2,755,823  | \$ 2,866,586  | \$ 2,793,692  | \$ 2,560,670  | \$ 2,438,012  | \$ 2,263,866  | \$ 2,154,612  |
| 54.66%        | 141.49%       | 146.44%       | 129.81%       | 133.30%       | 114.08%       | 99.79%        |

**City of Sebastian, Florida**  
**Required Pension Supplementary Information**  
**Single-employer Pension Trust Fund**  
**Notes to Schedule of Changes in Net Pension Liability and Related Ratios**

Changes in assumptions - For measurement date 09/30/2021, the investment rate of return was lowered from 7.20% to 7.10%, net of investment related expenses.

Changes in assumptions - For the measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate risk and collar adjustments made based on plan demographics.

Changes in assumptions - For the measurement date 09/30/2019, amounts reported as changes of assumptions resulted of an Experience Study dated September 13, 2019, the Board approved the following changes: investment return assumption was decreased from 7.30% to 7.20% per year compounded annually, net of investment related expenses. The following changes to demographic assumptions were made: updates to the future salary increase assumption, updates to assumed rates of retirement, updates to the assumed rates of disability, updates to assumed rates of withdrawal.

Changes in assumptions - For the measurement date 09/30/2017, amounts reported as changes of assumptions resulted from the following changes: the investment return assumption has been lowered from 7.45% to 7.30% per year. As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the rates used by the Florida Retirement System actuary in the July 1, 2015 actuarial valuation to the rates used in the July 1, 2016 actuarial valuation for special risk lives.

Changes in benefit terms - For the measurement date 09/30/2017, amounts reported as changes of benefit terms resulted from Ordinance O-17-03, adopted and effective August 23, 2017, amended/implemented the following benefit provisions: member contribution rate, benefit accrual rate, and cost-of-living adjustment.

Changes in assumptions - For the measurement date 09/30/2016, amounts reported as changes of assumptions resulted from the following changes: the investment return assumption was lowered from 7.60% to 7.45%. As a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

**City of Sebastian, Florida**  
**Required Pension Supplementary Information**  
**Single-employer Pension Trust Fund**  
**Schedule of Investment Returns**

| <b>Fiscal Year<br/>Ending<br/>September 30,</b> | <b>Annual<br/>Return*</b> |
|-------------------------------------------------|---------------------------|
| 2015                                            | -0.45%                    |
| 2016                                            | 9.39%                     |
| 2017                                            | 10.90%                    |
| 2018                                            | 7.35%                     |
| 2019                                            | 1.79%                     |
| 2020                                            | 6.04%                     |
| 2021                                            | 23.63%                    |
| 2022                                            | -15.63%                   |
| 2023                                            | 11.66%                    |
| 2024                                            | 20.16%                    |

\*Annual money-weighted rate of return.

**City of Sebastian, Florida**  
**Required Pension Supplementary Information**  
**Single-employer Pension Trust Fund**  
**Schedule of Contributions**  
**Last Ten Fiscal Years**

| <i>For the year ended September 30,</i>                                          | <b>2024</b>  | 2023         | 2022         |
|----------------------------------------------------------------------------------|--------------|--------------|--------------|
| Actuarially determined contribution                                              | \$ 959,275   | \$ 897,058   | \$ 932,701   |
| Contributions in relation to the actuarially<br>determined contributions - City  | 854,737      | 763,666      | 799,032      |
| Contributions in relation to the actuarially<br>determined contributions - State | 307,681      | 272,496      | 227,003      |
| Contribution deficiency (surplus)                                                | \$ (203,143) | \$ (139,104) | \$ (93,334)  |
| <hr/>                                                                            |              |              |              |
| Covered payroll <sup>(1)</sup>                                                   | \$ 3,064,776 | \$ 2,931,563 | \$ 2,843,600 |
| Contributions as a percentage of<br>covered payroll                              | 37.93%       | 35.35%       | 36.08%       |

**Notes to the schedule:**

- <sup>(1)</sup> Covered payroll includes defined benefit plan actives, investment plan members and members in DROP.

|    | 2021      |    | 2020      |    | 2019      |    | 2018      |    | 2017      |    | 2016      |    | 2015      |
|----|-----------|----|-----------|----|-----------|----|-----------|----|-----------|----|-----------|----|-----------|
| \$ | 835,014   | \$ | 871,442   | \$ | 793,409   | \$ | 673,456   | \$ | 768,277   | \$ | 667,764   | \$ | 596,502   |
|    | 686,778   |    | 703,814   |    | 595,045   |    | 525,296   |    | 337,201   |    | 322,998   |    | 320,179   |
|    | 206,017   |    | 208,645   |    | 198,770   |    | 188,923   |    | 168,628   |    | 169,027   |    | 145,700   |
| \$ | (57,781)  | \$ | (41,017)  | \$ | (406)     | \$ | (40,763)  | \$ | 262,448   | \$ | 175,739   | \$ | 130,623   |
| \$ | 2,755,823 | \$ | 2,866,586 | \$ | 2,793,692 | \$ | 2,560,670 | \$ | 2,438,012 | \$ | 2,263,866 | \$ | 2,154,612 |
|    | 32.40%    |    | 31.83%    |    | 28.41%    |    | 27.89%    |    | 20.75%    |    | 21.73%    |    | 21.62%    |

**City of Sebastian, Florida**  
**Required Pension Supplementary Information**  
**Single-employer Pension Trust Fund**  
**Notes to Schedule of Contributions**

Valuation date                      October 1, 2022  
Notes                                      Actuarially determined contribution amounts are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method                      Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution:  
                                                 Interest - a half year, based on current 7.10% assumption.  
                                                 Salary - None.

Amortization method                  New UAAL amortization bases are amortized over the following amortization periods:  
                                                 Experience: 15 Years.  
                                                 Assumption/Method Changes: 15 Years.  
                                                 Benefit Changes: 15 Years.  
Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.

Remaining amortization period      15 Years (as of October 1, 2022)  
Mortality                                      *Healthy Active Lives*: Female: PubS.H-2010 (Below Median) for Employees, set forward one year.  
                                                 Male: PubS.H-2010 (Below Median) for Employees, set forward one year.  
  
                                                 *Healthy Retiree Lives*: Female: PubS.H-2010 for Healthy Retirees, set forward one year.  
                                                 Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.  
  
                                                 *Beneficiary Lives*: Female: PubG.H-2010 (Below Median) for Healthy Retirees.  
                                                 Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.  
  
                                                 *Disabled Lives*: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.  
All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption

**City of Sebastian, Florida**  
**Required Pension Supplementary Information**  
**Single-employer Pension Trust Fund**  
**Notes to Schedule of Contributions**

sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2023 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Interest rate

7.10% per year compounded annually, net of investment related expenses

Salary increases

| <b>Credited Service</b> | <b>Assumption</b> |
|-------------------------|-------------------|
| First year              | 16.00%            |
| Years 1 – 3             | 6.50%             |
| Years 4 – 13            | 5.80%             |
| 14 Years and Greater    | 3.80%             |

Payroll growth

1.51% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Final salary load

Final salary is increased with a load assumption as shown below based on credited service on 10/1/2014:

| <b>Service on 10/1/2014</b> | <b>Load Assumption</b> |
|-----------------------------|------------------------|
| 5 or more years             | 20%                    |
| 2 – 5 years                 | 10%                    |
| Less than 2 years           | 0%                     |

**City of Sebastian, Florida**  
**Required Pension Supplementary Information**  
**Single-employer Pension Trust Fund**  
**Notes to Schedule of Contributions**

Retirement rates

Members with less than 25 years of credited service are assumed to retire at the following rates:

| <b>Age</b> | <b>Assumption</b> |
|------------|-------------------|
| 50         | 30%               |
| 51 – 54    | 5%                |
| 55         | 50%               |
| 56         | 50%               |
| 57         | 100%              |

Members with at least 25 years of credited service are assumed to retire immediately.

Disability rates

Age based rates with increasing probability of disablement at higher ages. A sample of rates are shown below:

| <b>Age</b> | <b>Assumption</b> |
|------------|-------------------|
| 30         | 0.24%             |
| 40         | 0.42%             |
| 50         | 1.08%             |
| 60         | 5.40%             |

Additionally, it is assumed that 75% of disablements and active Member deaths are service related.

Termination rates

| <b>Credited Service</b> | <b>Assumption</b> |
|-------------------------|-------------------|
| 0 – 2 Years             | 15.00%            |
| 3 – 14 Years            | 4.00%             |
| 15 years and Greater    | 0.00%             |

Actuarial asset method

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.

**City of Sebastian, Florida**  
**Required Pension Supplementary Information**  
**CWA/ITU Negotiated Pension Plan**  
**Schedule of Employer Contributions**

| <b>Fiscal Year<br/>Ending<br/>September 30,</b> | <b>Annual Required<br/>Contributions</b> |
|-------------------------------------------------|------------------------------------------|
| 2015                                            | \$ 204,361                               |
| 2016                                            | 217,916                                  |
| 2017                                            | 200,889                                  |
| 2018                                            | 204,035                                  |
| 2019                                            | 217,695                                  |
| 2020                                            | 241,992                                  |
| 2021                                            | 239,161                                  |
| 2022                                            | 241,312                                  |
| 2023                                            | 272,529                                  |
| 2024                                            | 305,371                                  |

**Notes to Schedule of Employer Contributions - CWA/ITU Negotiated Pension Plan**

Critical Status. Under federal pension law, a plan generally will be considered to be in "critical" status if either the funded percentage of the plan is less than 65 percent or if certain other tests are met. If a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan's actuary has certified that for the 2022 Plan year, the Plan was in critical status because the Plan has a deficit in the minimum funding standard account. The Board of Trustees adopted a rehabilitation plan on March 8, 2010, that for new pensions: eliminates the 60 month minimum guarantee in the Life/5 pension option; increases the minimum age for Early Pension from age 60 to 62 (with 20 years of service credit); removes the Early Pension subsidy by increasing the reduction factors; discontinues the offering of retroactive pension payments; and required 5 years of service credit to vest for participants reaching normal retirement age before a break in service. A mandatory increase in contributions is not required under the Rehabilitation Plan, but decreases in contribution rates or the exclusion of covered employees are not permitted. A copy of the rehabilitation plan may be obtained by contacting the CWA/ITU Negotiated Pension Plan office.



THIS PAGE IS INTENTIONALLY LEFT BLANK.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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

|                                             | <u>Special Revenue</u> |            |            |                           |
|---------------------------------------------|------------------------|------------|------------|---------------------------|
|                                             | Local Option           | Parking    | Recreation | Law                       |
| <i>September 30, 2024</i>                   | Gas Tax                | In-Lieu-of | Impact Fee | Enforcement<br>Forfeiture |
| <b>ASSETS</b>                               |                        |            |            |                           |
| Cash and cash equivalents                   | \$ 1,009,105           | \$ -       | \$ 57,430  | \$ 47,636                 |
| Investments                                 | 133,440                | 120,750    | 7,832      | 6,495                     |
| Due from other governments                  | 128,757                | -          | -          | -                         |
| Total assets                                | \$ 1,271,302           | \$ 120,750 | \$ 65,262  | \$ 54,131                 |
| <b>LIABILITIES</b>                          |                        |            |            |                           |
| Negative equity in pooled cash              |                        |            |            |                           |
| Accounts payable and<br>accrued liabilities | \$ -                   | \$ -       | \$ -       | \$ -                      |
| Due to other funds                          | -                      | -          | -          | -                         |
| Total liabilities                           | -                      | -          | -          | -                         |
| <b>DEFERRED INFLOW OF RESOURCES</b>         |                        |            |            |                           |
| Deferred inflow of unavailable<br>revenues  | -                      | -          | -          | -                         |
| Total deferred inflows                      | -                      | -          | -          | -                         |
| <b>FUND BALANCES</b>                        |                        |            |            |                           |
| Nonspendable                                | -                      | -          | -          | -                         |
| Restricted                                  | 1,271,302              | -          | 65,262     | 54,131                    |
| Committed                                   | -                      | 120,750    | -          | -                         |
| Assigned                                    | -                      | -          | -          | -                         |
| Unassigned                                  | -                      | -          | -          | -                         |
| Total fund balances                         | 1,271,302              | 120,750    | 65,262     | 54,131                    |
| Total liabilities and fund balances         | \$ 1,271,302           | \$ 120,750 | \$ 65,262  | \$ 54,131                 |

| Capital Projects    |                      |                                 |                                                 | Permanent           | Total                       |
|---------------------|----------------------|---------------------------------|-------------------------------------------------|---------------------|-----------------------------|
| Capital Projects    | Capital Improvements | Stormwater Utility Improvements | (Formerly Nonmajor) Transportation Improvements | Cemetery            | Nonmajor Governmental Funds |
| \$ 1,168,633        | \$ -                 | \$ 374,128                      | \$ -                                            | \$ 550,508          | \$ 3,207,440                |
| -                   | -                    | -                               | -                                               | 553,081             | 821,598                     |
| 17,744              | 129,309              | -                               | -                                               | -                   | 275,810                     |
| <u>\$ 1,186,377</u> | <u>\$ 129,309</u>    | <u>\$ 374,128</u>               | <u>\$ -</u>                                     | <u>\$ 1,103,589</u> | <u>\$ 4,304,848</u>         |
|                     |                      |                                 |                                                 |                     |                             |
| \$ 76,362           | \$ 16,221            | \$ 374,128                      | \$ -                                            | \$ -                | \$ 466,711                  |
| -                   | 106,238              | -                               | -                                               | -                   | 106,238                     |
| <u>76,362</u>       | <u>122,459</u>       | <u>374,128</u>                  | <u>-</u>                                        | <u>-</u>            | <u>572,949</u>              |
|                     |                      |                                 |                                                 |                     |                             |
| -                   | 113,026              | -                               | -                                               | -                   | 113,026                     |
| <u>-</u>            | <u>113,026</u>       | <u>-</u>                        | <u>-</u>                                        | <u>-</u>            | <u>113,026</u>              |
|                     |                      |                                 |                                                 |                     |                             |
| -                   | -                    | -                               | -                                               | 560,313             | 560,313                     |
| -                   | -                    | -                               | -                                               | 543,276             | 1,933,971                   |
| -                   | -                    | -                               | -                                               | -                   | 120,750                     |
| 1,110,015           | -                    | -                               | -                                               | -                   | 1,110,015                   |
| -                   | (106,176)            | -                               | -                                               | -                   | (106,176)                   |
| <u>1,110,015</u>    | <u>(106,176)</u>     | <u>-</u>                        | <u>-</u>                                        | <u>1,103,589</u>    | <u>3,618,873</u>            |
|                     |                      |                                 |                                                 |                     |                             |
| <u>\$ 1,186,377</u> | <u>\$ 129,309</u>    | <u>\$ 374,128</u>               | <u>\$ -</u>                                     | <u>\$ 1,103,589</u> | <u>\$ 4,304,848</u>         |

**City of Sebastian, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**

|                                                                  | Special Revenue     |                   |                  |                        |
|------------------------------------------------------------------|---------------------|-------------------|------------------|------------------------|
|                                                                  | Local Option        | Parking           | Recreation       | Law                    |
| <i>For the year ended September 30, 2024</i>                     | Gas Tax             | In-Lieu-of        | Impact Fee       | Enforcement Forfeiture |
| <b>REVENUES</b>                                                  |                     |                   |                  |                        |
| Intergovernmental                                                | \$ 730,822          | \$ -              | \$ -             | \$ -                   |
| Impact fees                                                      | -                   | -                 | 138,775          | -                      |
| Charges for services                                             | -                   | -                 | -                | -                      |
| Fines                                                            | -                   | -                 | -                | 183                    |
| Investment earnings                                              | 30,343              | 6,042             | 810              | 1,192                  |
| Other revenues                                                   | -                   | 16,927            | -                | -                      |
| Contributions and donations                                      | -                   | -                 | -                | -                      |
| Total revenues                                                   | 761,165             | 22,969            | 139,585          | 1,375                  |
| <b>EXPENDITURES</b>                                              |                     |                   |                  |                        |
| Current:                                                         |                     |                   |                  |                        |
| General government                                               | -                   | -                 | -                | -                      |
| Public safety                                                    | -                   | -                 | -                | -                      |
| Physical environment                                             | -                   | -                 | -                | -                      |
| Transportation                                                   | 3,933               | -                 | -                | -                      |
| Capital outlay                                                   | -                   | -                 | -                | -                      |
| Total expenditures                                               | 3,933               | -                 | -                | -                      |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>757,232</b>      | <b>22,969</b>     | <b>139,585</b>   | <b>1,375</b>           |
| <b>Other financing sources (uses)</b>                            |                     |                   |                  |                        |
| Transfers in                                                     | -                   | -                 | -                | -                      |
| Transfers out                                                    | (893,237)           | -                 | (463,687)        | -                      |
| Sale of fixed assets                                             | -                   | -                 | -                | -                      |
| Total other financing sources (uses)                             | (893,237)           | -                 | (463,687)        | -                      |
| <b>Net change in fund balances</b>                               | <b>(136,005)</b>    | <b>22,969</b>     | <b>(324,102)</b> | <b>1,375</b>           |
| <b>Fund balance, beginning of year</b>                           | <b>1,407,307</b>    | <b>97,781</b>     | <b>389,364</b>   | <b>52,756</b>          |
| <b>Fund balance, end of year</b>                                 | <b>\$ 1,271,302</b> | <b>\$ 120,750</b> | <b>\$ 65,262</b> | <b>\$ 54,131</b>       |

| Capital Projects |                      |                                 |                                                 |              | Permanent                         |  |
|------------------|----------------------|---------------------------------|-------------------------------------------------|--------------|-----------------------------------|--|
| Capital Projects | Capital Improvements | Stormwater Utility Improvements | (Formerly Nonmajor) Transportation Improvements | Cemetery     | Total Nonmajor Governmental Funds |  |
| \$ 191,555       | \$ -                 | \$ 2,142                        | \$ -                                            | \$ -         | \$ 924,519                        |  |
| -                | -                    | -                               | -                                               | -            | 138,775                           |  |
| -                | -                    | -                               | -                                               | 200,450      | 200,450                           |  |
| -                | -                    | -                               | -                                               | -            | 183                               |  |
| -                | -                    | -                               | -                                               | 41,418       | 79,805                            |  |
| -                | -                    | -                               | -                                               | -            | 16,927                            |  |
| 133,839          | 2,500                | -                               | -                                               | -            | 136,339                           |  |
| 325,394          | 2,500                | 2,142                           | -                                               | 241,868      | 1,496,998                         |  |
|                  |                      |                                 |                                                 |              |                                   |  |
| 960,800          | -                    | -                               | -                                               | -            | 960,800                           |  |
| -                | -                    | -                               | -                                               | -            | -                                 |  |
| -                | 270,681              | 206,997                         | -                                               | 134,385      | 612,063                           |  |
| -                | -                    | -                               | -                                               | -            | 3,933                             |  |
| 1,567,750        | 466,844              | 1,156,015                       | -                                               | 10,091       | 3,200,700                         |  |
| 2,528,550        | 737,525              | 1,363,012                       | -                                               | 144,476      | 4,777,496                         |  |
|                  |                      |                                 |                                                 |              |                                   |  |
| (2,203,156)      | (735,025)            | (1,360,870)                     | -                                               | 97,392       | (3,280,498)                       |  |
|                  |                      |                                 |                                                 |              |                                   |  |
| 2,396,959        | 624,499              | 1,360,870                       | -                                               | -            | 4,382,328                         |  |
| -                | -                    | -                               | -                                               | (151,910)    | (1,508,834)                       |  |
| 999,948          |                      |                                 |                                                 |              | 999,948                           |  |
| 3,396,907        | 624,499              | 1,360,870                       | -                                               | (151,910)    | 3,873,442                         |  |
|                  |                      |                                 |                                                 |              |                                   |  |
| 1,193,751        | (110,526)            | -                               | -                                               | (54,518)     | 592,944                           |  |
| (83,736)         | 4,350                | -                               | -                                               | 1,158,107    | 3,025,929                         |  |
| \$ 1,110,015     | \$ (106,176)         | \$ -                            | \$ -                                            | \$ 1,103,589 | \$ 3,618,873                      |  |

**City of Sebastian, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**— Budget and Actual**  
**Local Option Gas Tax Fund**

| <i>For the year ended September 30, 2024</i>                                                                                      | Original<br>Budget  | Final<br>Budget   | Actual              | Variance with<br>Final Budget |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|---------------------|-------------------------------|
| <b>Revenues</b>                                                                                                                   |                     |                   |                     |                               |
| Intergovernmental                                                                                                                 | \$ 779,243          | \$ 779,243        | \$ 730,822          | \$ (48,421)                   |
| Investment earnings                                                                                                               | 3,238               | 3,238             | 30,343              | 27,105                        |
| Total revenues                                                                                                                    | 782,481             | 782,481           | 761,165             | (21,316)                      |
| <b>Expenditures</b>                                                                                                               |                     |                   |                     |                               |
| Transportation                                                                                                                    | 5,901               | 5,901             | 3,933               | 1,968                         |
| Total expenditures                                                                                                                | 5,901               | 5,901             | 3,933               | 1,968                         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b>                                                              | <b>776,580</b>      | <b>776,580</b>    | <b>757,232</b>      | <b>(19,348)</b>               |
| <b>Other financing sources (uses)</b>                                                                                             |                     |                   |                     |                               |
| Transfers out                                                                                                                     | (776,580)           | (1,718,380)       | (893,237)           | 825,143                       |
| Net other financing sources (uses)                                                                                                | (776,580)           | (1,718,380)       | (893,237)           | 825,143                       |
| <b>Excess (deficiency) of revenues and<br/>other financing sources over<br/>(under) expenditures and other<br/>financing uses</b> | <b>-</b>            | <b>(941,800)</b>  | <b>(136,005)</b>    | <b>805,795</b>                |
| <b>Fund balance, beginning of year</b>                                                                                            | <b>1,407,307</b>    | <b>1,407,307</b>  | <b>1,407,307</b>    | <b>-</b>                      |
| <b>Fund balance, end of year</b>                                                                                                  | <b>\$ 1,407,307</b> | <b>\$ 465,507</b> | <b>\$ 1,271,302</b> | <b>\$ 805,795</b>             |

**City of Sebastian, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**— Budget and Actual**  
**Parking In-Lieu-Of Fund**

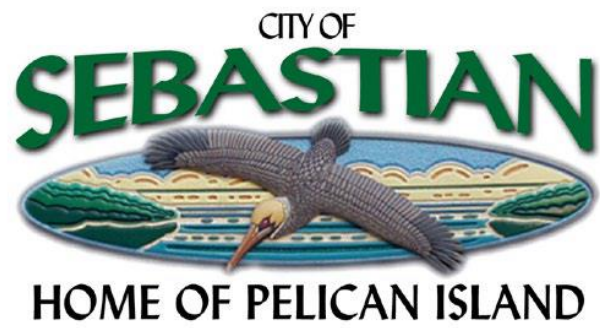
| <i>For the year ended September 30, 2024</i>                         | Original<br>Budget | Final<br>Budget   | Actual            | Variance with<br>Final Budget |
|----------------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------------------|
| <b>Revenues</b>                                                      |                    |                   |                   |                               |
| Investment earnings                                                  | \$ 187             | \$ 187            | \$ 6,042          | \$ 5,855                      |
| Other revenues                                                       | 4,128              | 4,128             | 16,927            | 12,799                        |
| Total revenues                                                       | 4,315              | 4,315             | 22,969            | 18,654                        |
| <b>Expenditures</b>                                                  |                    |                   |                   |                               |
| Transportation                                                       | -                  | -                 | -                 | -                             |
| Total expenditures                                                   | -                  | -                 | -                 | -                             |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>4,315</b>       | <b>4,315</b>      | <b>22,969</b>     | <b>18,654</b>                 |
| <b>Fund balance, beginning of year</b>                               | <b>97,781</b>      | <b>97,781</b>     | <b>97,781</b>     | <b>-</b>                      |
| <b>Fund balance, end of year</b>                                     | <b>\$ 102,096</b>  | <b>\$ 102,096</b> | <b>\$ 120,750</b> | <b>\$ 18,654</b>              |

**City of Sebastian, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**— Budget and Actual**  
**Recreation Impact Fee Fund**

| <i>For the year ended September 30, 2024</i>                                                                                      | Original<br>Budget | Final<br>Budget   | Actual           | Variance with<br>Final Budget |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|------------------|-------------------------------|
| <b>Revenues</b>                                                                                                                   |                    |                   |                  |                               |
| Investment earnings                                                                                                               | \$ 18,903          | \$ 18,903         | \$ 810           | \$ (18,093)                   |
| Impact fees                                                                                                                       | 179,400            | 179,400           | 138,775          | (40,625)                      |
| Total revenues                                                                                                                    | 198,303            | 198,303           | 139,585          | (58,718)                      |
| <b>Expenditures</b>                                                                                                               |                    |                   |                  |                               |
| Culture and recreation                                                                                                            | -                  | -                 | -                | -                             |
| Total expenditures                                                                                                                | -                  | -                 | -                | -                             |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b>                                                              | <b>198,303</b>     | <b>198,303</b>    | <b>139,585</b>   | <b>(58,718)</b>               |
| <b>Other financing sources (uses)</b>                                                                                             |                    |                   |                  |                               |
| Transfers out                                                                                                                     | (370,000)          | (463,689)         | (463,687)        | 2                             |
| Net other financing sources (uses)                                                                                                | (370,000)          | (463,689)         | (463,687)        | 2                             |
| <b>Excess (deficiency) of revenues and<br/>other financing sources over<br/>(under) expenditures and other<br/>financing uses</b> | <b>(171,697)</b>   | <b>(265,386)</b>  | <b>(324,102)</b> | <b>(58,716)</b>               |
| <b>Fund balance, beginning of year</b>                                                                                            | <b>389,364</b>     | <b>389,364</b>    | <b>389,364</b>   | <b>-</b>                      |
| <b>Fund balance, end of year</b>                                                                                                  | <b>\$ 217,667</b>  | <b>\$ 123,978</b> | <b>\$ 65,262</b> | <b>\$ (58,716)</b>            |

**City of Sebastian, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**— Budget and Actual**  
**Law Enforcement Forfeiture Fund**

| <i>For the year ended September 30, 2024</i>                         | Original<br>Budget | Final<br>Budget  | Actual           | Variance with<br>Final Budget |
|----------------------------------------------------------------------|--------------------|------------------|------------------|-------------------------------|
| <b>Revenues</b>                                                      |                    |                  |                  |                               |
| Fines and forfeitures                                                | \$ 150             | \$ 150           | \$ 183           | \$ 33                         |
| Investment earnings                                                  | 1,150              | 1,150            | 1,192            | 42                            |
| Total revenues                                                       | 1,300              | 1,300            | 1,375            | 75                            |
| <b>Expenditures</b>                                                  |                    |                  |                  |                               |
| Public safety                                                        | -                  | -                | -                | -                             |
| Total expenditures                                                   | -                  | -                | -                | -                             |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>1,300</b>       | <b>1,300</b>     | <b>1,375</b>     | <b>75</b>                     |
| <b>Fund balance, beginning of year</b>                               | <b>52,756</b>      | <b>52,756</b>    | <b>52,756</b>    | <b>-</b>                      |
| <b>Fund balance, end of year</b>                                     | <b>\$ 54,056</b>   | <b>\$ 54,056</b> | <b>\$ 54,131</b> | <b>\$ 75</b>                  |



THIS PAGE IS INTENTIONALLY LEFT BLANK.

**CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

**City of Sebastian, Florida**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedule by Source**  
**September 30, 2024**

| Governmental Funds capital assets:                          | FY 2024               | FY 2023               |
|-------------------------------------------------------------|-----------------------|-----------------------|
| Land                                                        | \$ 9,123,026          | \$ 9,123,041          |
| Right to use land                                           | -                     | 1,827,899             |
| Buildings and structures                                    | 23,890,159            | 23,989,507            |
| Non-building improvements (IOTB)                            | 8,322,371             | 8,067,760             |
| Machinery and equipment (Equip & Furniture)                 | 15,471,386            | 12,616,953            |
| Infrastructure                                              | 46,887,302            | 46,571,933            |
| Construction in progress                                    | 2,023,719             | 221,687               |
| <b>Total Govt Funds Capital Assets</b>                      | <b>\$ 105,717,963</b> | <b>\$ 102,418,780</b> |
| Investment in Governmental Funds capital assets by sources: |                       |                       |
| Federal grants                                              | \$ 6,462,063          | \$ 4,803,135          |
| State grants                                                | 3,122,558             | 3,127,467             |
| County grants                                               | 507,031               | 507,031               |
| General Fund                                                | 10,695,599            | 12,648,121            |
| Law enforcement trust fund                                  | 108,939               | 108,939               |
| Recreational impact fee                                     | 4,289,355             | 3,889,427             |
| Stormwater utility fee                                      | 9,242,803             | 9,058,118             |
| Riverfront redevelopment                                    | 3,086,542             | 3,072,710             |
| Cemetery trust fund                                         | 849,811               | 839,720               |
| Donations                                                   | 2,965,996             | 2,965,996             |
| Sales taxes                                                 | 43,566,948            | 40,587,845            |
| Motor fuel taxes                                            | 6,125,106             | 6,115,060             |
| Revenue bond debt                                           | 13,815,028            | 13,815,028            |
| Parking in Lieu of Fee                                      | 90,621                | 90,621                |
| Capital projects                                            | 789,563               | 789,562               |
| <b>Total Investment in Govt Funds Capital Assets</b>        | <b>\$ 105,717,963</b> | <b>\$ 102,418,780</b> |

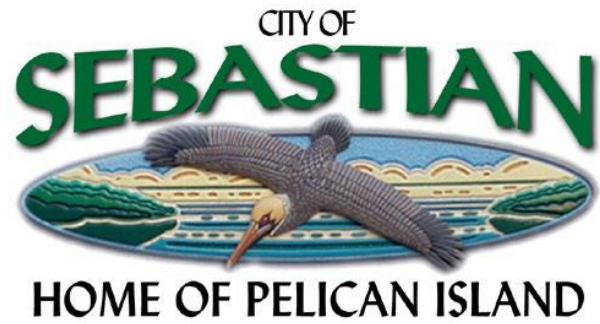
**City of Sebastian, Florida**  
**Capital Assets Used in Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**September 30, 2024**

| Function and Activity    | Land         | Buildings     | Improvements<br>Other than<br>Buildings | Machinery<br>and<br>Equipment | Infrastructure | Totals         |
|--------------------------|--------------|---------------|-----------------------------------------|-------------------------------|----------------|----------------|
| General government:      |              |               |                                         |                               |                |                |
| Legislative              | \$ -         | \$ -          | \$ -                                    | \$ -                          | \$ -           | \$ -           |
| City Manager             | -            | -             | -                                       | 61,427                        | -              | 61,427         |
| City Clerk               | -            | -             | -                                       | 4,003                         | -              | 4,003          |
| Finance                  | -            | -             | 1,100                                   | 2,294                         | -              | 3,394          |
| MIS                      | -            | 5,841         | 77,745                                  | 2,169,720                     | -              | 2,253,306      |
| Audio Visual/Broadcast   | -            | -             | -                                       | -                             | -              | -              |
| Facilities Maintenance   | -            | 10,801,021    | 29,361                                  | 913,900                       | -              | 11,744,282     |
| Comm Dev/Growth Mgmt     | -            | 84,426        | 13,833                                  | 45,700                        | -              | 143,959        |
| Non-Departmental         | 4,474,444    | 6,184,989     | 126,503                                 | 204,375                       | 598,891        | 11,589,202     |
| Subtotal                 | 4,474,444    | 17,076,277    | 248,542                                 | 3,401,419                     | 598,891        | 25,799,573     |
| Public Safety:           |              |               |                                         |                               |                |                |
| Special Operations       | -            | -             | -                                       | -                             | -              | -              |
| Administration           | 9,560        | 3,799,272     | 98,173                                  | 510,585                       | -              | 4,417,590      |
| School Resource          | -            | -             | -                                       | -                             | -              | -              |
| Road Patrol              | -            | -             | -                                       | 4,614,715                     | -              | 4,614,715      |
| Community Policing       | -            | -             | -                                       | -                             | -              | -              |
| Code Enforcement         | -            | -             | -                                       | 93,211                        | -              | 93,211         |
| Investigations           | -            | -             | 4,871                                   | 426,583                       | 32,262         | 463,716        |
| Support Services         | -            | -             | -                                       | -                             | -              | -              |
| Communications           | -            | -             | -                                       | 25,854                        | -              | 25,854         |
| Building Department      | -            | -             | -                                       | 6,295                         | -              | 6,295          |
| Subtotal                 | 9,560        | 3,799,272     | 103,044                                 | 5,677,243                     | 32,262         | 9,621,381      |
| Transportation:          |              |               |                                         |                               |                |                |
| Engineering              | -            | -             | -                                       | -                             | -              | -              |
| Central Garage           | -            | 58,826        | 9,038                                   | 185,866                       | 674            | 254,404        |
| Roads and Drainage       | 47,125       | 66,288        | 1,003,738                               | 1,894,571                     | 22,469,432     | 25,481,154     |
| Subtotal                 | 47,125       | 125,114       | 1,012,776                               | 2,080,437                     | 22,470,106     | 25,735,558     |
| Economic Environment:    |              |               |                                         |                               |                |                |
| Non-Departmental         | 2,308,393    | 1,040,590     | -                                       | -                             | -              | 3,348,983      |
| Subtotal                 | 2,308,393    | 1,040,590     | -                                       | -                             | -              | 3,348,983      |
| Physical Environment:    |              |               |                                         |                               |                |                |
| Stormwater               | -            | 3,450         | 18,334                                  | 3,234,172                     | 20,835,222     | 24,091,178     |
| Cemetery                 | 572,181      | 201,153       | 237,142                                 | 67,291                        | 92,167         | 1,169,934      |
| Subtotal                 | 572,181      | 204,603       | 255,476                                 | 3,301,463                     | 20,927,389     | 25,261,112     |
| Culture/Recreation:      |              |               |                                         |                               |                |                |
| Parks and Recreation     | 1,711,324    | 1,644,300     | 6,702,530                               | 1,010,828                     | 2,804,216      | 13,873,198     |
|                          |              |               |                                         |                               | 54,438         | 54,438         |
| Subtotal                 | 1,711,324    | 1,644,300     | 6,702,530                               | 1,010,828                     | 2,858,654      | 13,927,636     |
| Total                    | \$ 9,123,026 | \$ 23,890,159 | \$ 8,322,371                            | \$ 15,471,386                 | \$ 46,887,300  | 103,694,244    |
| Construction in progress |              |               |                                         |                               |                | 2,023,719      |
| Total                    |              |               |                                         |                               |                | \$ 105,717,963 |

**City of Sebastian, Florida**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**September 30, 2024**

| Function and Activity    | Governmental<br>Funds<br>Capital Assets<br>October 1, 2023 | Additions    | Deletions    | Transfers<br>In | Transfers<br>Out | Governmental<br>Funds<br>Capital Assets<br>September 30, 2024 |
|--------------------------|------------------------------------------------------------|--------------|--------------|-----------------|------------------|---------------------------------------------------------------|
| General government:      |                                                            |              |              |                 |                  |                                                               |
| Legislative              | \$ -                                                       | \$ -         | \$ -         | \$ -            | \$ -             | \$ -                                                          |
| City Manager             | 61,427                                                     | -            | -            | -               | -                | 61,427                                                        |
| City Clerk               | 4,003                                                      | -            | -            | -               | -                | 4,003                                                         |
| City Attorney            | -                                                          | -            | -            | -               | -                | -                                                             |
| Admin Services           | 3,394                                                      | -            | -            | -               | -                | 3,394                                                         |
| MIS                      | 1,864,283                                                  | 374,643      | 4,574        | 18,956          | -                | 2,253,308                                                     |
| Audio Visual/Broadcast   | -                                                          | -            | -            | -               | -                | -                                                             |
| Facilities Maintenance   | 11,701,072                                                 | 150,623      | 15,308       | 2,667           | 94,768           | 11,744,286                                                    |
| Community Development    | 132,556                                                    | 13,833       | 2,430        | -               | -                | 143,959                                                       |
| Non-Departmental         | 11,589,214                                                 | -            | 15           | -               | -                | 11,589,199                                                    |
| Subtotal                 | 25,355,949                                                 | 539,099      | 22,327       | 21,623          | 94,768           | 25,799,577                                                    |
| Public Safety:           |                                                            |              |              |                 |                  |                                                               |
| Special Operations       | -                                                          | -            | -            | -               | -                | -                                                             |
| Administration           | 4,339,819                                                  | 86,791       | 9,020        | -               | -                | 4,417,590                                                     |
| School Resource          | -                                                          | -            | -            | -               | -                | -                                                             |
| Road Patrol              | 3,776,934                                                  | 1,020,708    | 163,974      | -               | 18,956           | 4,614,712                                                     |
| Community Policing       | -                                                          | -            | -            | -               | -                | -                                                             |
| Code Enforcement         | 64,818                                                     | 54,845       | -            | -               | 26,452           | 93,211                                                        |
| Investigations           | 457,664                                                    | 11,933       | 5,881        | -               | -                | 463,716                                                       |
| Support Services         | -                                                          | -            | -            | -               | -                | -                                                             |
| Communications           | 26,927                                                     | -            | 1,073        | -               | -                | 25,854                                                        |
| Building Department      | 6,295                                                      | -            | -            | -               | -                | 6,295                                                         |
| Subtotal                 | 8,672,457                                                  | 1,174,277    | 179,948      | -               | 45,408           | 9,621,378                                                     |
| Transportation:          |                                                            |              |              |                 |                  |                                                               |
| Engineering              | -                                                          | -            | -            | -               | -                | -                                                             |
| Central Garage           | 325,142                                                    | 7,263        | 72,548       | -               | 5,453            | 254,404                                                       |
| Roads and Drainage       | 26,488,458                                                 | 614,567      | 157,159      | 203,306         | 11,899           | 27,137,273                                                    |
| Subtotal                 | 26,813,600                                                 | 621,830      | 229,707      | 203,306         | 17,352           | 27,391,677                                                    |
| Economic Environment:    |                                                            |              |              |                 |                  |                                                               |
| Non-Departmental         | 3,348,982                                                  | -            | -            | -               | -                | 3,348,982                                                     |
| Subtotal                 | 3,348,982                                                  | -            | -            | -               | -                | 3,348,982                                                     |
| Physical Environment:    |                                                            |              |              |                 |                  |                                                               |
| Stormwater               | 23,124,592                                                 | 1,160,834    | 2,840        | 11,899          | 203,306          | 24,091,177                                                    |
| Cemetery                 | 1,159,844                                                  | 10,091       | -            | -               | -                | 1,169,935                                                     |
| Subtotal                 | 24,284,436                                                 | 1,170,925    | 2,840        | 11,899          | 203,306          | 25,261,112                                                    |
| Culture & Recreation:    |                                                            |              |              |                 |                  |                                                               |
| Parks and recreation     | 13,721,669                                                 | 503,455      | 2,077,612    | 124,006         | -                | 12,271,518                                                    |
| Subtotal                 | 13,721,669                                                 | 503,455      | 2,077,612    | 124,006         | -                | 12,271,518                                                    |
| Total                    | 102,197,093                                                | 4,009,586    | 2,512,434    | 360,834         | 360,834          | 103,694,245                                                   |
| Construction in progress | 221,687                                                    | 5,459,431    | 3,657,399    | -               | -                | 2,023,719                                                     |
| Total                    | \$ 102,418,780                                             | \$ 9,469,017 | \$ 6,169,833 | \$ 360,834      | \$ 360,834       | \$ 105,717,963                                                |

## **STATISTICAL SECTION**



THIS PAGE IS INTENTIONALLY LEFT BLANK.

## STATISTICAL SECTION

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

### Table of Contents

#### A. Financial Trends

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

**Schedule A1** Net Position by Component

**Schedule A2** Changes in Net Position

**Schedule A3** Fund Balances – Governmental Funds

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

**Schedule A5** Program Revenue by Function/Program

#### B. Revenue Capacity

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

**Schedule B1** Tax Revenues by Source Governmental Funds

**Schedule B2** Direct and Overlapping Property Tax Rates

**Schedule B3** Actual and Estimated Value of Taxable Property

**Schedule B4** Principal Property Taxpayers

**Schedule B5** Property Tax Levies and Collections

#### C. Debt Capacity

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

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

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

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

**Schedule D1** Demographic and Economic Statistics

**Schedule D2** Principal Employers

## **E. Operating Information**

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

**Schedule E1** Full-Time Equivalent City Government Employees by Function/Program

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

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

## **Additional Notes**

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

**City of Sebastian, Florida**  
**Net Position by Component**  
**Last Ten Fiscal Years**

**Schedule A1**

|                                                    | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
|----------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities</b>                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 48,209,293        | \$ 45,464,209        | \$ 46,351,824        | \$ 41,252,989        | \$ 37,919,832        | \$ 37,080,967        | \$ 37,568,980        | \$ 37,461,026        | \$ 35,886,087        | \$ 35,220,857        |
| Restricted                                         | 10,976,066           | 11,400,048           | 7,282,425            | 10,142,786           | 10,637,069           | 8,976,174            | 6,419,900            | 5,113,543            | 5,209,372            | 4,997,724            |
| Unrestricted                                       | 7,837,995            | 4,618,453            | 3,445,378            | 2,320,211            | 1,103,683            | 2,056,430            | 1,649,796            | 1,236,088            | 3,615,777            | 3,467,014            |
| <b>Total governmental activities net position</b>  | <b>67,023,354</b>    | <b>61,482,710</b>    | <b>57,079,627</b>    | <b>53,715,986</b>    | <b>49,660,584</b>    | <b>48,113,571</b>    | <b>45,638,676</b>    | <b>43,810,657</b>    | <b>44,711,236</b>    | <b>43,685,595</b>    |
| <b>Business-type activities</b>                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | 22,293,189           | 18,795,822           | 18,585,143           | 15,862,090           | 16,263,098           | 16,995,851           | 14,972,789           | 13,384,969           | 11,989,666           | 10,517,895           |
| Unrestricted                                       | 1,606,830            | 1,598,136            | (436,561)            | (933,213)            | (1,017,263)          | (654,928)            | (777,422)            | (1,008,976)          | (717,053)            | 67,779               |
| <b>Total business-type activities net position</b> | <b>23,900,019</b>    | <b>20,393,958</b>    | <b>18,148,582</b>    | <b>14,928,877</b>    | <b>15,245,835</b>    | <b>16,340,923</b>    | <b>14,195,367</b>    | <b>12,375,993</b>    | <b>11,272,613</b>    | <b>10,585,674</b>    |
| <b>Primary government</b>                          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | 70,502,482           | 64,260,031           | 64,936,967           | 57,115,079           | 54,182,930           | 54,076,818           | 52,541,769           | 50,845,995           | 47,875,753           | 45,738,752           |
| Restricted                                         | 10,976,066           | 11,400,048           | 7,282,425            | 10,142,786           | 10,637,069           | 8,976,174            | 6,419,900            | 5,113,543            | 5,209,372            | 4,997,724            |
| Unrestricted                                       | 9,444,825            | 6,216,589            | 3,008,817            | 1,386,998            | 86,420               | 1,401,502            | 872,374              | 227,112              | 2,898,724            | 3,534,793            |
| <b>Total primary government net position</b>       | <b>\$ 90,923,373</b> | <b>\$ 81,876,668</b> | <b>\$ 75,228,209</b> | <b>\$ 68,644,863</b> | <b>\$ 64,906,419</b> | <b>\$ 64,454,494</b> | <b>\$ 59,834,043</b> | <b>\$ 56,186,650</b> | <b>\$ 55,983,849</b> | <b>\$ 54,271,269</b> |

## Schedule A2

## City of Sebastian, Florida Changes in Net Position Last Ten Fiscal Years

|                                          | Fiscal Year       |                   |                   |                   |                   | Fiscal Year       |                   |                   |                   |                   |
|------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                          | 2024              | 2023              | 2022              | 2021              | 2020              | 2019              | 2018              | 2017              | 2016              | 2015              |
| <b>Expenses:</b>                         |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Governmental activities:                 |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| General government                       | \$ 6,016,169      | \$ 5,224,980      | \$ 5,158,135      | \$ 4,907,738      | \$ 5,071,184      | \$ 3,970,541      | \$ 3,926,479      | \$ 3,379,369      | \$ 3,285,607      | \$ 3,015,536      |
| Public safety                            | 7,436,062         | 8,093,434         | 7,703,234         | 6,453,141         | 6,856,836         | 6,613,707         | 6,227,299         | 6,549,037         | 5,476,136         | 5,164,197         |
| Physical environment                     | 4,393,213         | 3,440,202         | 3,259,272         | 2,848,779         | 2,534,320         | 3,106,764         | 3,431,933         | 3,769,377         | 2,538,752         | 2,759,461         |
| Transportation                           | 3,565,480         | 2,704,831         | 2,153,685         | 2,136,727         | 2,037,807         | 2,022,117         | 1,949,882         | 2,279,149         | 1,861,946         | 2,024,814         |
| Economic environment                     | 317,431           | 338,114           | 291,969           | 256,771           | 315,985           | 402,986           | 238,597           | 106,577           | 364,675           | 194,630           |
| Culture and recreation                   | 1,781,223         | 1,617,044         | 1,606,579         | 1,481,096         | 1,402,691         | 1,434,296         | 1,279,635         | 1,326,245         | 1,191,488         | 1,293,246         |
| Interest and fiscal charges              | -                 | 67,178            | 14,644            | 19,522            | 28,711            | 38,539            | 56,523            | 63,141            | 82,943            | 100,468           |
| Total governmental activities expenses   | 23,509,578        | 21,485,783        | 20,187,518        | 18,103,774        | 18,247,534        | 17,588,950        | 17,110,348        | 17,472,895        | 14,801,547        | 14,552,352        |
| Business-type activities:                |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Golf course                              | 1,661,083         | 1,786,655         | 1,659,271         | 1,575,587         | 1,551,926         | 1,533,749         | 1,555,853         | 1,537,332         | 1,584,214         | 1,409,829         |
| Airport                                  | 1,649,721         | 1,531,134         | 1,427,667         | 1,339,582         | 1,282,084         | 1,336,180         | 1,328,258         | 1,361,134         | 1,197,549         | 1,038,361         |
| Building                                 | 1,095,603         | 1,007,261         | 1,260,189         | 1,544,157         | 1,869,767         | 715,846           | 664,066           | 586,752           | 546,649           | 531,087           |
| Total business-type activities expenses  | 4,406,407         | 4,325,050         | 4,347,127         | 4,459,326         | 4,703,777         | 3,585,775         | 3,548,177         | 3,485,218         | 3,328,412         | 2,979,277         |
| <b>Total primary government expenses</b> | <b>27,915,985</b> | <b>25,810,833</b> | <b>24,534,645</b> | <b>22,563,100</b> | <b>22,951,311</b> | <b>21,174,725</b> | <b>20,658,525</b> | <b>20,958,113</b> | <b>18,129,959</b> | <b>17,531,629</b> |

## Schedule A2 (Continued)

## City of Sebastian, Florida Changes in Net Position Last Ten Fiscal Years

|                                                       | Fiscal Year         |                     |                    |                    |                     | Fiscal Year         |                     |                     |                     |                     |
|-------------------------------------------------------|---------------------|---------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                       | 2024                | 2023                | 2022               | 2021               | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
| <b>Program Revenues:</b>                              |                     |                     |                    |                    |                     |                     |                     |                     |                     |                     |
| Governmental activities:                              |                     |                     |                    |                    |                     |                     |                     |                     |                     |                     |
| Charges for services:                                 |                     |                     |                    |                    |                     |                     |                     |                     |                     |                     |
| General government                                    | 813,109             | 733,072             | 769,115            | 769,986            | 684,938             | 532,721             | 466,261             | 362,631             | 374,581             | 372,255             |
| Public safety                                         | 170,853             | 288,122             | 217,282            | 157,625            | 130,502             | 147,121             | 74,216              | 124,800             | 98,446              | 80,763              |
| Physical environment                                  | 2,162,030           | 2,140,145           | 2,132,049          | 2,119,101          | 2,037,874           | 2,161,464           | 1,064,659           | 1,021,038           | 1,049,735           | 1,087,642           |
| Culture and recreation                                | 78,270              | 66,859              | 69,714             | 70,623             | 41,316              | 54,769              | 52,160              | 48,781              | 53,959              | 67,940              |
| Operating grants and contributions                    | 2,166,386           | 581,139             | 2,066,434          | 2,093,941          | 1,726,719           | 803,092             | 1,776,070           | 250,292             | 323,101             | 345,937             |
| Capital grants and contributions                      | 5,156,156           | 4,977,894           | 4,910,478          | 4,265,728          | 3,647,329           | 251,088             | 181,050             | 947,274             | 809,932             | 994,546             |
| Total government activities program revenue           | 10,546,804          | 8,787,231           | 10,165,072         | 9,477,004          | 8,268,678           | 3,950,255           | 3,614,416           | 2,754,816           | 2,709,754           | 2,949,083           |
| Business-type activities:                             |                     |                     |                    |                    |                     |                     |                     |                     |                     |                     |
| Charges for services:                                 |                     |                     |                    |                    |                     |                     |                     |                     |                     |                     |
| Golf course                                           | 1,877,978           | 1,902,696           | 1,812,201          | 1,498,561          | 1,525,184           | 1,400,939           | 1,257,047           | 1,058,939           | 1,135,357           | 1,333,189           |
| Airport                                               | 411,519             | 707,517             | 688,723            | 578,916            | 552,789             | 536,442             | 583,310             | 499,321             | 516,403             | 457,318             |
| Building                                              | 1,079,122           | 899,205             | 1,257,746          | 1,377,978          | 937,839             | 864,068             | 911,643             | 747,950             | 810,069             | 712,620             |
| Operating grants and contributions                    | -                   | -                   | -                  | -                  | -                   | 46,771              | 115,907             | 116,055             | -                   | -                   |
| Capital grants and contributions                      | 3,935,604           | 365,388             | 3,295,019          | 560,394            | 471,888             | 2,670,116           | 2,120,953           | 1,566,737           | 841,668             | 702,154             |
| Total business-type activities program revenue        | 7,304,223           | 3,874,806           | 7,053,689          | 4,015,849          | 3,487,700           | 5,518,336           | 4,988,860           | 3,989,002           | 3,303,497           | 3,205,281           |
| <b>Total primary government program revenue</b>       | <b>17,851,027</b>   | <b>12,662,037</b>   | <b>17,218,761</b>  | <b>13,492,853</b>  | <b>11,756,378</b>   | <b>9,468,591</b>    | <b>8,603,276</b>    | <b>6,743,818</b>    | <b>6,013,251</b>    | <b>6,154,364</b>    |
| <b>Net (expense) revenue</b>                          |                     |                     |                    |                    |                     |                     |                     |                     |                     |                     |
| Governmental activities                               | (12,962,774)        | (12,698,552)        | (10,022,446)       | (8,626,770)        | (9,978,856)         | (13,638,695)        | (13,495,932)        | (14,718,079)        | (12,091,793)        | (11,603,269)        |
| Business-type activities                              | 2,897,816           | (450,244)           | 2,706,562          | (443,477)          | (1,216,077)         | 1,932,561           | 1,440,683           | 503,784             | (24,915)            | 226,004             |
| <b>Total primary government net (expense) revenue</b> | <b>(10,064,958)</b> | <b>(13,148,796)</b> | <b>(7,315,884)</b> | <b>(9,070,247)</b> | <b>(11,194,933)</b> | <b>(11,706,134)</b> | <b>(12,055,249)</b> | <b>(14,214,295)</b> | <b>(12,116,708)</b> | <b>(11,377,265)</b> |

Continued...

## Schedule A2 (Continued)

## City of Sebastian, Florida Changes in Net Position Last Ten Fiscal Years

|                                                            | 2024                | 2023                | 2022                | 2021                | 2020              | 2019                | 2018                | 2017              | 2016                | 2015                |
|------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| <b>General Revenues and other changes in net position:</b> |                     |                     |                     |                     |                   |                     |                     |                   |                     |                     |
| Governmental activities:                                   |                     |                     |                     |                     |                   |                     |                     |                   |                     |                     |
| Property taxes, levied for general purposes                | 6,915,611           | 5,537,364           | 4,988,598           | 4,991,306           | 4,270,497         | 4,325,759           | 4,153,194           | 4,147,115         | 3,942,048           | 3,594,210           |
| Public utility taxes                                       | 3,696,879           | 3,523,529           | 3,172,766           | 3,030,261           | 2,940,406         | 2,882,460           | 2,808,172           | 5,945,386         | 5,762,921           | 5,555,270           |
| Franchise fees                                             | 1,716,016           | 1,775,486           | 1,571,571           | 1,384,529           | 1,316,849         | 1,343,744           | 1,316,792           | 1,271,403         | 1,257,430           | 1,241,515           |
| Intergovernmental unrestricted                             | 4,508,157           | 4,721,538           | 3,526,318           | 3,066,490           | 2,541,474         | 7,109,496           | 6,887,664           | 2,616,522         | 2,466,546           | 2,365,137           |
| Investment earnings                                        | 621,019             | 505,805             | 142,209             | 61,247              | 180,988           | 378,657             | 216,185             | 135,614           | 77,317              | 65,256              |
| Miscellaneous                                              | 1,475,357           | 385,723             | 468,361             | 271,276             | 381,999           | 277,970             | 312,401             | 290,269           | 316,239             | 240,179             |
| Transfers                                                  | (429,621)           | (131,788)           | (493,736)           | (122,937)           | (106,344)         | (204,496)           | (370,457)           | (588,809)         | (705,067)           | 2,988               |
| Total governmental activities                              | 18,503,418          | 16,317,657          | 13,376,087          | 12,682,172          | 11,525,869        | 16,113,590          | 15,323,951          | 13,817,500        | 13,117,434          | 13,064,555          |
| Business-type activities:                                  |                     |                     |                     |                     |                   |                     |                     |                   |                     |                     |
| Investment earnings                                        | 53,269              | 68,008              | 17,582              | 3,582               | 10,377            | 8,499               | 8,234               | 10,787            | 6,787               | 5,368               |
| Gain on sale of capital assets                             | 14,648              | 182,556             | 1,825               | -                   | 4,268             | -                   | -                   | -                 | -                   | -                   |
| Miscellaneous                                              | 110,707             | 147,428             | -                   | -                   | -                 | -                   | -                   | -                 | -                   | 20,602              |
| Transfers                                                  | 429,621             | 131,788             | 493,736             | 122,937             | 106,344           | 204,496             | 370,457             | 588,809           | 705,067             | (2,988)             |
| Total business-type activities                             | 608,245             | 529,780             | 513,143             | 126,519             | 120,989           | 212,995             | 378,691             | 599,596           | 711,854             | 22,982              |
| <b>Total primary government general revenue</b>            | <b>19,111,663</b>   | <b>16,847,437</b>   | <b>13,889,230</b>   | <b>12,808,691</b>   | <b>11,646,858</b> | <b>16,326,585</b>   | <b>15,702,642</b>   | <b>14,417,096</b> | <b>13,829,288</b>   | <b>13,087,537</b>   |
| <b>Change in net position</b>                              |                     |                     |                     |                     |                   |                     |                     |                   |                     |                     |
| Governmental activities                                    | 5,540,644           | 3,619,105           | 3,353,641           | 4,055,402           | 1,547,013         | 2,474,895           | 1,828,019           | (900,579)         | 1,025,641           | 1,461,286           |
| Business-type activities                                   | 3,506,061           | 79,536              | 3,219,705           | (316,958)           | (1,095,088)       | 2,145,556           | 1,819,374           | 1,103,380         | 686,939             | 248,986             |
| <b>Total primary government change in net position</b>     | <b>\$ 9,046,705</b> | <b>\$ 3,698,641</b> | <b>\$ 6,573,346</b> | <b>\$ 3,738,444</b> | <b>\$ 451,925</b> | <b>\$ 4,620,451</b> | <b>\$ 3,647,393</b> | <b>\$ 202,801</b> | <b>\$ 1,712,580</b> | <b>\$ 1,710,272</b> |

**City of Sebastian, Florida**  
**Fund Balances – Governmental Funds**  
**Last Ten Fiscal Years**

**Schedule A3**

|                                           | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
|-------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General Fund</b>                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Nonspendable                              | \$ 285,611          | \$ 364,122          | \$ 201,992          | \$ 341,851          | \$ 182,803          | \$ 94,564           | \$ 234,852          | \$ 342,505          | \$ 227,651          | \$ 316,036          |
| Restricted                                | -                   | 176,903             | -                   | 110,994             | 88,782              | 103,900             | 77,185              | 63,016              | 46,262              | 38,544              |
| Committed                                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Assigned                                  | -                   | -                   | -                   | 12,157              | 12,157              | 12,157              | 13,871              | 12,350              | 10,840              | 8,692               |
| Unassigned                                | 10,462,385          | 9,398,963           | 7,993,009           | 6,224,793           | 5,419,259           | 5,988,440           | 5,047,473           | 4,089,275           | 5,526,675           | 5,289,322           |
| <b>Total General Fund</b>                 | <b>\$10,747,996</b> | <b>\$ 9,939,988</b> | <b>\$ 8,195,001</b> | <b>\$ 6,689,795</b> | <b>\$ 5,703,001</b> | <b>\$ 6,199,061</b> | <b>\$ 5,373,381</b> | <b>\$ 4,507,146</b> | <b>\$ 5,811,428</b> | <b>\$ 5,652,594</b> |
| <b>All other governmental funds</b>       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Non-spendable                             | \$ 1,037,412        | \$ 634,147          | \$ 436,407          | \$ 1,001,453        | \$ 1,085,337        | \$ 1,036,571        | \$ 1,542,466        | \$ 941,061          | \$ 996,778          | \$ 928,758          |
| Restricted                                | 10,415,753          | 10,618,581          | 6,846,018           | 9,034,265           | 9,471,281           | 7,850,346           | 4,822,199           | 4,131,416           | 4,193,653           | 4,181,787           |
| Committed                                 | 120,750             | 102,131             | 409,549             | 329,364             | 223,723             | 553,172             | 707,667             | 995,144             | 977,868             | 815,688             |
| Assigned                                  | 1,110,015           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Unassigned                                | (106,176)           | (83,736)            | (429,088)           | (210,876)           | -                   | (5,730)             | (3,048)             | (26,370)            | (129,401)           | (58,618)            |
| <b>Total all other governmental funds</b> | <b>\$12,577,754</b> | <b>\$11,271,123</b> | <b>\$ 7,262,886</b> | <b>\$10,154,206</b> | <b>\$10,780,341</b> | <b>\$ 9,434,359</b> | <b>\$ 7,069,284</b> | <b>\$ 6,041,251</b> | <b>\$ 6,038,898</b> | <b>\$ 5,867,615</b> |
| <b>Total governmental funds</b>           | <b>\$23,325,750</b> | <b>\$21,211,111</b> | <b>\$15,457,887</b> | <b>\$16,844,001</b> | <b>\$16,483,342</b> | <b>\$15,633,420</b> | <b>\$12,442,665</b> | <b>\$10,548,397</b> | <b>\$11,850,326</b> | <b>\$11,520,209</b> |

**City of Sebastian, Florida**  
**Changes in Fund Balances – Governmental Funds**  
**Last Ten Fiscal Years**

**Schedule A4**

|                                                       | 2024                | 2023                | 2022                  | 2021              | 2020              | 2019                | 2018                | 2017                  | 2016              | 2015              |
|-------------------------------------------------------|---------------------|---------------------|-----------------------|-------------------|-------------------|---------------------|---------------------|-----------------------|-------------------|-------------------|
| <b>Revenues:</b>                                      |                     |                     |                       |                   |                   |                     |                     |                       |                   |                   |
| Taxes                                                 | \$ 10,612,490       | \$ 9,095,759        | \$ 8,161,364          | \$ 8,021,567      | \$ 7,210,903      | \$ 7,208,219        | \$ 6,961,366        | \$ 10,738,778         | \$ 10,326,654     | \$ 9,782,109      |
| Franchise fees                                        | 1,716,016           | 1,775,486           | 1,571,571             | 1,384,529         | 1,316,849         | 1,343,744           | 1,316,792           | 1,271,403             | 1,257,430         | 1,241,515         |
| Licenses and permits                                  | 193,385             | 163,719             | 189,643               | 195,920           | 150,240           | 146,812             | 165,922             | 135,900               | 136,614           | 147,219           |
| Intergovernmental                                     | 11,578,898          | 10,004,218          | 10,312,702            | 9,176,859         | 7,739,019         | 7,996,330           | 8,648,064           | 2,991,190             | 2,709,066         | 2,742,950         |
| Impact fees                                           | 138,775             | 99,450              | 179,400               | 214,500           | 143,875           | 129,550             | 141,050             | 102,700               | 163,800           | 281,450           |
| Charges for services                                  | 3,192,959           | 3,102,300           | 2,894,772             | 2,868,088         | 2,691,093         | 2,698,117           | 1,443,123           | 1,353,009             | 1,391,495         | 1,397,395         |
| Fines                                                 | 55,028              | 170,768             | 103,745               | 53,327            | 53,297            | 51,146              | 48,251              | 96,842                | 73,059            | 63,035            |
| Investment earnings                                   | 621,019             | 505,805             | 142,209               | 61,247            | 180,988           | 378,657             | 216,185             | 135,614               | 77,317            | 65,256            |
| Contributions and donations                           | 142,780             | 200,553             | 468,361               | 271,276           | 381,999           | 277,970             | 55,670              | 45,420                | 80,581            | 48,124            |
| Other revenues                                        | 187,998             | 134,783             | 11,128                | 34,800            | 32,628            | 37,796              | 312,401             | 290,269               | 316,239           | 241,597           |
| <b>Total revenues</b>                                 | <b>28,439,348</b>   | <b>25,252,841</b>   | <b>24,034,895</b>     | <b>22,282,113</b> | <b>19,900,891</b> | <b>20,268,341</b>   | <b>19,308,824</b>   | <b>17,161,125</b>     | <b>16,532,255</b> | <b>16,010,650</b> |
| <b>Expenditures:</b>                                  |                     |                     |                       |                   |                   |                     |                     |                       |                   |                   |
| Current:                                              |                     |                     |                       |                   |                   |                     |                     |                       |                   |                   |
| General government                                    | 6,514,716           | 5,129,197           | 4,706,858             | 4,457,302         | 4,498,327         | 3,536,154           | 3,492,883           | 2,943,790             | 3,053,554         | 2,717,049         |
| Public safety                                         | 8,783,899           | 7,679,795           | 6,854,359             | 6,314,019         | 6,275,459         | 6,035,675           | 5,659,861           | 5,134,388             | 4,968,258         | 4,666,343         |
| Physical environment                                  | 2,857,600           | 2,393,007           | 2,398,846             | 1,858,226         | 1,633,435         | 1,871,853           | 2,195,332           | 2,565,532             | 1,316,697         | 1,498,706         |
| Transportation                                        | 1,425,084           | 1,308,620           | 1,199,856             | 1,197,835         | 1,129,260         | 1,142,412           | 1,079,509           | 1,333,927             | 1,168,919         | 1,187,871         |
| Economic environment                                  | 229,471             | 249,700             | 291,969               | 256,771           | 315,985           | 402,986             | 238,597             | 73,491                | 331,589           | 161,545           |
| Culture and recreation                                | 1,292,330           | 1,103,676           | 1,131,280             | 986,734           | 955,164           | 1,027,371           | 875,172             | 927,374               | 849,789           | 893,394           |
| Debt service:                                         |                     |                     |                       |                   |                   |                     |                     |                       |                   |                   |
| Principal retired                                     | -                   | 121,000             | 632,000               | 620,000           | 611,000           | 601,000             | 590,000             | 931,000               | 1,935,000         | 1,567,000         |
| Lease principal                                       | -                   | 8,868               | 1,642                 | -                 | -                 | -                   | -                   | -                     | -                 | -                 |
| Interest                                              | -                   | 55,961              | 17,788                | 23,927            | 35,023            | 45,846              | 56,523              | 68,512                | 92,907            | 108,678           |
| Capital outlay                                        | 5,811,618           | 3,780,530           | 7,692,675             | 6,083,703         | 3,490,972         | 2,209,793           | 2,856,222           | 3,896,231             | 1,780,358         | 3,133,330         |
| <b>Total expenditures</b>                             | <b>26,914,718</b>   | <b>21,830,354</b>   | <b>24,927,273</b>     | <b>21,798,517</b> | <b>18,944,625</b> | <b>16,873,090</b>   | <b>17,044,099</b>   | <b>17,874,245</b>     | <b>15,497,071</b> | <b>15,933,916</b> |
| <b>Revenues over (under) expenditures</b>             | <b>1,524,630</b>    | <b>3,422,487</b>    | <b>(892,378)</b>      | <b>483,596</b>    | <b>956,266</b>    | <b>3,395,251</b>    | <b>2,264,725</b>    | <b>(713,120)</b>      | <b>1,035,184</b>  | <b>76,734</b>     |
| <b>Other Financing Sources (Uses)</b>                 |                     |                     |                       |                   |                   |                     |                     |                       |                   |                   |
| Transfers in                                          | 7,851,963           | 3,071,227           | 8,099,451             | 5,632,516         | 3,280,101         | 2,451,428           | 4,427,037           | 7,184,858             | 3,694,279         | 4,989,726         |
| Transfers out                                         | (8,281,584)         | (3,203,015)         | (8,593,187)           | (5,755,453)       | (3,386,445)       | (2,655,924)         | (4,797,494)         | (7,773,667)           | (4,399,346)       | (4,986,738)       |
| Lease/debt proceeds                                   | -                   | 1,656,117           | -                     | -                 | -                 | -                   | -                   | -                     | -                 | -                 |
| Proceeds from sale of capital assets                  | 1,019,630           | 47,296              | -                     | -                 | -                 | -                   | -                   | -                     | -                 | -                 |
| <b>Total other financing sources (uses)</b>           | <b>590,009</b>      | <b>1,571,625</b>    | <b>(493,736)</b>      | <b>(122,937)</b>  | <b>(106,344)</b>  | <b>(204,496)</b>    | <b>(370,457)</b>    | <b>(588,809)</b>      | <b>(705,067)</b>  | <b>2,988</b>      |
| <b>Net Change in Fund Balances</b>                    | <b>\$ 2,114,639</b> | <b>\$ 4,994,112</b> | <b>\$ (1,386,114)</b> | <b>\$ 360,659</b> | <b>\$ 849,922</b> | <b>\$ 3,190,755</b> | <b>\$ 1,894,268</b> | <b>\$ (1,301,929)</b> | <b>\$ 330,117</b> | <b>\$ 79,722</b>  |
| <b>Debt Service as a % of noncapital expenditures</b> |                     |                     |                       |                   |                   |                     |                     |                       |                   |                   |
| <b>Noncapital Expenditures</b>                        | 0.0%                | 1.0%                | 3.8%                  | 4.1%              | 4.2%              | 4.4%                | 4.6%                | 7.2%                  | 14.8%             | 13.1%             |

**City of Sebastian, Florida**  
**Program Revenues by Function/Program**  
**Last Ten Fiscal Years**

**Schedule A5**

|                                 | 2024                       | 2023                       | 2022                       | 2021                       | 2020                       | 2019                       | 2018                       | 2017                       | 2016                       | 2015                       |
|---------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Program Revenues</b>         |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Governmental activities:        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General government              | \$ 5,715,322               | \$ 5,524,587               | \$ 5,787,477               | \$ 5,689,371               | \$ 4,749,501               | \$ 1,096,978               | \$ 1,997,400               | \$ 390,921                 | \$ 479,395                 | \$ 534,524                 |
| Public safety                   | 598,110                    | 834,919                    | 470,102                    | 393,259                    | 399,361                    | 444,199                    | 346,239                    | 334,270                    | 306,381                    | 254,381                    |
| Physical environment            | 2,162,030                  | 2,140,145                  | 2,132,049                  | 2,119,101                  | 2,037,874                  | 2,161,464                  | 1,064,659                  | 1,021,038                  | 1,049,735                  | 1,087,642                  |
| Transportation                  | -                          | -                          | 1,041,474                  | 990,150                    | 896,751                    | 13,295                     | 12,908                     | 687,310                    | 656,484                    | 643,146                    |
| Economic environment            | 1,854,297                  | 121,271                    | 484,856                    | -                          | -                          | -                          | -                          | -                          | -                          | -                          |
| Cultural and recreation         | 217,045                    | 166,309                    | 249,114                    | 285,123                    | 185,191                    | 234,319                    | 193,210                    | 321,277                    | 217,759                    | 429,390                    |
| Total governmental activities   | <u>\$10,546,804</u>        | <u>\$ 8,787,231</u>        | <u>\$10,165,072</u>        | <u>\$ 9,477,004</u>        | <u>\$ 8,268,678</u>        | <u>\$ 3,950,255</u>        | <u>\$ 3,614,416</u>        | <u>\$ 2,754,816</u>        | <u>\$ 2,709,754</u>        | <u>\$ 2,949,083</u>        |
| Business-type activities:       |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Charges for services:           |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Golf Course                     | \$ 1,937,644               | \$ 1,902,696               | \$ 1,812,201               | \$ 1,498,561               | \$ 1,525,184               | \$ 1,401,260               | \$ 1,355,652               | \$ 1,170,591               | \$ 1,135,357               | \$ 1,333,189               |
| Airport                         | 4,287,457                  | 1,072,905                  | 3,983,742                  | 1,139,310                  | 1,024,677                  | 3,253,008                  | 2,704,263                  | 2,070,461                  | 1,358,071                  | 1,159,472                  |
| Building                        | 1,079,122                  | 899,205                    | 1,257,746                  | 1,377,978                  | 937,839                    | 864,068                    | 928,945                    | 747,950                    | 810,069                    | 712,620                    |
| Total business-type activities  | <u>\$ 7,304,223</u>        | <u>\$ 3,874,806</u>        | <u>\$ 7,053,689</u>        | <u>\$ 4,015,849</u>        | <u>\$ 3,487,700</u>        | <u>\$ 5,518,336</u>        | <u>\$ 4,988,860</u>        | <u>\$ 3,989,002</u>        | <u>\$ 3,303,497</u>        | <u>\$ 3,205,281</u>        |
| <b>Total primary government</b> | <u><u>\$17,851,027</u></u> | <u><u>\$12,662,037</u></u> | <u><u>\$17,218,761</u></u> | <u><u>\$13,492,853</u></u> | <u><u>\$11,756,378</u></u> | <u><u>\$ 9,468,591</u></u> | <u><u>\$ 8,603,276</u></u> | <u><u>\$ 6,743,818</u></u> | <u><u>\$ 6,013,251</u></u> | <u><u>\$ 6,154,364</u></u> |

**City of Sebastian, Florida**  
**Tax Revenues by Source Governmental**  
**Last Ten Fiscal Years**

**Schedule B1**

| <b>Fiscal Year</b> | <b>Property Taxes</b> | <b>Utility Taxes<br/>and<br/>Franchise<br/>Fees</b> | <b>Inter-<br/>Governmental<sup>(1)</sup></b> | <b>Other Inter-<br/>Governmental<sup>(2)</sup></b> | <b>Totals</b> |
|--------------------|-----------------------|-----------------------------------------------------|----------------------------------------------|----------------------------------------------------|---------------|
| 2024               | \$ 6,915,611          | \$ 5,412,895                                        | \$ 11,578,898                                | \$ 4,531,944                                       | \$ 28,439,348 |
| 2023               | 5,572,230             | 5,299,015                                           | 10,004,218                                   | 4,377,378                                          | 25,252,841    |
| 2022               | 4,988,598             | 4,744,337                                           | 10,312,702                                   | 3,989,258                                          | 24,034,895    |
| 2021               | 4,991,306             | 4,414,790                                           | 9,176,859                                    | 3,699,158                                          | 22,282,113    |
| 2020               | 4,270,497             | 4,257,255                                           | 7,739,019                                    | 3,634,120                                          | 19,900,891    |
| 2019               | 4,325,759             | 4,226,204                                           | 7,996,330                                    | 3,720,048                                          | 20,268,341    |
| 2018               | 4,153,194             | 4,124,964                                           | 8,648,064                                    | 2,382,602                                          | 19,308,824    |
| 2017               | 4,147,115             | 3,980,383                                           | 6,873,873                                    | 2,159,754                                          | 17,161,125    |
| 2016               | 3,942,048             | 3,943,752                                           | 6,407,350                                    | 2,239,105                                          | 16,532,255    |
| 2015               | 3,594,210             | 3,880,226                                           | 6,292,138                                    | 2,244,076                                          | 16,010,650    |

<sup>(1)</sup> Includes half-cent sales taxes, one-cent discretionary sales tax, cigarette and motor fuel taxes, local option gas taxes and police pension premium taxes.

<sup>(2)</sup> Includes mobile home taxes, alcohol beverage licenses, and municipal fuel rebate taxes. Amounts do not include non-recurring grants or contributions.

Source: Financial Statements and records, City of Sebastian.

**Schedule B2**

**City of Sebastian, Florida**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Rate per \$1,000 of taxable value)**

| Fiscal Year | City Direct<br>Rate  | Overlapping Rates      |                                   |                      |                      | Total<br>Overlapping<br>and Direct |
|-------------|----------------------|------------------------|-----------------------------------|----------------------|----------------------|------------------------------------|
|             | Operating<br>Millage | Indian River<br>County | Indian River<br>County<br>Schools | Special<br>Districts | Total<br>Overlapping |                                    |
| 2024        | 3.1955               | 5.9006                 | 5.9110                            | 1.0657               | 12.8773              | 16.0728                            |
| 2023        | 2.9050               | 5.9006                 | 5.9850                            | 1.0677               | 12.9533              | 15.8583                            |
| 2022        | 3.0043               | 5.9006                 | 6.2680                            | 1.2933               | 13.4619              | 16.4662                            |
| 2021        | 3.1514               | 5.9006                 | 6.3960                            | 1.3929               | 13.6895              | 16.8409                            |
| 2020        | 2.9399               | 6.1698                 | 6.5690                            | 1.4091               | 14.1479              | 17.0878                            |
| 2019        | 3.1514               | 6.1086                 | 6.7930                            | 1.5396               | 14.4412              | 17.5926                            |
| 2018        | 3.4000               | 6.1214                 | 7.0530                            | 1.5390               | 14.7134              | 18.1134                            |
| 2017        | 3.8000               | 5.9755                 | 7.4100                            | 1.5170               | 14.9025              | 18.7025                            |
| 2016        | 3.8556               | 5.9468                 | 7.9550                            | 1.6993               | 15.6011              | 19.4567                            |
| 2015        | 3.8566               | 5.6868                 | 7.9950                            | 1.7126               | 15.3944              | 19.2510                            |

**Source:** Indian River County Property Appraiser website  
Indian River County Tax Collector website

**City of Sebastian, Florida**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

**Schedule B3**

| <b>Tax Year</b> | <b>Fiscal Year Ended September 30</b> | <b>Real Property</b> | <b>Personal Property</b> | <b>Less: Tax-Exempt Property</b> | <b>Total Taxable Assessed Value</b> | <b>Total Direct Tax Rate</b> | <b>Estimated Actual Taxable Value</b> | <b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b> |
|-----------------|---------------------------------------|----------------------|--------------------------|----------------------------------|-------------------------------------|------------------------------|---------------------------------------|-----------------------------------------------------------------------|
| 2023            | 2024                                  | \$ 2,846,895,941     | \$ 116,959,576           | \$ 662,905,655                   | \$ 2,300,949,862                    | \$ 3.1955                    | \$ 3,675,579,502                      | 62.60%                                                                |
| 2022            | 2023                                  | 2,616,004,251        | 105,014,540              | 636,371,809                      | 2,084,646,982                       | 2.9050                       | 3,375,019,854                         | 61.77%                                                                |
| 2021            | 2022                                  | 2,338,149,496        | 88,760,233               | 607,432,125                      | 1,819,477,604                       | 3.0043                       | 3,011,447,103                         | 60.42%                                                                |
| 2020            | 2021                                  | 2,089,301,313        | 76,063,937               | 581,830,114                      | 1,583,535,136                       | 3.1514                       | 2,687,690,578                         | 58.92%                                                                |
| 2019            | 2020                                  | 1,843,910,442        | 73,492,650               | 533,734,358                      | 1,383,668,734                       | 2.9399                       | 2,378,380,703                         | 58.18%                                                                |
| 2018            | 2019                                  | 1,705,459,458        | 66,819,663               | 509,133,351                      | 1,263,145,770                       | 3.1514                       | 2,198,643,986                         | 57.45%                                                                |
| 2017            | 2018                                  | 1,578,743,546        | 62,277,711               | 486,428,425                      | 1,154,592,832                       | 3.4000                       | 2,035,707,144                         | 56.72%                                                                |
| 2016            | 2017                                  | 1,447,311,640        | 59,305,756               | 468,930,126                      | 1,037,687,270                       | 3.8000                       | 1,868,445,306                         | 55.54%                                                                |
| 2015            | 2016                                  | 1,363,105,220        | 55,646,868               | 451,939,888                      | 966,812,200                         | 3.8556                       | 1,759,528,393                         | 54.95%                                                                |
| 2014            | 2015                                  | 1,267,035,970        | 53,045,209               | 435,071,311                      | 885,009,868                         | 3.8556                       | 1,636,840,172                         | 54.07%                                                                |

**Source:** Indian River County Property Appraiser

**City of Sebastian, Florida**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Prior**

**Schedule B4**

|                                                               | 2024                      |      |                                             | 2015                      |      |                                             |
|---------------------------------------------------------------|---------------------------|------|---------------------------------------------|---------------------------|------|---------------------------------------------|
|                                                               | Taxable<br>Assessed Value | Rank | Percentage<br>of Total<br>Assessed<br>Value | Taxable<br>Assessed Value | Rank | Percentage<br>of Total<br>Assessed<br>Value |
| <b>Taxpayer</b>                                               |                           |      |                                             |                           |      |                                             |
| Florida Power & Light (Utility/Electric)                      | \$ 62,907,885             | 1    | 3.02%                                       | 17,335,289                | 1    | 1.79%                                       |
| Comcast of Florida Inc. (Communications)                      | 1,626,864                 | 2    | 0.08%                                       | 7,406,973                 | 3    | 0.77%                                       |
| Park Place Community LLC (Rental/Retail)                      | 9,259,974                 | 3    | 0.44%                                       | 6,883,417                 | 4    | 0.71%                                       |
| Walmart Stores Inc. (Retail)                                  | 8,909,021                 | 4    | 0.43%                                       | 8,599,800                 | 2    | 0.89%                                       |
| Sebastian Senior Real Estate LLC                              | 7,141,210                 | 5    | 0.34%                                       | -                         |      | -                                           |
| Hartwell Groves Florida LLC (Commercial)                      | 6,701,510                 | 6    | 0.32%                                       | 4,396,180                 | 7    | 0.45%                                       |
| CSMA BLT LLC (Commercial)                                     | 6,318,309                 | 7    | 0.30%                                       | -                         |      | -                                           |
| BW US 1 Inc. (Commercial)                                     | 5,731,588                 | 8    | 0.27%                                       | 6,219,100                 | 5    | 0.64%                                       |
| CSGBSH Sebastian LLC                                          | 5,318,708                 | 9    | 0.26%                                       | -                         |      | -                                           |
| Real Sub LLC (Retail)                                         | 5,249,134                 | 10   | 0.25%                                       | -                         |      | -                                           |
| CR512 Shopping Center                                         |                           |      |                                             | 5,984,530                 | 6    | 0.62%                                       |
| Bellsouth Communications (Utility/Telephone)                  |                           |      |                                             | 4,105,105                 | 8    | 0.42%                                       |
| Sebastian Inlet Marina & Trading Inc. (Restaurant/Hotel)      |                           |      |                                             | 3,665,330                 | 9    | 0.38%                                       |
| Sebastian Medical Suites LLC (Commercial)                     |                           |      |                                             | \$3,563,630               | 10   | 0.37%                                       |
| Total taxable assessed value for principal property taxpayers | \$ 119,164,203            |      | 5.72%                                       | \$ 68,159,354             |      | 7.05%                                       |
| Total Taxable Value                                           | \$ 2,084,646,982          |      |                                             | \$966,812,200             |      |                                             |

**Sources:**

Indian River County Property Appraiser

**City of Sebastian, Florida**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

**Schedule B5**

| Fiscal Year<br>Ended<br>September<br>30, | Total Tax<br>Levy for<br>Fiscal Year | Collected Within the Fiscal<br>Year of the Levy |                       | Collections in<br>Subsequent<br>Years | Total Collections to Date |                       |
|------------------------------------------|--------------------------------------|-------------------------------------------------|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                                          |                                      | Amount<br>Collected                             | Percentage<br>of Levy |                                       | Amount<br>Collected       | Percentage<br>of Levy |
| 2024                                     | \$ 6,661,489                         | \$ 6,347,323                                    | 95.3%                 | \$ 96,321                             | \$ 6,443,644              | 96.7%                 |
| 2023                                     | 5,264,275                            | 5,019,086                                       | 95.3%                 | 83,184                                | 5,102,270                 | 96.9%                 |
| 2022                                     | 4,761,264                            | 4,536,854                                       | 95.3%                 | 66,069                                | 4,602,923                 | 96.7%                 |
| 2021                                     | 4,683,490                            | 4,470,263                                       | 95.4%                 | 63,371                                | 4,533,634                 | 96.8%                 |
| 2020                                     | 4,067,907                            | 3,791,174                                       | 93.2%                 | 76,083                                | 3,867,257                 | 95.1%                 |
| 2019                                     | 3,980,678                            | 3,861,686                                       | 97.0%                 | 79,857                                | 3,941,543                 | 99.0%                 |
| 2018                                     | 3,925,616                            | 3,703,536                                       | 94.3%                 | 83,126                                | 3,786,662                 | 96.5%                 |
| 2017                                     | 3,943,212                            | 3,726,976                                       | 94.5%                 | 77,898                                | 3,804,874                 | 96.5%                 |
| 2016                                     | 3,727,641                            | 3,530,235                                       | 94.7%                 | 72,789                                | 3,603,024                 | 96.7%                 |
| 2015                                     | 3,412,244                            | 3,295,549                                       | 96.6%                 | 2,241                                 | 3,297,790                 | 96.6%                 |

**Source:** City cash receipt source documents  
Indian River County Tax Collector  
Indian River County Property Appraiser

**City of Sebastian, Florida**  
**Ratios of Outstanding Debt By Type**  
**Last Ten Fiscal Years**

**Schedule C1**

| Fiscal Year | Roadway<br>Improvement<br>Notes | Infrastructure<br>Sales Taxes<br>Bonds/Notes <sup>1</sup> | Stormwater<br>Utility Revenue<br>Bonds/Notes | Government-type<br>Activities | Business-type<br>Activities | Total<br>Primary<br>Government | Percentage<br>of Per Capita<br>Income | Per<br>Capita |
|-------------|---------------------------------|-----------------------------------------------------------|----------------------------------------------|-------------------------------|-----------------------------|--------------------------------|---------------------------------------|---------------|
|             |                                 |                                                           |                                              | Lease<br>Liability            | Lease<br>Liability          |                                |                                       |               |
| 2015        | 1,689,000                       | 1,722,000                                                 | 2,630,000                                    | -                             | -                           | 6,041,000                      | 0.0006%                               | 267           |
| 2016        | 1,478,000                       | 353,000                                                   | 2,275,000                                    | -                             | -                           | 4,106,000                      | 0.0003%                               | 193           |
| 2017        | 1,263,000                       | -                                                         | 1,912,000                                    | -                             | 254,453                     | 3,429,453                      | 0.0003%                               | 142           |
| 2018        | 1,044,000                       | -                                                         | 1,541,000                                    | -                             | 206,167                     | 2,791,167                      | 0.0002%                               | 113           |
| 2019        | 820,000                         | -                                                         | 1,164,000                                    | -                             | 156,171                     | 2,140,171                      | 0.0002%                               | 85            |
| 2020        | 591,000                         | -                                                         | 782,000                                      | -                             | 104,403                     | 1,477,403                      | 0.0001%                               | 58            |
| 2021        | 358,000                         | -                                                         | 395,000                                      | -                             | 50,801                      | 803,801                        | 0.0046%                               | 38            |
| 2022        | 121,000                         | -                                                         | -                                            | 170,140                       | 2,441,105                   | 2,732,245                      | 0.0001%                               | 38            |
| 2023        | -                               | -                                                         | -                                            | 1,817,389                     | 2,405,019                   | 4,222,408                      | 0.0002%                               | 160           |
| 2024        | -                               | -                                                         | -                                            | -                             | -                           | -                              | -                                     | -             |

**City of Sebastian, Florida**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

**Schedule D1**

| <b>Year</b> | <b>Population <sup>(a)</sup></b> | <b>Per Capita<br/>Income <sup>(b)</sup></b> | <b>School<br/>Enrollment</b> | <b>Unemployment<br/>Rate <sup>(c)</sup></b> |
|-------------|----------------------------------|---------------------------------------------|------------------------------|---------------------------------------------|
| 2024        | 26,907                           | (d)                                         | 5,880                        | 4.3%                                        |
| 2023        | 26,405                           | 105,827                                     | 5,757                        | 3.9%                                        |
| 2022        | 25,915                           | 75,552                                      | 5,484                        | 3.1%                                        |
| 2021        | 25,454                           | 95,109                                      | 5,868                        | 4.6%                                        |
| 2020        | 25,658                           | 84,607                                      | 6,118                        | 5.9%                                        |
| 2019        | 25,168                           | 80,818                                      | 6,186                        | 3.2%                                        |
| 2018        | 24,630                           | 76,059                                      | 6,459                        | 3.9%                                        |
| 2017        | 24,192                           | 73,274                                      | 6,122                        | 4.3%                                        |
| 2016        | 28,137                           | 71,181                                      | 6,132                        | 6.2%                                        |
| 2015        | 22,622                           | 68,658                                      | 5,930                        | 6.1%                                        |

**Sources:**

- <sup>(a)</sup> University of Florida Bureau of Economic and Business Research
- <sup>(b)</sup> U.S. Bureau of Economic Analysis
- <sup>(c)</sup> U.S. Bureau of Labor Statistics
- <sup>(d)</sup> Information not yet available.

Schedule D2

For the Current Year and Nine Years Prior

| Employer                                  | 2024                   |      | 2015                   |      |
|-------------------------------------------|------------------------|------|------------------------|------|
|                                           | Number of<br>Employees | Rank | Number of<br>Employees | Rank |
| School District of Indian River County    | 2,234                  | 1    | 2,123                  | 1    |
| Cleveland Clinic Indian River Hospital    | 2,027                  | 2    | 1,753                  | 2    |
| Indian River County                       | 1,455                  | 3    | 1,328                  | 3    |
| Publix Supermarket                        | 1,380                  | 4    | 1,250                  | 4    |
| Piper Aircraft Inc.                       | 1,100                  | 5    | 850                    | 5    |
| Wal-Mart                                  | 806                    | 6    | 693                    | 6    |
| Sebastian River Medical Center            | 750                    | 7    | 569                    | 7    |
| Johns Island Residential Resort           | 495                    | 8    | 526                    | 8    |
| Indian River Estates Retirement Community | 486                    | 9    |                        |      |
| Visiting Nurse Association                | 500                    | 10   |                        |      |
| City of Vero Beach                        |                        |      | 424                    | 9    |
| Medical Data Systems                      |                        |      | 400                    | 10   |
|                                           | <u>11,233</u>          |      | <u>9,916</u>           |      |

Source: Principal employers in City of Sebastian were determined from listings provided by the Indian River Economic Development Commission.

## Schedule E1

## City of Sebastian, Florida Full-Time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

| Function                            | 2024         | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>General Government</b>           |              |              |              |              |              |              |              |              |              |              |
| City Council                        | 2.5          | 2.5          | 2.5          | 2.5          | 2.5          | 2.5          | 2.5          | 2.5          | 2.5          | 2.5          |
| City Manager                        | 4.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.5          | 2.5          | 2.0          |
| City Clerk                          | 3.0          | 2.0          | 2.5          | 2.5          | 2.5          | 2.5          | 2.5          | 2.5          | 3.0          | 5.0          |
| City Attorney                       | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | -            | -            | -            | -            | -            |
| Finance                             | 6.0          | 6.0          | 5.0          | 11.5         | 11.5         | 11.5         | 11.5         | 11.0         | 14.0         | 14.0         |
| Management Information              | 6.0          | 6.0          | 6.0          | 2.5          | 2.5          | 2.5          | 2.5          | 2.0          | 2.0          | 2.0          |
| Audio/Visual                        | -            | -            | -            | -            | -            | -            | -            | 2.5          | 1.0          | -            |
| Human Resources                     | 2.0          | 2.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          |
| Facilities Maintenance              | 4.0          | 4.0          | 3.0          | 4.0          | 4.0          | 3.0          | 3.0          | 2.5          | 3.5          | 5.0          |
| Community Development               | 7.0          | 7.0          | 5.0          | 5.0          | 5.0          | 4.0          | 4.0          | 3.0          | 2.0          | 4.0          |
| <b>Total General Government</b>     | <b>35.5</b>  | <b>32.5</b>  | <b>28.0</b>  | <b>32.0</b>  | <b>32.0</b>  | <b>29.0</b>  | <b>29.0</b>  | <b>29.5</b>  | <b>31.5</b>  | <b>35.5</b>  |
| <b>Public Safety</b>                |              |              |              |              |              |              |              |              |              |              |
| Police                              | 71.5         | 68.0         | 65.0         | 64.0         | 64.0         | 64.0         | 64.0         | 57.5         | 57.5         | 57.0         |
| Code Enforcement                    | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          |
| Building                            | 12.0         | 11.5         | 9.5          | 8.5          | 7.5          | 7.5          | 7.5          | 5.0          | 5.0          | 5.0          |
| <b>Total Public Safety</b>          | <b>86.5</b>  | <b>82.5</b>  | <b>77.5</b>  | <b>67.0</b>  | <b>67.0</b>  | <b>67.0</b>  | <b>67.0</b>  | <b>60.5</b>  | <b>60.5</b>  | <b>60.0</b>  |
| <b>Transportation</b>               |              |              |              |              |              |              |              |              |              |              |
| Roads and Drainage                  | 11.0         | 10.0         | 10.0         | 10.0         | 10.0         | 9.5          | 9.5          | 11.5         | 11.0         | 10.0         |
| Fleet Management                    | 4.0          | 3.5          | 3.0          | 3.0          | 3.0          | 3.5          | 3.5          | 3.5          | 3.5          | 3.5          |
| Airport                             | 2.5          | 2.5          | 2.5          | 10.0         | 10.0         | 10.0         | 8.0          | 9.0          | 8.0          | 8.0          |
| <b>Total Transportation</b>         | <b>17.5</b>  | <b>16.0</b>  | <b>15.5</b>  | <b>23.0</b>  | <b>23.0</b>  | <b>23.0</b>  | <b>21.0</b>  | <b>24.0</b>  | <b>22.5</b>  | <b>21.5</b>  |
| <b>Physical Environment</b>         |              |              |              |              |              |              |              |              |              |              |
| Cemetery                            | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 1.5          | 2.0          | 2.0          |
| Stormwater                          | 13.5         | 14.0         | 15.5         | 13.5         | 13.5         | 14.5         | 14.5         | 8.0          | 9.0          | 9.0          |
| <b>Total Physical Environment</b>   | <b>15.5</b>  | <b>16.0</b>  | <b>17.5</b>  | <b>15.5</b>  | <b>15.5</b>  | <b>16.5</b>  | <b>16.5</b>  | <b>9.5</b>   | <b>11.0</b>  | <b>11.0</b>  |
| <b>Culture and Recreation</b>       |              |              |              |              |              |              |              |              |              |              |
| Parks                               | 16.0         | 16.0         | 16.0         | 13.0         | 15.0         | 13.0         | 9.0          | 9.0          | 9.0          | 9.0          |
| Golf Course                         | 9.5          | 9.0          | 9.0          | 3.0          | 4.0          | 4.0          | 4.0          | 3.0          | 3.0          | 4.0          |
| <b>Total Culture and Recreation</b> | <b>25.5</b>  | <b>25.0</b>  | <b>25.0</b>  | <b>16.0</b>  | <b>19.0</b>  | <b>17.0</b>  | <b>13.0</b>  | <b>12.0</b>  | <b>12.0</b>  | <b>13.0</b>  |
| <b>Total Employees</b>              | <b>180.5</b> | <b>172.0</b> | <b>163.5</b> | <b>138.0</b> | <b>141.0</b> | <b>136.0</b> | <b>130.0</b> | <b>126.0</b> | <b>126.5</b> | <b>130.0</b> |

**City of Sebastian, Florida**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

**Schedule E2**

| <i>Function</i>                        | 2024      | 2023      | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       |
|----------------------------------------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Police</b>                          |           |           |            |            |            |            |            |            |            |            |
| Citations and Warnings Processed       | 4352      | 4167      | 3011       | 2447       | 2350       | 4626       | 3679       | 3,180      | 3,065      | 3,525      |
| Calls for Service                      | 50,133    | 56,125    | 55,312     | 56,690     | 55,105     | 51,209     | 48,610     | 45,136     | 41,903     | 44,831     |
| Physical Arrest                        | 317       | 383       | 276        | 368        | 397        | 525        | 516        | 356        | 258        | 287        |
| <b>Finance</b>                         |           |           |            |            |            |            |            |            |            |            |
| Payroll Checks Processed               | 4,668     | 4,643     | 4,557      | 4,429      | 4,372      | 4,479      | 4,360      | 4,008      | 3,992      | 4,238      |
| Accounts Payable Checks                | 2,129     | 2,152     | 2,039      | 2,019      | 1,983      | 2,043      | 2,210      | 2,232      | 2,384      | 2,238      |
| Purchasing Card Transactions           | 3,008     | 2,964     | 2,877      | 2,770      | 2,747      | 2,599      | 2,397      | 1,718      | 1,357      | 1,395      |
| <b>Human Resources</b>                 |           |           |            |            |            |            |            |            |            |            |
| Terminations/Resignations/Retirements  | 25        | 33        | 31         | 35         | 33         | 18         | 34         | 29         | 41         | 23         |
| New Hires                              | 30        | 28        | 18         | 35         | 22         | 17         | 31         | 37         | 35         | 26         |
| <b>Public Works</b>                    |           |           |            |            |            |            |            |            |            |            |
| Miles of Paved Roads Maintained        | 158       | 157       | 157        | 157        | 157        | 157        | 157        | 157        | 157        | 157        |
| Miles of Sidewalks Maintained          | 32        | 27        | 27         | 27         | 26         | 26         | 26         | 26         | 26         | 26         |
| <b>City Garage</b>                     |           |           |            |            |            |            |            |            |            |            |
| Heavy Equipment Units Maintained       | 37        | 37        | 47         | 37         | 24         | 24         | 26         | 26         | 26         | 26         |
| Light Equipment Units Maintained       | 229       | 226       | 220        | 219        | 207        | 202        | 200        | 185        | 198        | 185        |
| Vehicles Maintained                    | 124       | 118       | 114        | 107        | 118        | 121        | 117        | 107        | 101        | 103        |
| <b>Cemetery</b>                        |           |           |            |            |            |            |            |            |            |            |
| Cemetery Internments                   | 73        | 61        | 97         | 91         | 75         | 74         | 60         | 62         | 61         | 71         |
| Grave Deeds Sold                       | 69        | 71        | 61         | 62         | 59         | 30         | 29         | 32         | 39         | 43         |
| <b>Stormwater System</b>               |           |           |            |            |            |            |            |            |            |            |
| Swales Maintained                      | 150       | 150       | 150        | 150        | 150        | 150        | 150        | 300        | 300        | 300        |
| Ditches Maintained                     | 80        | 80        | 80         | 80         | 80         | 80         | 80         | 80         | 75         | 75         |
| <b>Parks and Recreation</b>            |           |           |            |            |            |            |            |            |            |            |
| Community Center Fees                  | \$ 17,262 | \$ 12,128 | \$ 9,202   | \$ 9,819   | \$ 12,026  | \$ 19,163  | \$ 19,256  | \$ 17,663  | \$ 23,168  | \$ 26,681  |
| Tennis Court Fees                      | \$ 33,242 | \$ 31,344 | \$ 28,273  | \$ 31,437  | \$ 15,376  | \$ 21,630  | \$ 18,579  | \$ 18,327  | \$ 15,454  | \$ 24,102  |
| Participants at Recreation Center      | 6,164     | 4,506     | 3,490      | 3,970      | 4,371      | 6,823      | 6,495      | 6,268      | 7,280      | 7,647      |
| <b>Golf Course</b>                     |           |           |            |            |            |            |            |            |            |            |
| Golf Course Memberships                | 150       | 189       | 190        | 121        | 152        | 134        | 123        | 119        | 127        | 98         |
| Average Daily Golf Course Revenue      | \$5,154   | \$5,240   | \$4,961    | \$4,117    | \$4,179    | \$3,837    | \$3,100    | \$3,100    | \$3,100    | \$3,653    |
| <b>Airport</b>                         |           |           |            |            |            |            |            |            |            |            |
| Leasehold Revenues                     | \$719,003 | \$707,516 | \$ 515,562 | \$ 495,395 | \$ 473,574 | \$ 443,628 | \$ 405,672 | \$ 343,256 | \$ 331,848 | \$ 313,976 |
| <b>Building</b>                        |           |           |            |            |            |            |            |            |            |            |
| Number of Business Tax Receipts Issued | 1,640     | 1,350     | 1,228      | 1,631      | 1,893      | 1,670      | 1,806      | 1,248      | 1,132      | 1,802      |
| Number of Inspections                  | 12,830    | 14,416    | 17,857     | 14,332     | 10,197     | 14,078     | 16,191     | 17,867     | 13,094     | 14,488     |
| New Construction Permits Issued        | 168       | 232       | 229        | 255        | 178        | 170        | 167        | 147        | 191        | 142        |
| Value of Construction (in millions)    | \$101.4   | \$47.7    | \$62.9     | \$649.5    | \$46.9     | \$42.4     | \$39.8     | \$37.2     | \$43.4     | \$40.6     |

**Source:** Various City Departments

**City of Sebastian, Florida**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

**Schedule E3**

| Function/Program                             | 2024    | 2023    | 2022    | 2021    | 2020    | 2019    | 2018    | 2017    | 2016    | 2015    |
|----------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>General Government:</b>                   |         |         |         |         |         |         |         |         |         |         |
| City Hall Square Footage                     | 21,500  | 21,500  | 21,500  | 21,500  | 21,500  | 21,500  | 21,500  | 21,500  | 21,500  | 21,500  |
| <b>Public Safety:</b>                        |         |         |         |         |         |         |         |         |         |         |
| Police Station Square Footage                | 25,600  | 25,600  | 25,600  | 25,600  | 25,600  | 25,600  | 25,600  | 25,600  | 25,600  | 25,600  |
| Building Department Square Footage           | 2,500   | 2,500   | 2,500   | 2,500   | 2,500   | 2,500   | 2,500   | 2,500   | 2,500   | 2,500   |
| <b>Public Works:</b>                         |         |         |         |         |         |         |         |         |         |         |
| Public Works Compound Square Footage         | 379,068 | 379,068 | 379,068 | 379,068 | 379,068 | 379,068 | 379,068 | 379,068 | 379,068 | 379,068 |
| Miles of Streets                             | 159     | 156     | 156     | 156     | 156     | 156     | 156     | 156     | 156     | 156     |
| Number of Street Lights                      | 354     | 354     | 354     | 354     | 354     | 354     | 354     | 354     | 354     | 354     |
| <b>Recreation and Community Development:</b> |         |         |         |         |         |         |         |         |         |         |
| Tennis courts                                | 10      | 10      | 10      | 10      | 10      | 10      | 10      | 10      | 10      | 10      |
| Pickle Ball Courts                           | 8       | 8       | 8       | 1       | 1       | 0       | 0       | 0       | 0       | 0       |
| Ballfields                                   | 8       | 8       | 8       | 8       | 8       | 8       | 8       | 8       | 8       | 8       |
| Park Facility Acres                          | 138     | 138     | 138     | 138     | 138     | 138     | 138     | 138     | 138     | 138     |
| Nature Preserve Acres                        | 244     | 244     | 244     | 244     | 244     | 244     | 244     | 244     | 244     | 244     |
| 18 Hole Golf Course                          | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| <b>Airport</b>                               |         |         |         |         |         |         |         |         |         |         |
| Total Number of Acres                        | 625     | 625     | 625     | 625     | 625     | 625     | 625     | 625     | 625     | 625     |
| Acres Available for Development              | 85      | 85      | 85      | 103     | 105     | 105     | 105     | 105     | 108     | 108     |

**Source:** Various city departments



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***

Honorable Mayor and Members of the City Council  
City of Sebastian, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sebastian, Florida (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item MW 2024-002 to be a material weakness.

*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 considered deficiency described in the accompanying schedule of findings and questioned costs as item SD 2024-001 to be a significant deficiency.

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

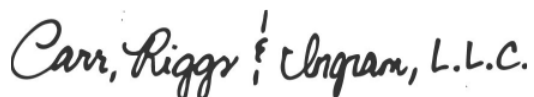
As part of obtaining reasonable assurance about whether the City of Sebastian, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a 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*.

## **The City of Sebastian's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described above. The City'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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Melbourne, Florida  
March 31, 2025



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

**Carr, Riggs & Ingram, L.L.C.**  
7506 Lynx Way  
Suite 201  
Melbourne, FL 32940  
  
321.255.0088  
386.336.4189 (fax)  
CRIadv.com

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

Honorable Mayor and Members of the City Council  
City of Sebastian, Florida

**Report on Compliance for Each Major Federal Programs and State Project**

***Opinion on Each Major Federal Program and State Project***

We have audited the City of Sebastain, Florida's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Sebastain, Florida's major federal programs and state project for the year ended September 30, 2024. City of Sebastain, Florida's major federal programs and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Sebastain, Florida complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2024.

***Basis for Opinion on Each Major Federal Program and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Florida Auditor General*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Sebastain, Florida's federal programs and state projects.

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Sebastain, Florida's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General* will always detect material noncompliance when it exists will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Sebastain, Florida's compliance with the requirements of each major federal program and state project as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Sebastain, Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Sebastain, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, and Chapter 10.550, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of City of Sebastain, Florida's internal control over compliance. Accordingly, no such opinion is expressed.

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

## Report on Internal Control over Compliance

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-005 to be material weaknesses.

We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-004 to be a significant deficiency.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

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

Melbourne, Florida  
March 31, 2025

**City of Sebastian, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2024**

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

*Financial Statements*

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes
- Significant deficiencies identified not considered to be Yes
- Noncompliance material to the financial statements noted? No

*Federal Awards and State Projects*

Type of auditor’s report issued : Unmodified

Internal control over major programs:

- Material weaknesses identified? Yes
- Significant deficiencies identified? Yes

Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a) and/or Chapter 10.557, Rules of the Florida Auditor General?  
Yes

Identification of major programs

Federal Assistance Listing Numbers

21.027

20.106

Federal Program or Cluster

COVID-19 Coronavirus State and Local Fiscal Recovery Funds  
COVID-19 Airport Improvement Program

State CSFA Numbers

55.004

State Projects

Aviation Grant Programs

Dollar threshold used to distinguish between type A and type B programs \$750,000 Federal  
\$300,000 State

Auditee qualified as low-risk under 2CFR 200.520 No

**City of Sebastian, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2024**

**Section II – Financial Statements Findings**

**SD 2024-001 UNAVAILABLE REVENUE**

**Criteria:** GASB Codification (GASBC) 1600, Basis of Accounting requires governmental funds to be use the modified accrual basis of accounting.

**Condition:** The receivables from Florida Department of Environmental Protection (FDEP) and the Florida Inland Navigation District (FIND) was not collected within the period of availability (60 days) and a entry was not made, to move the revenue to unavailable revenue.

**Cause:** The money had not been remitted to the City within the period of availability and thus was not recorded appropriately.

**Effect:** Deferred inflow of unavailable revenue was understated by \$113,026 and revenue was overstated by \$113,026.

**Recommendation:** The City should record unavailable revenue for items earned but not received within the period of availability.

**Management's Response:** Year-end procedures have been added to ensure that unavailable revenue is correctly posted in the future.

**MW 2024-002 REVIEW OF SUPPORTING SCHEDULES**

**Criteria:** As part of the financial reporting process, management is responsible for ensuring that all supporting schedules and reconciliations, which substantiate the amounts reported in the financial statements, are reviewed for accuracy and completeness.

**Condition:** During the audit, multiple schedules including the interfund transfers, the schedule of expenditures of federal awards, pensions, and lease schedules were not reviewed prior to submission for the audit.

**Cause:** The City was in the process of hiring an additional finance staff causing the review of schedules not to occur.

**Effect:** The financial statements and SEFA could be materially misstated due to undetected errors or omissions in the supporting schedules.

**Recommendation:** We recommend the City implement a formalized process that includes documented review of supporting schedules.

**City of Sebastian, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2024**

**Management's Response:** Management agrees that all financial data would potentially be more accurate if reviewed by an additional qualified person prior to use. However, limited staff has prevented this from always being practical. In the future, management will seek ways to add more controls to all of our processes, including reviews, to ensure more accurate and reliable data is submitted.

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

**MW 2024-003 REPORT SUBMITTED WITHOUT REVIEW**

**Program title:**

COVID-19 Coronavirus State and Local Fiscal Recovery Funds  
COVID-19 Airport Improvement Program

**Assistance Listing Numbers:**

21.027  
20.106

**Federal Award ID Number:**

SLFRP0894, 23PLN17  
3-12-0145-012-2023, 3-12-0145-017-2021

**Name of Federal Agency:**

United States Department of Treasury - Award 23PLN17 *Passed through the Florida Department of Environmental Protection;*  
Federal Aviation Authority

**Funding:** 2024

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

The grant agreements required various performance/reimbursement/financial reports. The reports were not reviewed prior to submission to granting agency.

A Quarterly report required for the Federal Aviation Authority was not submitted within the 30 days after quarter close.

**Condition:** During the audit, it was identified that required reports were not reviewed prior to submission. Reports were submitted, but there was no documented evidence of thorough review or oversight, leading to concerns regarding the accuracy, completeness, and compliance of the reports.

During the audit, it Report 5370 was submitted late. The required due date was within 30 days of quarter close. The report was submitted twenty-two days after due date.

**Cause:** The City was unaware of the requirement that reports be reviewed by a person other than the preparer prior to submission. The City received the invoices for the quarterly reports after the due date, causing a delay in submitting the report.

**City of Sebastian, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2024**

**Effect:** The absence of regular reviews increases the risk of errors, omissions, or non-compliance with regulatory requirements. This oversight can lead to financial discrepancies, inaccurate reporting and matching amounts, and potential legal or reputational risks. Additionally, failure to review reports may delay the identification of operational issues or inefficiencies.

The late submission may cause disruptions in compliance with regulatory timelines, potentially lead to penalties or loss of funding.

**Questioned Costs:** None

**Perspective:** Two of the grants that required reports, both did not have any reports reviewed. CRI tested three of the six required reports. Only one was submitted late.

**Recommendation:** Management should implement a formalized process for reviewing all required reports prior to submission.

**Management's Response:** Management agrees that all financial data would potentially be more accurate if reviewed by an additional qualified person prior to use. However, limited staff has prevented this from always being practical. In the future, management will seek ways to add more controls to all of our processes, including reviews, to ensure more accurate and reliable data is submitted.

**SD 2024-004   SUSPENSION AND DEBAREMENT**

**Program title:**

COVID-19 Coronavirus State and Local Fiscal Recover Funds

**Assistance Listing Numbers:**

21.027

**Federal Award ID Number:**

SLFRP0894, 23PLN17

**Name of Federal Agency:**

United States Department of Treasury - Award 23PLN17 *Passed through the Florida Department of Environmental Protection;*

**Funding:** 2024

**Criteria:** 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls. Vendors should be checked for suspension and debarment prior to services being performed.

**Condition:** During the audit, it was determined that 2 of the 2 vendors selected for projects were not screened against the federal suspension and debarment list prior to award. The vendor was not verified against the System for Award Management (SAM) or other relevant databases to ensure they were not excluded from doing business with the government, as required by federal regulations.

**Cause:** The City was in the process of hiring a new procurement manager and relied on piggybacking on county contracts when selecting vendors.

**City of Sebastian, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2024**

**Effect:** The failure to check the vendor against suspension and debarment lists exposes the City to the risk of engaging with vendors who may be ineligible to perform work under federally funded programs. This non-compliance could lead to potential financial penalties, legal consequences, and reputational damage, as well as the risk of working with unqualified or non-compliant vendors.

**Questioned Costs:** None

**Perspective:** One hundred percent of the population (2 vendors) was selected for testing. Both vendors were not checked for suspension and debarment.

**Recommendation:** Management should implement a formalized process for checking all vendors prior to work being started on the project.

**Management's Response:** In January 2024 a Procurement Manager was hired. Procedures were added to ensure that the City will be in compliance with the 2 CFR 200.303 in the future.

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

**MW 2024-005 PROGRESS REPORT NOT REVIEWED**

**Program title:**

Aviation Grant Program

**Assistance Listing Numbers:**

55.004

**State Project ID Number:**

FM #445949-1-94-01; FM #449620-1-94-01; FM #445975-1-94-01; FM #451509-1-94-01

**Name of State Agency:**

Florida Department of Transportation

**Funding:** 2024

**Criteria:** Rules of Florida Auditor General, Chapter 10.550 requires entities to establish and maintain effective internal controls. Progress reports should be subject to independent review to verify completeness, validity and timeliness of submission.

**Condition:** During the audit, it was identified that progress reports, for the above mentioned grants, were not reviewed prior to submission. Progress reports were submitted, but there was no documented evidence of thorough review or oversight, leading to concerns regarding the accuracy, completeness, and compliance of the reports and matching may be inaccurate.

**Cause:** The City was unaware of the requirement that progress reports be reviewed by a person other than the preparer prior to submission.

**Effect:** The absence of regular reviews increases the risk of errors, omissions, or non-compliance with regulatory requirements. This oversight can lead to financial discrepancies, inaccurate reporting and matching amounts, and potential legal or reputational risks. Additionally, failure to review reports may delay the identification of operational issues or inefficiencies.

**City of Sebastian, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2024**

**Questioned Costs:** None

**Perspective:** Of the three grants with progress reports tested, none of the progress reports were reviewed prior to submission.

**Recommendation:** Management should implement a formalized process for reviewing all required progress reports prior to submission.

**Management's Response:** Management agrees that all financial data would be more accurate if reviewed by an additional qualified person prior to use, however limited staff prevents this from always being practical. In the future management will seek ways to add more controls to all of our processes, including reviews, to ensure more accurate and reliable data is submitted.

**SECTION IV: PRIOR FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS AND STATE PROJECTS**

No matters were reported.

**City of Sebastian, Florida**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**For the Year Ended September 30, 2024**

| Federal Agency<br><i>Pass-through Entity</i><br>Federal Program/ State Project                                                         | Assistance<br>Listing/ CSFA<br>No. | Grant Number /<br>Pass Through<br>Entity Identifying<br>Number | Expenditures        | Transfers<br>to<br>Subrecipients |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------------------------|---------------------|----------------------------------|
| <b>Federal Awards:</b>                                                                                                                 |                                    |                                                                |                     |                                  |
| <b>U.S Department of Housing and Urban Development</b>                                                                                 |                                    |                                                                |                     |                                  |
| Community Development Block Grant - Entitlement Grants Cluster:<br>2023-2024 Award                                                     | 14.218                             | B-24-MC-12-0064                                                | \$ 179,960          | \$ -                             |
| <b>U.S Department of Justice</b>                                                                                                       |                                    |                                                                |                     |                                  |
| Bulletproof Vest Partnership<br><i>Passed through Federal Department of Law Enforcement</i>                                            | 16.607                             | OMB 1121-0235                                                  | 4,408               | -                                |
| Edward Byrne Memorial Justice Assistance Grant Program                                                                                 | 16.738                             | R7118                                                          | 11,595              | -                                |
| Total U.S. Department of Justice                                                                                                       |                                    |                                                                | 16,003              | -                                |
| <b>U.S Department of Transportation</b>                                                                                                |                                    |                                                                |                     |                                  |
| Airport Improvement Program:<br>COVID-19 Airport Improvements Program                                                                  | 20.106                             | 3-12-0145-017-2021                                             | 7,570               | -                                |
| Airport Improvement Program - Rehab Runway Paving & Lighting                                                                           | 20.106                             | 3-12-0145-021-2023                                             | 2,657,210           | -                                |
| Total Department of Transportation                                                                                                     |                                    |                                                                | 2,664,780           | -                                |
| <b>U.S. Department of homeland Security</b>                                                                                            |                                    |                                                                |                     |                                  |
| Federal Emergency Management Agency<br>Disaster Grants - Public Assistance (Presidentially Declared Disasters)                         | 97.036                             | PA-00-10-41-01-049                                             | 5,688               | -                                |
| <b>U.S Department of Treasury</b>                                                                                                      |                                    |                                                                |                     |                                  |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds<br><i>Passed through State of Florida Environmental Protection Agency</i> | 21.027                             | SLFRP0894                                                      | 1,674,337           | -                                |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds                                                                           | 21.027                             | 23PLN17                                                        | 93,939              | -                                |
| Total Department of Treasury                                                                                                           |                                    |                                                                | 1,768,276           | -                                |
| <b>Total Expenditures of Federal Awards</b>                                                                                            |                                    |                                                                | <b>\$ 4,634,707</b> | <b>\$ -</b>                      |
| <b>State Awards:</b>                                                                                                                   |                                    |                                                                |                     |                                  |
| <b>Florida Department of Transportation</b>                                                                                            |                                    |                                                                |                     |                                  |
| Aviation Grant Programs -Construct Square Hangars                                                                                      | 55.004                             | A2250                                                          | \$ 405,790          | \$ -                             |
| Aviation Grant Programs -Hangar D Office Improvements                                                                                  | 55.004                             | A2353                                                          | 15,745              | -                                |
| Aviation Grant Programs -Reconstruct Alpha Apron                                                                                       | 55.004                             | A2450                                                          | 485,955             | -                                |
| Aviation Grant Programs -Design Taxiway Golf                                                                                           | 55.004                             | A2453                                                          | 78,150              | -                                |
| Total Florida Department of Transportation                                                                                             |                                    |                                                                | 985,640             | -                                |
| <b>Total Expenditures of State Financial Assistance</b>                                                                                |                                    |                                                                | <b>\$ 985,640</b>   | <b>\$ -</b>                      |

**City of Sebastian, Florida**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**For the Year Ended September 30, 2024**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying schedule of expenditures of federal awards includes the federal spending of the City of Sebastian, Florida (the "City") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not represent the financial position of the City.

**Note 2: INDIRECT COST RATE**

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended September 30, 2024, the City did not elect to use this rate.

**Note 3: LOAN / LOAN GUARANTEE OUTSTANDING BALANCES**

The City did not have any federal loans or loan guarantees outstanding during the year ended September 30, 2024.

**Note 4: SUBRECIPIENTS**

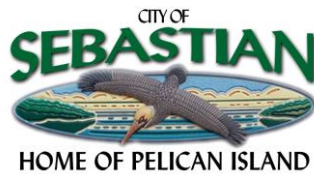
During the year ended September 30, 2024, the City had no subrecipients.

**Note 5: NONCASH ASSISTANCE AND OTHER**

The City did not receive any noncash assistance or federally funded insurance during the year ended September 30, 2024.

**Note 6: CONTINGENCIES**

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the City does not believe that such disallowance, if any, would have a material effect on the financial position of the City.



## **Corrective Action Plan March 31, 2025**

The City of Sebastian respectfully submits the following corrective action plan for the year ended September 30, 2024.

Name and address of independent public accounting firm:

Carr, Riggs, & Ingram  
7506 Lynx Way Ste 201  
Melbourne, FL 32940

Audit Period:

Fiscal Year October 1, 2023 – September 30, 2024

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

### **2024-001 UNAVAILABLE REVENUE**

**Recommendation:** The City should record unavailable revenue for items earned but not received within the period of availability.

**Management's Response:** Year-end procedures have been added to ensure that unavailable revenue is correctly posted in the future.

**Responsible Parties:** Brian Stewart, Chief Financial Officer

**Anticipated Completion Date:** December 1, 2025

### **2024-002 REVIEW OF SUPPORTING SCHEDULES**

**Recommendation:** We recommend the City implement a formalized process that includes documented review of supporting schedules.

**Management's Response:** Management agrees that all financial data would potentially be more accurate if reviewed by an additional qualified person prior to use. However, limited staff has prevented this from always being practical. In the future, management will seek ways to add more controls to all of our processes, including reviews, to ensure more accurate and reliable data is submitted.

**Responsible Parties:** Brian Stewart, Chief Financial Officer

**Anticipated Completion Date:** April 1, 2025

**2024-003 REPORT SUBMITTED WITHOUT REVIEW**

**Recommendation:** Management should implement a formalized process for reviewing all required reports prior to submission.

**Management's Response:** Management agrees that all financial data would potentially be more accurate if reviewed by an additional qualified person prior to use. However, limited staff has prevented this from always being practical. In the future, management will seek ways to add more controls to all of our processes, including reviews, to ensure more accurate and reliable data is submitted.

**Responsible Parties:** Jeff Sabo, Airport Manager

**Anticipated Completion Date:** April 1, 2025

**2024-004 SUSPENSION AND DEBAREMENT**

**Recommendation:** Management should implement a formalized process for checking all vendors prior to work being started on the project.

**Management's Response:** In January 2024 a Procurement Manager was hired. Procedures were added to ensure that the City will be in compliance with the 2 CFR 200.303 in the future.

**Responsible Parties:** Jessica Graham, Procurement/Contract Manager

**Anticipated Completion Date:** April 1, 2025

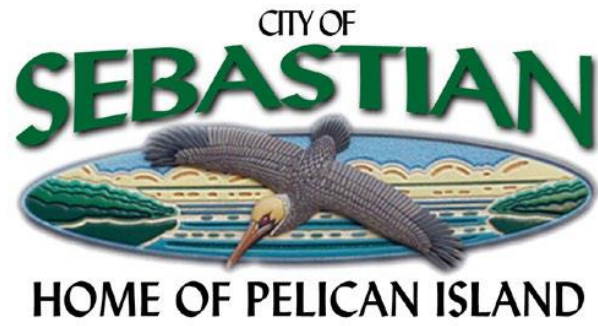
**2024-005 PROGRESS REPORT NOT REVIEWED**

**Recommendation:** Management should implement a formalized process for reviewing all required progress reports prior to submission.

**Management's Response:** Management agrees that all financial data would be more accurate if reviewed by an additional qualified person prior to use, however limited staff prevents this from always being practical. In the future management will seek ways to add more controls to all of our processes, including reviews, to ensure more accurate and reliable data is submitted.

**Responsible Parties:** Jeff Sabo, Airport Manager

**Anticipated Completion Date:** April 1, 2025



THIS PAGE IS INTENTIONALLY LEFT BLANK.

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Members of City Council  
City of Sebastian, Florida

### Report on the Financial Statements

We have audited the financial statements of the City of Sebastian, Florida (the "City") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 31, 2025.

### 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 Florida 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 Florida Auditor General. Disclosures in those reports, which are dated March 31, 2025, 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. The status of each finding and recommendation made in the preceding annual financial audit report is noted below.

| Original No. | Description                      | Status           | Original No. |
|--------------|----------------------------------|------------------|--------------|
| MW 2023-001  | Review of Property Tax Receipts  | Cleared          |              |
| MW 2023-002  | Building Permits                 | Cleared          |              |
| MW 2023-003  | Cutoff                           | Cleared          |              |
| MW 2023-004  | Building Department Excess Funds | Repeated         | 2024-006     |
| MW 2023-005  | Restricted Donations             | Cleared          |              |
| SD 2023-0006 | Leases                           | Revised/Repeated | 2024-002     |

|             |                       |         |  |
|-------------|-----------------------|---------|--|
| SD 2023-007 | Segregation of Duties | Cleared |  |
| 2023-008    | Inventory             | Cleared |  |
| 2023-009    | Budget                | Cleared |  |

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of the City of Sebastian, Florida. The City of Sebastian, Florida's component unit, the Police Officers' Pension Plan, was established under Section 58-46 through 58-54 Code of Ordinance in October 1989. The City of Sebastian, Florida's component unit, The Community Redevelopment Agency, was established under Ordinance No. 0-95-08 In March 1995.

### Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the City of Sebastian, Florida has 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 Sebastian, 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 Sebastian, Florida. It is management's responsibility to monitor the City of Sebastian, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have the following recommendations:

#### 2024-006 BUILDING DEPARTMENT EXCESS FUNDS

**Criteria:** Section 553.80(7)(a) of Florida Statutes has been updated to limit the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees.

**Condition:** The City was not in compliance with Florida Statue 533.80(7)(a), which requires the building fund's fund balance not to exceed the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years.

**Cause:** The City's unexpended building permit funds at September 30, 2024 exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four years by \$1,848,520.

**Effect:** The City has excess unexpended balance at September 30, 2024.

**Recommendation:** The City should identify how it intends to reduce the amount of unexpended building code balances in order to comply with Section 533.80(7)(a) of Florida Statutes. Such action may require the City to modify its fiscal 2024-25 budget.

**Management's Response:** Management is currently seeking ways to comply with Section 553.80(7)(a) of Florida Statutes in a practical manner.

## **2024-007 BID PROCEDURES**

**Criteria:** Section 287.057 of Florida Statutes requires cities to follow competitive bidding procedures, this includes vendors having a bid bond.

**Condition:** The City awarded a construction project without a bid bond.

**Cause:** The City was in the process of hiring a full time purchasing director during the fiscal year leading to this oversight.

**Effect:** The City did not follow their procurement policy.

**Recommendation:** The City ensure all projects are completed with vendor who have bond bids as part of the competitive bidding process.

**Management's Response:** In January 2024 a Procurement Manager was hired. The Procurement Procedures manual has been modified to ensure bid bonds are required in compliance with Section 287.057 of Florida Statutes. The City did obtain a payment and performance bond for the construction project.

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

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.

## **Special District Component Units**

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

### **Additional Matters**

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

### **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, State and other granting agencies, the members of the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Melbourne, Florida  
March 31, 2025



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

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

7506 Lynx Way

Suite 201

Melbourne, FL 32940

321.255.0088

386.336.4189 (fax)

CRIadv.com

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

Honorable Mayor and Members of City Council  
City of Sebastian, Florida

We have examined the City of Sebastian, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2024. Management of the City of Sebastian, Florida is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2024.

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

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

Melbourne, Florida  
March 31, 2025