

City of Jacksonville Beach, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year ended September 30, 2025



CITY OF JACKSONVILLE BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared by
Finance Department

INTRODUCTORY SECTION

**CITY OF JACKSONVILLE BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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LETTER OF TRANSMITTAL



February 17, 2026

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Jacksonville Beach, Florida:

Florida Statutes require that all general-purpose local governments publish within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report for the City of Jacksonville Beach, Florida, for the fiscal year ended September 30, 2025.

This report consists of management's representations concerning the finances of the City of Jacksonville Beach, Florida (the City). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the City's management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Purvis, Gray and Company, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2025, are free of material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit, that there is a reasonable basis for rendering unmodified opinions on the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City for the fiscal year ended September 30, 2025, and that the City's financial statements are presented fairly in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.



The independent audit of the financial statements of the City is sometimes part of a broader federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. The City met the minimum expenditures required for a Federal Single Audit.

GAAP requires that management provide a narrative introduction, overview, including changes in financial policies, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Jacksonville Beach, Florida

The City was incorporated in 1907 and is located in the northeastern part of the state. The City currently occupies a land area of 8.06 square miles and serves a population of over 24,309. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City has operated under the council-manager form of government since 1937. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Council is elected on a nonpartisan basis. Council members are elected to four-year staggered terms with three council members elected every two years. The mayor is elected to a four-year term. Three council members are elected from within their districts, and the mayor and the remaining three council members are elected at-large.

The City provides a full range of services that include police and fire protection, sanitation services, the maintenance of streets and infrastructure, recreational activities and cultural events. In addition to general government activities, the City provides a full range of utility services including electric, natural gas, stormwater drainage, water, and wastewater treatment.

The annual budget serves as the foundation for the City’s financial planning and control. All City departments are required to submit requests for appropriation to the City Manager that align with the City’s adopted strategic plan. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30 of each year. The City Council annually adopts a budget resolution for all funds of the City. A five-year capital improvement plan is prepared each year based on business requirements and internal five-year revenue and expenditure projections.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Management must seek City Council approval to make budgetary amendments at the departmental level in the general fund, and at the fund level for all other funds. Management may, however, make a budget adjustment as long as it does not increase the overall budget for a department within the general fund or for any other fund in total. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbered appropriations are carried forward into subsequent year’s budget without being re-budgeted. All encumbered budget appropriations, except project budgets, lapse at the end of each fiscal year. Encumbrances existing at year-end are recorded as reservations of fund balance and do not require re-appropriation.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The City, which is adjacent to the Atlantic Ocean, has grown into a solid business, resort, and residential community that is in close proximity to historical, entertainment, and tourism attractions. The City has a considerable commercial district that includes shopping centers, restaurants, and hotels, which contributes significantly to its economy. Major employers in the area include: the United States Navy and the Baptist Medical Center Beaches.

Even though the City is the economic center of the beaches area, housing is still the dominant land use, occupying in excess of 66% of the developed land areas of the City. Approximately 55.5% of the City's housing is comprised of single-family homes and 44.5% is multifamily dwellings based on U.S. Census Bureau estimates. Generally, the quality of the housing is high, with approximately 50% of the housing built since 1980. The City is a mature community, which is experiencing re-development.

Long-Term Financial Planning

The Vision statement for the community, the Mission statement for the organization, and the employee developed set of Core Values adopted in 2021 continue to be the foundational pillars for the City's Strategic Plan, which was adopted in the same year via Resolution No. 2095-2021. This plan serves as the road map for identifying what priorities, goals, and objectives will guide the City as budgeting and long-term financial plans are made.

The City prepares a rolling five-year Capital Improvement Plan (CIP) each year. As part of this process, revenues and expenditures for key operating funds such as the General Fund, Community Redevelopment, Electric, and Water & Sewer are analyzed to ensure the financial sustainability of each fund over the long term. The goal is to ensure that a minimum reserve of 25% will be maintained at the end of each year over a five-year period. This exercise allows the City to plan for major capital expenditures in a fiscally responsible manner, while consciously evaluating whether scheduled rate changes meet the needs of adequately maintaining assets. Therefore, during the fiscal year 2026-2030 capital budget process, various projects for continued electric improvements, public works infrastructure projects, technology improvements, parks projects, and equipment purchases were planned. The total projected cost for capital improvements identified in the 2026-2030 capital improvement plan totaled \$232,681,199.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2024. This was the 32nd consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

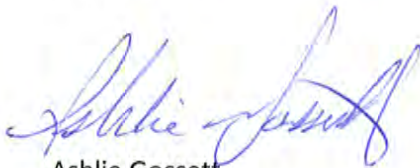
In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2024. This was the 31st consecutive year that the government has received this award. The annual budget for the fiscal year beginning October 1, 2025 has been submitted for the GFOA's consideration. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories: as a policy document, a financial plan, an operations guide, and a communications device.

Preparation of the financial report would not have been possible without the commitment and dedication of the Finance Department staff. We would like to express our appreciation to members of all departments who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and City Council for their unfailing support in the management of the finances for the City.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Michael Staffopoulos".

Michael Staffopoulos
City Manager

A handwritten signature in blue ink, appearing to read "Ashlie Gossett".

Ashlie Gossett
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Jacksonville Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

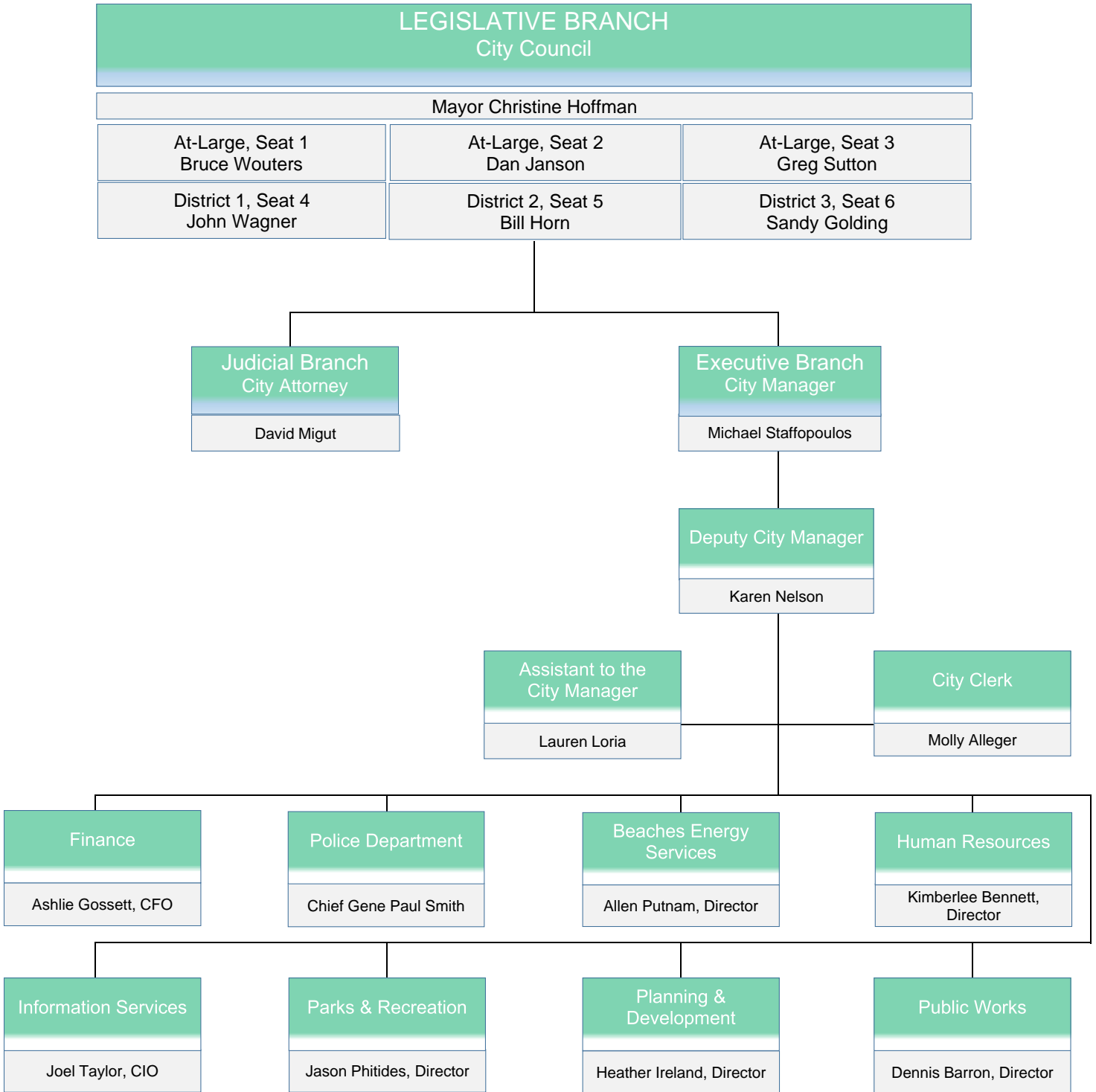
September 30, 2024

Christopher P. Morill

Executive Director/CEO

CITY OF JACKSONVILLE BEACH

Government Organization



**CITY OF JACKSONVILLE BEACH, FLORIDA
CITY OFFICIALS**

LEGISLATIVE BRANCH

City Council:

Mayor	Christine Hoffman
Seat 1, At-Large	Bruce Wouters
Seat 2, At-Large	Dan Janson
Seat 3, At-Large	Greg Sutton
Seat 4, District 1	John Wagner
Seat 5, District 2	Bill Horn
Seat 6, District 3	Sandy Golding

City Attorney

David Migut

City Auditors

Purvis, Gray and Company, LLP

EXECUTIVE BRANCH

City Manager	Michael Staffopoulos
Deputy City Manager	Karen Nelson
Chief Financial Officer	Ashlie Gossett
Chief Information Officer	Joel Taylor
Police Chief	Gene Paul Smith
Director of Beaches Energy Services	Allen Putnam
Director of Human Resources	Kimberlee Bennett
Director of Parks & Recreation	Jason Phitides
Director of Planning and Development	Heather Ireland
Director of Public Works	Dennis Barron
City Clerk	Molly Alleger

AGENCY, BOARDS, AND COMMISSION

Board of Adjustment
Community Redevelopment Agency
Planning Commission
General Employees' Pension Board
Police Officers' Pension Board
Firefighters' Pension Board
Special Magistrate

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, 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 Jacksonville Beach, Florida (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City'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 as of September 30, 2025, 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 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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT

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'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'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's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the major governmental fund budgetary comparison schedules, and pension and other postemployment benefit plan schedules as listed in the table of contents (collectively, the required supplementary information) be presented to supplement the basic financial statements. Such

Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT

information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual non-major fund financial statements and other schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e), 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 non-major fund financial statements and other schedules, the schedule of expenditures of federal awards, and schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e), are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Purvis Gray

February 17, 2026
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

As the management of the City of Jacksonville Beach, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the City's activities for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements which immediately follow this discussion.

FINANCIAL HIGHLIGHTS

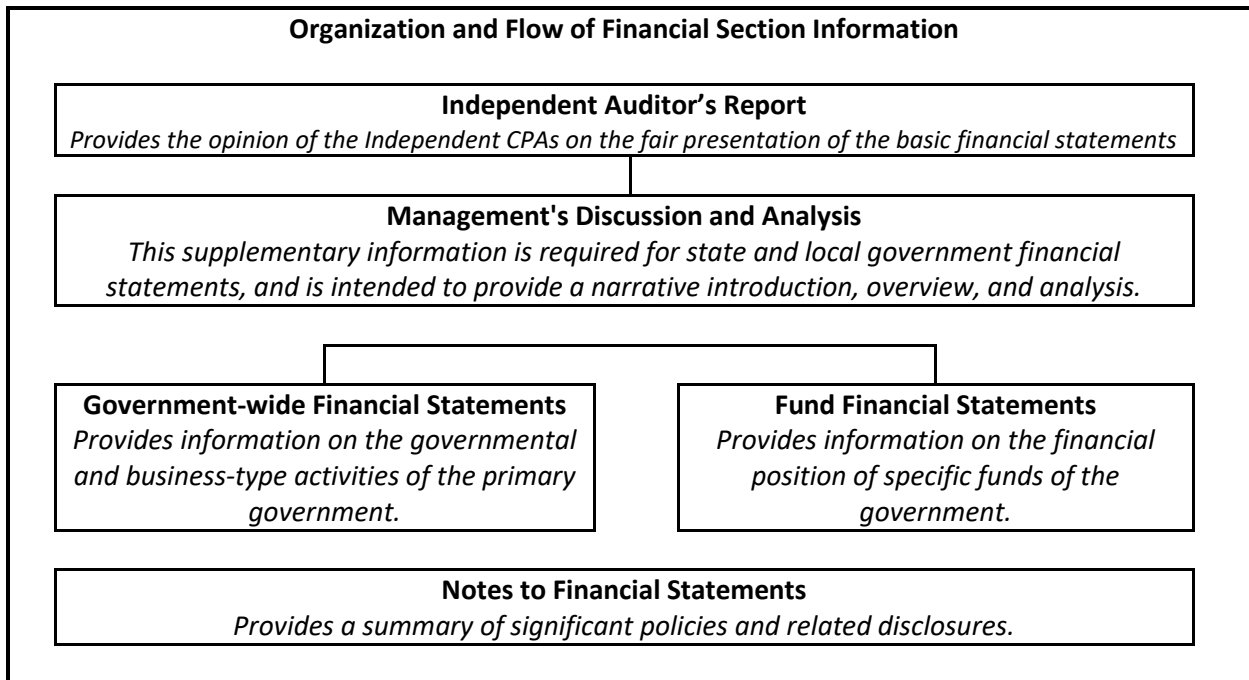
- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$602,445,181 (net position). Of this amount, \$177,246,799 (unrestricted net position) is available to meet the City's obligations to provide ongoing services to our citizens and customers, to make payments to creditors, to pay for the projects in our capital improvement plan, or to establish reserves for emergencies or catastrophic events.
- The City's total net position increased by \$35,042,039 or 6.2% over the prior year. The governmental net position increased by \$18,391,351 (8.2%) and the business-type net position increased by \$16,650,688 (4.8%). In addition to planned savings for upcoming capital improvement projects, governmental net position increased with property tax revenues as real estate taxable property values grew 9.4% over the prior year. Business-type net position growth reflects the continued positive business performance of the City's various services.
- Revenues and net transfers in for the governmental activities totaled \$57,740,368 an increase of \$3,535,968 or 6.5% for the year. Total expenses and net transfers out were \$39,349,017, a decrease of \$3,994,368 or 9.2% for the year. This decrease reflects capital contributions in the prior year for the 10th Street South and Downtown water/sewer, and stormwater infrastructure projects.
- Revenues and net transfers in for the business-type activities totaled \$137,699,726, a decrease of \$2,042,108 or 1.5% from the prior year. The overall decrease is a result of the capital contribution in the prior year. Total expenses and net transfers out were \$121,049,038, an increase of \$11,512,394 or 10.7% for the year. Increased power costs as well as increased electric consumption were the primary drivers of the year over year change.
- The City's total non-lease financed debt as of September 30, 2025, is zero.

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) *notes to the financial statements* that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

This report also contains other supplementary information that provides details about the City's non-major funds and internal service funds, each of which are added together and presented in single columns in the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA



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.

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, law enforcement, fire control, building inspections, physical environment, roads and streets, and parks and recreation. The business-type activities of the City include electric, natural gas, water and sewer, stormwater, sanitation, golf course, and leased facilities.

Fund Financial Statements. A fund is a group of related accounts 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 financial-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

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

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

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental fund financial statements for the general fund, the capital projects fund, and the community redevelopment fund, which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for its various funds. To demonstrate compliance with the adopted budget, budgetary comparison statements have been included in the required supplementary information for the general fund and the community redevelopment fund, as well as for the non-major governmental funds.

Proprietary funds. The City maintains two different types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the city-wide financial statements. The City uses enterprise funds to account for its utilities (electric, natural gas, water and sewer, stormwater, and sanitation) as well as its golf course and leased facilities operations. Internal service funds are an accounting classification used to allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, property maintenance, employment services, financial services, information technology services, and insurance programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the city-wide financial statements.

The proprietary fund financial statements provide separate information for the water and sewer utility and the electric utility. Data from the other enterprise funds is combined into a single, aggregated presentation. All internal service funds are combined into an aggregated presentation in the proprietary fund financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because their resources are not available to support the City's own programs. The City uses fiduciary funds to account for the activities of the police, fire, and general employees' pension trust funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

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.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning comparison schedules of original and final budgets compared to actual results for relevant major funds, as well as the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees.

Individual fund data for the non-major funds is provided in the form of combining statements in the supplemental information section titled "Combining and Individual Non-Major Fund Statements and Other Schedules". Budgetary comparison statements for the non-major governmental funds are also included in this section.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

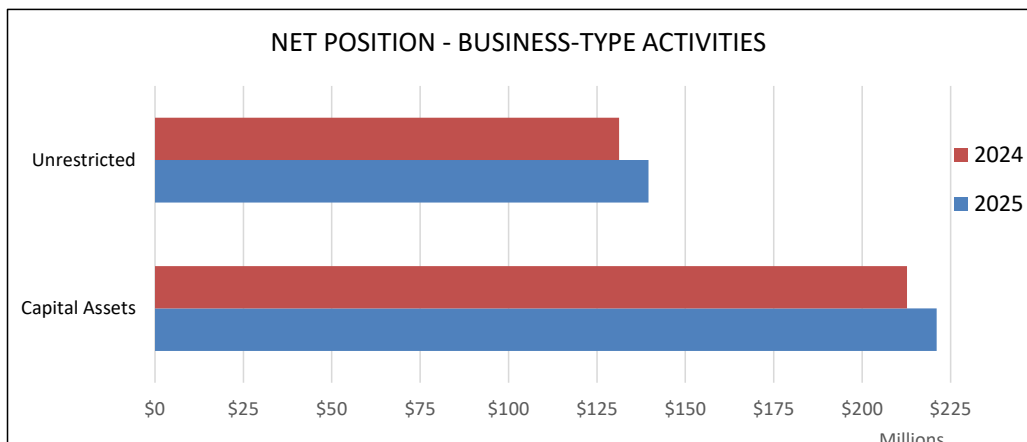
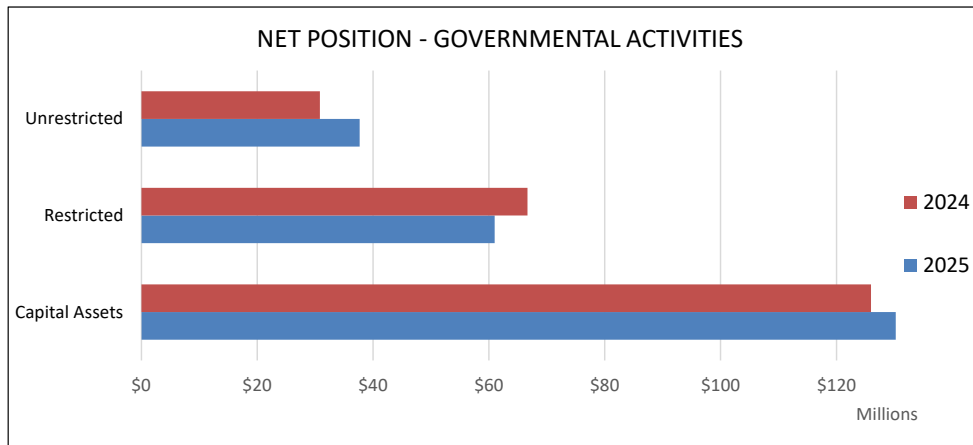
Statement of Net Position. Over time, changes in net position serve as a useful measure of the City's financial condition. During fiscal year 2025, the City's net position for governmental activities increased by \$18,391,351 or 8.2%. The increase in net position for business-type activities was \$16,650,688 or 4.8%. The major drivers of the change in net position by category are detailed in the bullet points below.

The following condensed comparison shows the City's net position for the two most recent fiscal years. The detailed statement of net position is presented on page 19 of this report.

	City of Jacksonville Beach Statement of Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 120,779,034	\$ 121,520,121	\$ 190,741,681	\$ 187,586,521	\$ 311,520,715	\$ 309,106,642
Capital Assets, Net	143,255,151	125,949,159	221,318,143	213,110,527	364,573,294	339,059,686
Total Assets	264,034,185	247,469,280	412,059,824	400,697,048	676,094,009	648,166,328
Total Deferred Outflows of Resources	5,122,862	8,552,817	3,792,944	5,014,594	8,915,806	13,567,411
Current Liabilities	8,007,569	8,423,417	26,707,546	28,613,430	34,715,115	37,036,847
Non-Current Liabilities	14,748,024	21,912,707	10,782,818	13,647,248	25,530,842	35,559,955
Total Liabilities	22,755,593	30,336,124	37,490,364	42,260,678	60,245,957	72,596,802
Total Deferred Inflows of Resources	4,585,749	2,261,619	17,732,928	19,472,176	22,318,677	21,733,795
Net Position:						
Net Invested in						
Capital Assets	143,153,596	125,949,159	221,058,331	212,690,435	364,211,927	338,639,594
Restricted	60,986,455	66,643,518	-	-	60,986,455	66,643,518
Unrestricted	37,675,654	30,831,677	139,571,145	131,288,353	177,246,799	162,120,030
Total Net Position	\$ 241,815,705	\$ 223,424,354	\$ 360,629,476	\$ 343,978,788	\$ 602,445,181	\$ 567,403,142

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

- Current and Other Assets increased by \$2,414,073 due to strong investment performance and the City's continued effort to build up reserves as part of its pay-as-you-go strategy for future capital improvement projects.
- Deferred Outflows of resources decreased by \$4,651,605, which includes the recording of Other Post Employment Benefit related outflows and actuarial changes to pension related outflows. The decrease in pension liability is a result of interest earnings recorded as of September 30, 2025.
- Current Liabilities decreased by \$2,321,732 or 6.3%, which mainly reflects a reduction in power costs recovered in advance; the City continues to reduce the pass-through cost of power from its provider to its customers to mitigate the over-recovery.
- Non-current Liabilities shrunk by \$10,029,113 or 28.2%, largely due to the decrease in the actuarially determined net pension liability based on the plans' experience.
- The largest portion of the City's net position (60.5%) reflects its net investment in capital assets (e.g., land, buildings, improvements, infrastructure, and equipment, net of accumulated depreciation and directly related liabilities). The City uses these capital assets to provide services to citizens and customers; therefore, these assets are not available for future spending.
- An additional portion of the City's net position (10.1%) represents resources that are subject to external restrictions on how they may be used.
- The remaining balance of the City's net position (29.4%) may be used to meet the government's ongoing obligations to citizens, customers, and creditors.



MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

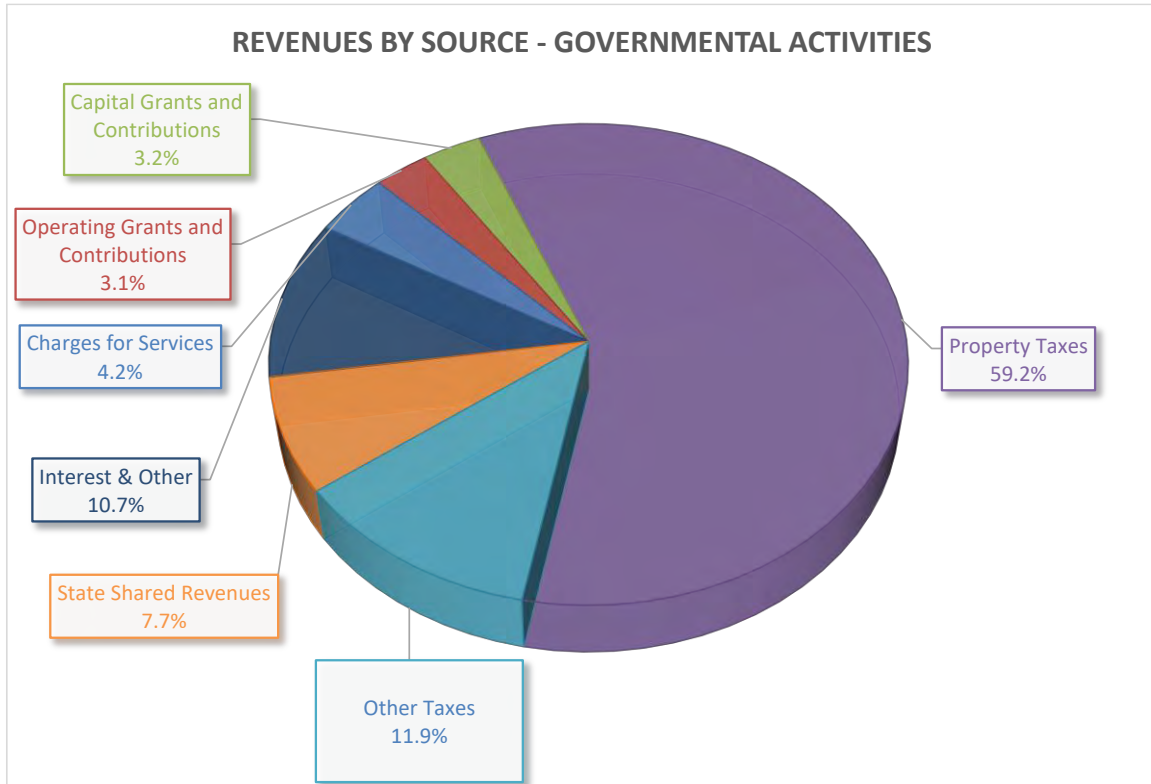
Statement of Activities. The following table illustrates the condensed statement of activities for the most recent fiscal year as compared to the prior year. The detailed statement of activities is presented on page 20 of this report.

	City of Jacksonville Beach Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program Revenues						
Charges for Services	\$ 2,267,424	\$ 2,177,060	\$ 129,751,789	\$ 120,114,991	\$ 132,019,213	\$ 122,292,051
Operating Grants and Contributions	1,641,905	1,285,834	194,000	-	1,835,905	1,285,834
Capital Grants and Contributions	1,728,318	3,650,615	749,738	349,814	2,478,056	4,000,429
General Revenues:						
Property Taxes	31,675,329	28,672,921	-	-	31,675,329	28,672,921
Other Taxes	6,355,917	6,086,751	-	-	6,355,917	6,086,751
State Shared Revenues	4,134,645	4,273,952	-	-	4,134,645	4,273,952
Other Intergovernmental Revenues	29,332	29,361	-	-	29,332	29,361
Interest	5,082,177	7,312,122	7,004,199	9,978,956	12,086,376	17,291,078
Miscellaneous	609,229	715,784	-	54,148	609,229	769,932
Total Revenues	53,524,276	54,204,400	137,699,726	130,497,909	191,224,002	184,702,309
Program Expenses						
General Government	5,595,210	7,857,087	-	-	5,595,210	7,857,087
Law Enforcement	14,885,230	14,034,597	-	-	14,885,230	14,034,597
Fire Control	3,258,745	3,168,180	-	-	3,258,745	3,168,180
Building Inspections	941,586	895,705	-	-	941,586	895,705
Physical Environment	493,223	482,676	-	-	493,223	482,676
Road and Street	9,044,029	2,696,649	-	-	9,044,029	2,696,649
Parks and Recreation	5,130,994	4,964,566	-	-	5,130,994	4,964,566
Electric	-	-	87,264,580	81,681,888	87,264,580	81,681,888
Water and Sewer	-	-	13,815,003	12,681,275	13,815,003	12,681,275
Stormwater	-	-	2,113,488	1,766,932	2,113,488	1,766,932
Sanitation	-	-	7,863,834	7,977,094	7,863,834	7,977,094
Golf Course	-	-	3,068,569	3,013,391	3,068,569	3,013,391
Leased Facilities	-	-	741,529	777,854	741,529	777,854
Natural Gas	-	-	1,965,943	1,638,210	1,965,943	1,638,210
Total Expenses	39,349,017	34,099,460	116,832,946	109,536,644	156,181,963	143,636,104
Change in Net Position						
Before Transfers	14,175,259	20,104,940	20,866,780	20,961,265	35,042,039	41,066,205
Net Transfers	4,216,092	(9,243,925)	(4,216,092)	9,243,925	-	-
Change in Net Position	18,391,351	10,861,015	16,650,688	30,205,190	35,042,039	41,066,205
Net Position - Beginning of Year	223,424,354	212,563,339	343,978,788	313,773,598	567,403,142	526,336,937
Net Position - End of Year	\$ 241,815,705	\$ 223,424,354	\$ 360,629,476	\$ 343,978,788	\$ 602,445,181	\$ 567,403,142

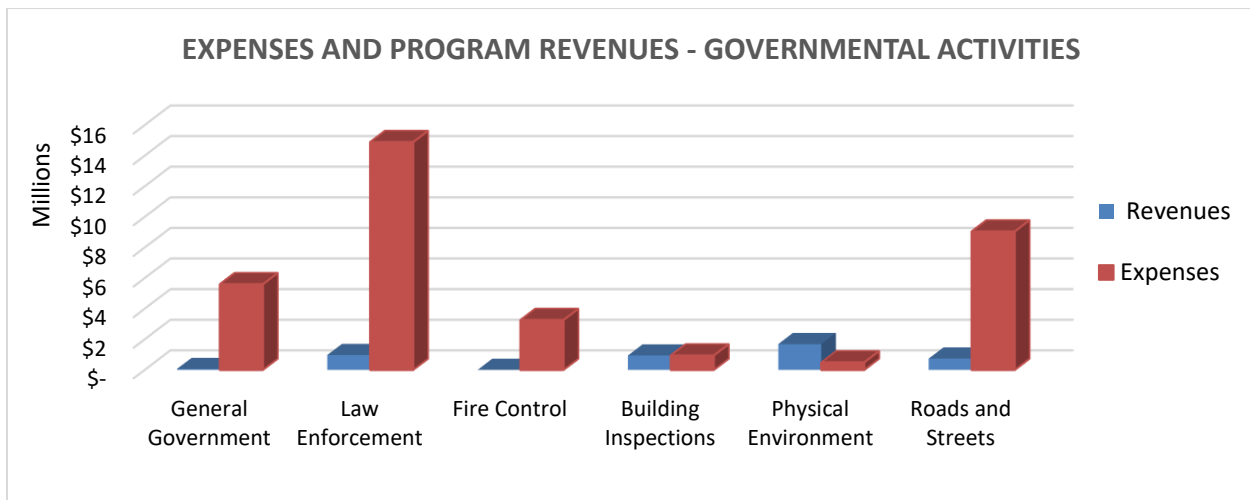
Governmental activities. Governmental activities for fiscal year 2025 increased the City's net position by \$14,175,259 (before transfers). For purposes of this discussion, interfund transfers from business-type funds to governmental funds are not included in revenues from activities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

The chart below reflects the percentage of individual revenue sources to total revenue sources for governmental activities. Charges for services, grants, and contributions are considered program revenues. Taxes, intergovernmental revenues, and interest are considered general revenues.



The following chart compares the program revenues from governmental activities to the related expenses. Please note that expenses precede revenues as governments seek to identify the needs of citizens and then raise the resources needed to meet those needs. The excess of expenses over program revenues is then funded by the remaining general revenues of the government.

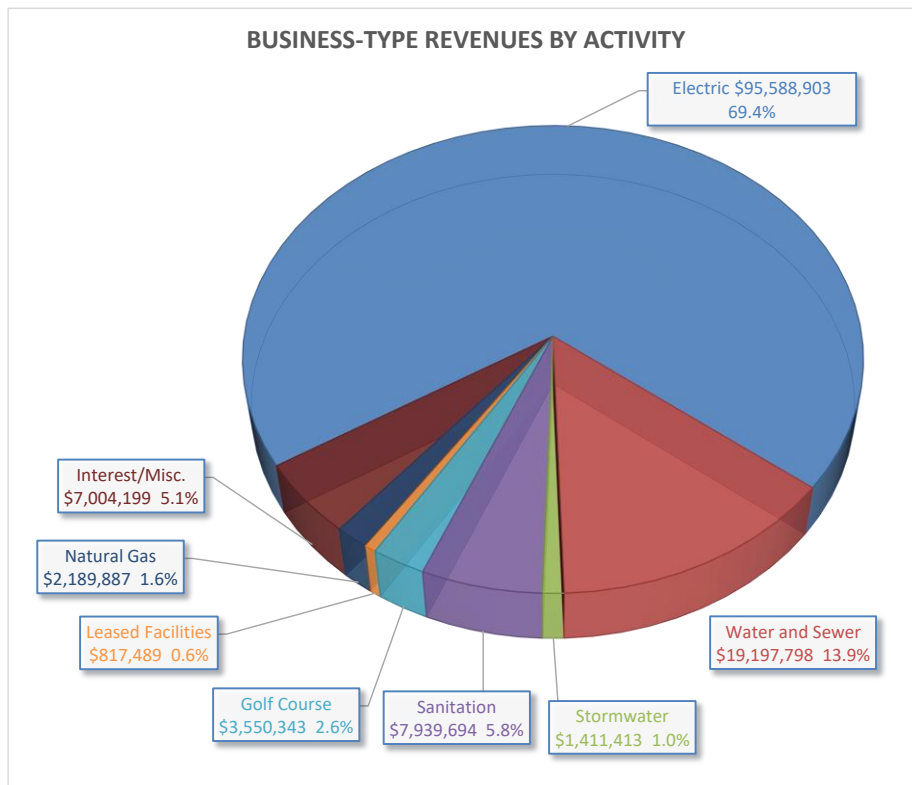


MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

Key Elements of Governmental Activities Revenues and Expenses:

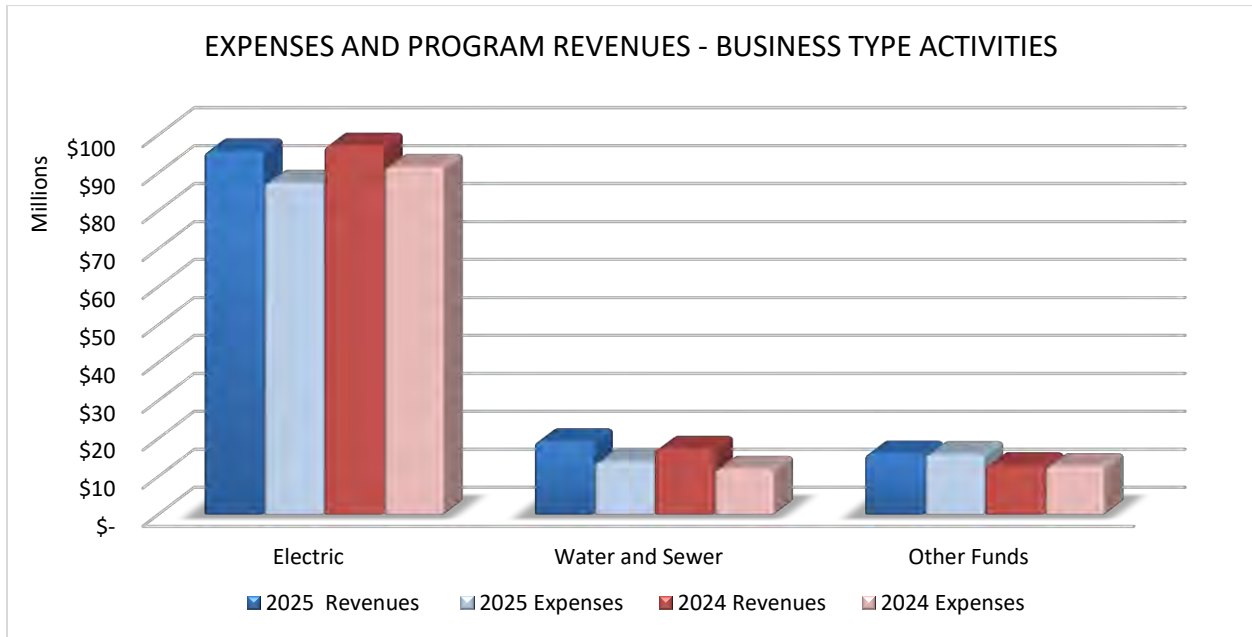
- Property taxes, which provided 59.2% of governmental revenues, increased by \$3,002,408 or 10.5% in fiscal year 2025 in line with rising taxable property values and new construction.
- Capital grants and contributions decreased by \$1,922,297 or 52.7%, due in large part to revenue recognition timing for ARPA grant proceeds utilized for capital projects.
- Interest revenues decreased by \$2,229,945 compared to the prior year as a result of exceptionally strong market performance in 2024. The investment portfolio is managed by professional investment firms hired pursuant to the City's investment policy and monitored by an independent professional investment advisor.
- Total expenses increased by \$5,249,557, or 15.4%, to \$39,349,017. This increase is due to 2025 Road and Street program expenses, which experienced a \$6,347,380 increase from 2024, resulting from a major street resurfacing project undertaken during the fiscal year. As the project primarily addressed necessary surface-level repairs and did not include work on the underlying foundational structure of the affected roads and streets, the project costs were expensed rather than being capitalized.

Business-type activities. Business-type activities for fiscal year 2025 increased the City's net position by \$20,866,780 (before transfers). On the statement of activities, net revenues are decreased by transfers from governmental activities of \$4,216,092 to determine the change in net position. The following chart shows the composition of revenues from the City's business-type activities.



MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

The following chart compares the program revenues from the City's business-type activities to the related expenses for fiscal years 2025 and 2024. Business-type activities differ from governmental activities in that charges for services are designed specifically to recover the cost of providing those services, including capital costs such as depreciation or debt service.



Key Elements of Business-Type Revenues and Expenditures:

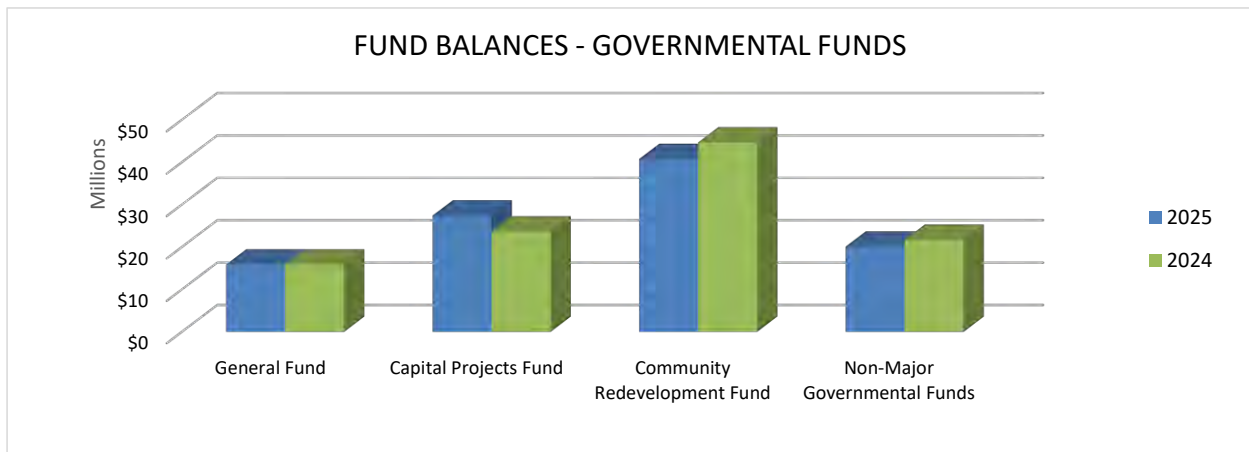
- Charges for services in the business-type activities increased by \$9,636,798 or 8% from the prior year. Of these program revenues, 69.4% comes from electric utility services and 13.9% from the water and sewer utility. Electric consumption was higher which increased overall revenues. Water and sewer rates are adjusted annually in accordance with the Consumer Price Index, which is necessary to pay for needed maintenance and improvements to the system. Sanitation rates were also increased during the year to recover the cost of the new solid waste and recycling contract.
- Interest revenues totaled \$7,004,199, which was a decrease of \$2,974,757 or 29.8% compared to the prior year. Market performance was good was exceptionally strong in 2024. Investments are reported at fair value. The investment portfolio is managed by professional investment firms hired pursuant to the City's investment policy and monitored by an independent professional investment advisor.
- Total expenses for the business-type activities increased by \$7,296,302 or 6.7% due in large part to a rise in both electric customer consumption and the cost of purchased electricity from the City's provider.
- Significant transfers out in business-type activities included a \$3,689,796 transfer from the electric enterprise fund and a \$127,296 transfer from the natural gas fund to governmental funds in accordance with the City's policies on electric and natural gas transfers.

**MANAGEMENT’S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

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, the portion of unrestricted fund balance the City has committed or assigned may serve as a useful measure of available resources at the end of the fiscal year.

At the end of fiscal year 2025 the City’s governmental funds reported a combined ending fund balance of \$104,071,892, a decline of \$1,729,143 or 1.6% for the year. The modest decrease is attributable to large infrastructure projects in the Community Redevelopment Fund, including the Downtown Phase 3C Projects 4&5 improvements from 4th Ave South to 11th Ave South. Because the City uses a pay-as-you-go funding strategy for capital improvements, it is expected that fund balances will decrease in years where large capital projects take place. Of the total fund balance, \$60,986,455 is restricted for specific uses related to redevelopment, tourism, transportation improvements, capital projects, law enforcement, building permits, and opioid mitigation; \$9,676,969 is committed for revenue stabilization, cemetery improvements, parking and transportation, and tree replacement; \$33,404,720 is assigned for capital projects and unanticipated events/emergencies; \$3,748 is non-spendable; and no funds are unassigned.



General Fund. The general fund is the chief operating fund of the City. The financial operations of the general fund are reported separately in the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances*.

At the end of the fiscal year, the fund balance of the general fund was \$15,852,382, of which \$184,903 was restricted for building permits and \$9,667,721 was committed for revenue stabilization, cemetery improvements, and parking and transportation improvements. An additional \$5,996,010 was assigned to an unanticipated events/emergencies reserve account, and \$3,748 was non-spendable, as it is reserved for prepaid expenditures. The City uses current revenue sources to fund budgeted expenditures in the general fund. When evaluating the general fund’s liquidity, it should be noted that the revenue stabilization reserve serves as a working capital reserve and the unanticipated events/emergencies account may be used to supplement operating revenues if approved by the City Council. Combined, the general fund balances represent 58% of general fund expenditures for 2025.

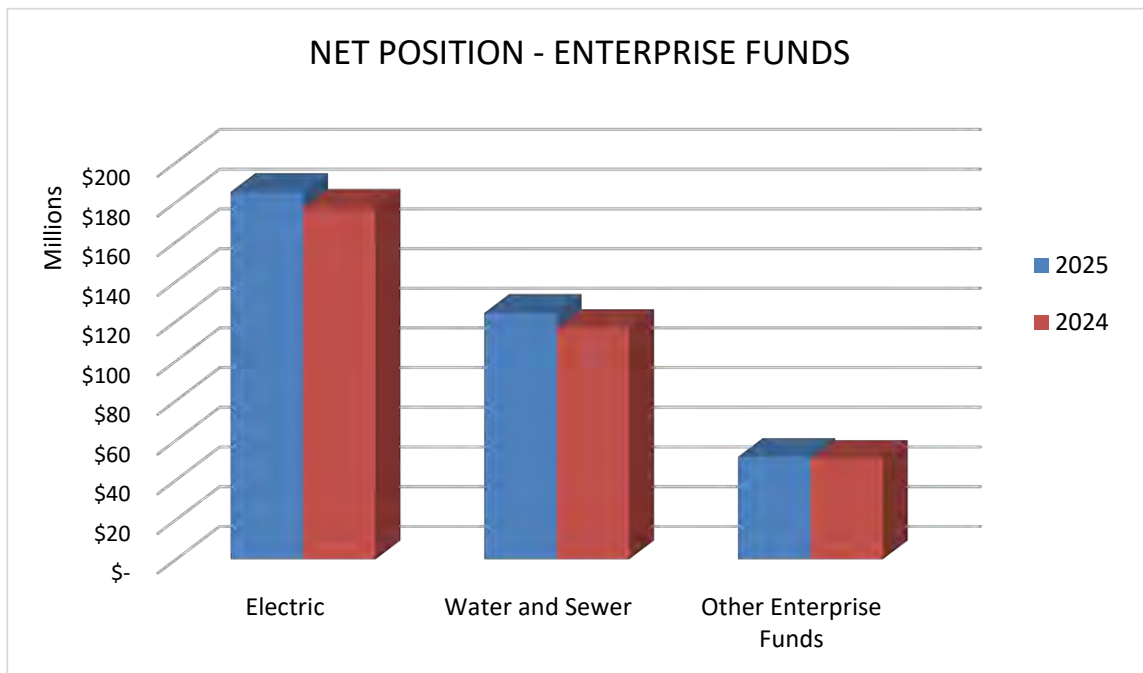
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

Other major governmental funds. Other major governmental funds include the capital projects fund and the community redevelopment fund. The capital projects fund is used to account for various capital projects, major equipment purchases, and major repairs and renovations. These expenditures are funded by transfers from other funds or grants. The fund balance at year-end in the capital projects fund was \$27,408,410. The increase of \$3,770,306, or 15.9%, from the prior year reflects the accumulation of funds to be used for approved capital improvement projects or major equipment replacements in future years.

The community redevelopment fund is used to account for expenses in the City's two redevelopment districts, which are funded by tax increment revenues. The ending fund balance in the redevelopment fund was \$40,737,349, a decrease of \$3,904,002 and 8.7% for the year. The FY 2026-2030 5-year Capital Improvement Plan for both the Downtown and Southend Districts anticipates spending over \$57 million for infrastructure, parks, and beautification projects. A more detailed summary of the activities in this fund can be found in the notes to the financial statements.

Proprietary Funds. The proprietary fund financial statements provide information related to activities in the City's enterprise funds and internal service funds. The proprietary fund financial statements comprise: 1) a *statement of net position*, 2) a *statement of revenues, expenses, and changes in fund net position*, and 3) a *statement of cash flows*.

At the end of fiscal year 2025, the City's enterprise funds reported a combined ending net position of \$360,629,476, an increase of \$16,650,688 or 4.8% for the year. A portion of the increase is attributable to the City's strategy to accumulate resources over a period of time to fund future capital improvements via pay-as-you-go financing.



MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was an increase in net appropriations of \$1,370,017 for expenditures and an increase of \$1,579,452 for transfers out. Budget amendments were adopted anticipating using available fund balance or revenues in excess of the original budget projections.

In 2025, the total fund balance of the City's general fund increased by \$6,841. Actual revenues were higher than final budgeted revenues by \$1,580,558, or 5.8% above expectations. Property tax revenues met budget expectations within a percent, and all other categories out-performed estimates. Actual expenditures were under budget by \$1,102,935, or 3.9%. This variance is attributable to personnel vacancies and the active management by departments of their individual budgets to ensure compliance with budgetary limits.

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, 2025, totaled \$364,573,294 (net of accumulated depreciation). Capital assets include land, buildings, equipment, infrastructure, and construction in progress. The City's total investment in capital assets increased \$25,513,608 or 7.5% due in large part to ARPA grant funded water/sewer capital improvements including projects to convert the water plant and water reclamation facilities' disinfection systems to utilize safer sodium hypochlorite instead of gaseous chlorine.

Additional information on the City's capital assets is presented in Note 5 of the notes to the financial statements. As demonstrated in the schedule of capital activity in this note, the City has continued to invest significantly in its capital assets for both governmental and business-type activities.

The following table is a summary of the City's investment in capital assets for fiscal years 2025 and 2024:

	City of Jacksonville Beach					
	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 29,373,496	\$ 29,373,496	\$ 4,388,198	\$ 4,388,198	\$ 33,761,694	\$ 33,761,694
Buildings and Improvements	66,865,361	64,622,757	404,894,433	397,846,255	471,759,794	462,469,012
Infrastructure	72,712,778	72,712,778	-	-	72,712,778	72,712,778
Equipment	23,604,861	22,361,533	17,758,570	15,854,292	41,363,431	38,215,825
Construction in Progress	37,120,527	18,684,240	33,648,080	22,786,942	70,768,607	41,471,182
	<u>229,677,023</u>	<u>207,754,804</u>	<u>460,689,281</u>	<u>440,875,687</u>	<u>690,366,304</u>	<u>648,630,491</u>
Less: Accumulated Depreciation	(86,421,872)	(81,805,645)	(239,371,138)	(227,765,160)	(325,793,010)	(309,570,805)
Capital Assets, Net	<u>\$ 143,255,151</u>	<u>\$ 125,949,159</u>	<u>\$ 221,318,143</u>	<u>\$ 213,110,527</u>	<u>\$ 364,573,294</u>	<u>\$ 339,059,686</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

Long-Term Debt. At September 30, 2025, the City had no outstanding bonded debt. The last utility revenue bond payment was made on October 1, 2020. The City seeks to minimize the need for future debt through long-term planning and capital budgeting. Pay-as-you-go financing is the preferred financing method and is used where possible.

Additional information on the City's long-term debt is presented in Note 6 of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Each year the City begins its annual budget process with an evaluation of its current financial position. This evaluation considers local and national economic trends, financial trend analysis, a five-year capital improvement plan, and a five-year cash flow analysis for major city operations.

The total FY2026 adopted budget of \$248,040,185 is 5.6% higher than the prior year and continues to provide the same service level our community expects. The major drivers of the change include wage growth, additional positions, and planned capital improvement projects.

Factors considered in preparing the City's budget for the fiscal year 2026 included:

- The City Council adopted a new Vision statement for the community and Mission statement for the organization, while employees developed a set of core values. These three efforts were the foundational pillars for the Strategic Plan adopted during FY 2022. Capital improvement projects and departmental service levels proposed during the budget process were evaluated based on their alignment with the strategic plan.
- The City's property values increased by 7.8%, and the millage rate remains the same at 3.9947 mills. However, this growth is expected to be offset by the escalating labor, operating, and capital outlay costs.
- Personal services expenses grew by 10.8% over the 2025 budget. The increase reflects the addition of 5 full-time and 2 part-time position conversions to full-time in order to provide the level of service our community expects. At the time the budget was prepared, the City was wrapping up negotiations for a new collective bargaining agreement with the Fraternal Order of Police (FOP), and conducting a pay study for all other positions. While the budget included the information known at the time, some adjustments may be required at mid-year to fully account for the approved FOP contract and adopted pay plan.

As stewards of the taxpayer resources that make possible the services that are essential to our community, we will continue to manage these resources conservatively and responsibly.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

REQUESTS FOR INFORMATION

This financial report is designed to provide users with a general overview of the City of Jacksonville Beach's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Chief Financial Officer
City of Jacksonville Beach
11 North Third Street
Jacksonville Beach, Florida 32250

Additional information can also be found on the City's website at www.jacksonvillebeach.org.

STATEMENT OF NET POSITION
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 116,612,330	\$ 138,557,728	\$ 255,170,058
Other Cash and Investments	3,525	800	4,325
Accounts Receivable, Net	326,689	17,152,385	17,479,074
Due from Other Governments	2,103,894	2,767	2,106,661
Inventories	-	3,008,100	3,008,100
Prepaid Items	1,732,596	119,268	1,851,864
Restricted Assets:			
Equity in Pooled Cash and Investments	-	30,857,821	30,857,821
Leases Receivable	-	1,042,812	1,042,812
Capital Assets:			
Non-Depreciable	66,494,023	38,036,278	104,530,301
Depreciable, Net	76,761,128	183,281,865	260,042,993
Total Assets	264,034,185	412,059,824	676,094,009
Deferred Outflows of Resources			
Pension Related	4,479,524	3,333,417	7,812,941
OPEB Related	643,338	459,527	1,102,865
Total Deferred Outflows of Resources	5,122,862	3,792,944	8,915,806
Liabilities			
Accounts Payable	2,150,486	8,232,733	10,383,219
Accrued Interest	-	3,735	3,735
Other Accrued Liabilities	2,474,474	1,853,683	4,328,157
Power Costs Recovered in Advance	-	9,228,660	9,228,660
Due to Other Governments	2,905,648	3,563	2,909,211
Deposits	43,946	7,296,029	7,339,975
Unearned Revenues	408,015	89,143	497,158
Self-Insurance Claims Payable	25,000	-	25,000
Non-Current Liabilities:			
Due Within One Year	1,561,639	669,772	2,231,411
Due in More than One Year	13,186,385	10,113,046	23,299,431
Total Liabilities	22,755,593	37,490,364	60,245,957
Deferred Inflows of Resources			
Pension Related	3,854,095	1,938,183	5,792,278
OPEB Related	731,654	522,610	1,254,264
Lease Related	-	939,003	939,003
Rate Stabilization	-	14,333,132	14,333,132
Total Deferred Inflows of Resources	4,585,749	17,732,928	22,318,677
Net Position			
Net Investment in Capital Assets	143,153,596	221,058,331	364,211,927
Restricted for:			
Redevelopment	40,737,349	-	40,737,349
Tourism	4,627,245	-	4,627,245
Transportation Improvements	5,073,515	-	5,073,515
Capital Projects	9,447,930	-	9,447,930
Law Enforcement	427,197	-	427,197
Building Permits	184,903	-	184,903
Opioid Mitigation	488,316	-	488,316
Unrestricted	37,675,654	139,571,145	177,246,799
Total Net Position	\$ 241,815,705	\$ 360,629,476	\$ 602,445,181

See accompanying notes.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 5,595,210	\$ 57,140	\$ -	\$ -	\$ (5,538,070)		\$ (5,538,070)
Law Enforcement	14,885,230	328,293	586,609	53,601	(13,916,727)		(13,916,727)
Fire Control	3,258,745	-	-	-	(3,258,745)		(3,258,745)
Building Inspections	941,586	940,725	-	-	(861)		(861)
Physical Environment	493,223	12,271	-	1,674,717	1,193,765		1,193,765
Roads and Streets	9,044,029	740,614	-	-	(8,303,415)		(8,303,415)
Parks and Recreation	5,130,994	188,381	1,055,296	-	(3,887,317)		(3,887,317)
Total Governmental Activities	39,349,017	2,267,424	1,641,905	1,728,318	(33,711,370)	\$ -	(33,711,370)
Business-Type Activities							
Electric	87,264,580	95,049,677	-	539,226		8,324,323	8,324,323
Water and Sewer	13,815,003	18,901,515	194,000	102,283		5,382,795	5,382,795
Stormwater	2,113,488	1,411,413	-	-		(702,075)	(702,075)
Sanitation	7,863,834	7,939,694	-	-		75,860	75,860
Golf Course	3,068,569	3,550,343	-	-		481,774	481,774
Leased Facilities	741,529	817,489	-	-		75,960	75,960
Natural Gas	1,965,943	2,081,658	-	108,229		223,944	223,944
Total Business-Type Activities	116,832,946	129,751,789	194,000	749,738	-	13,862,581	13,862,581
Total Primary Government	\$ 156,181,963	\$ 132,019,213	\$ 1,835,905	\$ 2,478,056	(33,711,370)	13,862,581	(19,848,789)
General Revenues							
Taxes:							
					31,675,329	-	31,675,329
					2,006,723	-	2,006,723
					1,475,130	-	1,475,130
					901,687	-	901,687
					1,276,505	-	1,276,505
					695,872	-	695,872
					4,134,645	-	4,134,645
					29,332	-	29,332
					5,082,177	7,004,199	12,086,376
					609,229	-	609,229
					4,216,092	(4,216,092)	-
					52,102,721	2,788,107	54,890,828
					18,391,351	16,650,688	35,042,039
					223,424,354	343,978,788	567,403,142
					\$ 241,815,705	\$ 360,629,476	\$ 602,445,181

See accompanying notes.

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

	General Fund	General Capital Projects Fund	Community Redevelopment Funds	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 15,508,939	\$ 27,669,655	\$ 46,265,358	\$ 20,374,801	\$ 109,818,753
Other Cash and Investments	3,525	-	-	-	3,525
Receivables:					
Accounts, Net	326,460	-	-	-	326,460
Interfund Receivables	55,599	-	-	-	55,599
Due from Other Governments	1,580,748	-	-	523,146	2,103,894
Prepaid Expenditures	3,748	-	-	-	3,748
Total Assets	17,479,019	27,669,655	46,265,358	20,897,947	112,311,979
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payable	148,374	233,193	1,420,288	211,243	2,013,098
Other Accrued Liabilities	649,091	27,752	1,208,861	291,361	2,177,065
Due to Other Governments	6,788	-	2,898,860	-	2,905,648
Interfund Payables	-	-	-	55,599	55,599
Deposits	43,946	-	-	-	43,946
Unearned Revenue	204,885	-	-	203,130	408,015
Total Liabilities	1,053,084	260,945	5,528,009	761,333	7,603,371
Deferred Inflows of Resources					
Unavailable Revenues	573,553	-	-	63,163	636,716
Fund Balances					
Non-Spendable:					
Prepaid Expenditures	3,748	-	-	-	3,748
Restricted for:					
Redevelopment	-	-	40,737,349	-	40,737,349
Tourism Expenditures	-	-	-	4,627,245	4,627,245
Transportation Improvements	-	-	-	5,073,515	5,073,515
Capital Projects	-	-	-	9,447,930	9,447,930
Law Enforcement	-	-	-	427,197	427,197
Building Permits	184,903	-	-	-	184,903
Opioid Mitigation	-	-	-	488,316	488,316
Committed for:					
Revenue Stabilization	8,258,337	-	-	-	8,258,337
Cemetery Improvements	466,684	-	-	-	466,684
Parking and Transportation	942,700	-	-	-	942,700
Tree Replacement	-	-	-	9,248	9,248
Assigned for:					
Unanticipated Events/ Emergencies	5,996,010	-	-	-	5,996,010
Capital Projects	-	27,408,710	-	-	27,408,710
Total Fund Balances	15,852,382	27,408,710	40,737,349	20,073,451	104,071,892
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,479,019	\$ 27,669,655	\$ 46,265,358	\$ 20,897,947	\$ 112,311,979

See accompanying notes.

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

Fund Balance - Total Governmental Funds \$ 104,071,892

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Capital Assets	\$ 228,351,061	
(Accumulated Depreciation)	<u>(85,407,739)</u>	142,943,322

Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred outflows and inflows of resources at year-end consist of:

Deferred Outflows Related to Pensions	3,269,656	
Deferred Inflows Related to Pensions	(3,098,113)	
Deferred Outflows Related to OPEB	643,338	
Deferred Inflows Related to OPEB	<u>(731,654)</u>	83,227

Some revenues have been deferred on the governmental funds balance sheet because they were not measurable and available at year-end. 636,716

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Net Pension Liability	(3,439,154)	
Total OPEB Liability	(1,578,812)	
Contractual Pension Liability	(2,564,755)	
Compensated Absences	<u>(3,458,721)</u>	(11,041,442)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows and liabilities, and deferred inflows of the internal service funds are reported with governmental activities. 5,121,990

Net Position of Governmental Activities \$ 241,815,705

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	General Fund	General Capital Projects Fund	Community Redevelopment Funds	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 19,772,298	\$ -	\$ 14,074,033	\$ 4,175,521	\$ 38,021,852
Licenses and Permits	942,605	-	-	-	942,605
Intergovernmental	5,480,143	200,000	-	1,669,218	7,349,361
Charges for Services	967,991	-	-	-	967,991
Fines and Forfeitures	300,692	-	-	374,638	675,330
Interest and Other Revenue	1,206,719	1,039,077	2,204,984	879,292	5,330,072
Total Revenues	<u>28,670,448</u>	<u>1,239,077</u>	<u>16,279,017</u>	<u>7,098,669</u>	<u>53,287,211</u>
Expenditures					
Current:					
General Government	2,984,435	390,080	2,004,282	21,901	5,400,698
Public Safety	17,518,945	11,009	1,345,838	18,878	18,894,670
Physical Environment	81,705	-	-	15	81,720
Roads and Streets	1,829,113	-	549,800	5,583,440	7,962,353
Parks and Recreation	4,417,136	-	-	152,772	4,569,908
Capital Outlay	507,813	3,167,602	16,283,099	2,411,051	22,369,565
(Total Expenditures)	<u>(27,339,147)</u>	<u>(3,568,691)</u>	<u>(20,183,019)</u>	<u>(8,188,057)</u>	<u>(59,278,914)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,331,301</u>	<u>(2,329,614)</u>	<u>(3,904,002)</u>	<u>(1,089,388)</u>	<u>(5,991,703)</u>
Other Financing Sources (Uses)					
Transfers in	4,329,992	6,099,920	-	-	10,429,912
Transfers (out)	(5,654,452)	-	-	(512,900)	(6,167,352)
Total Other Financing Sources (Uses)	<u>(1,324,460)</u>	<u>6,099,920</u>	<u>-</u>	<u>(512,900)</u>	<u>4,262,560</u>
Net Change in Fund Balances	6,841	3,770,306	(3,904,002)	(1,602,288)	(1,729,143)
Fund Balances, Beginning of Year	<u>15,845,541</u>	<u>23,638,404</u>	<u>44,641,351</u>	<u>21,675,739</u>	<u>105,801,035</u>
Fund Balances, End of Year	<u>\$ 15,852,382</u>	<u>\$ 27,408,710</u>	<u>\$ 40,737,349</u>	<u>\$ 20,073,451</u>	<u>\$ 104,071,892</u>

See accompanying notes.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

Net Change in Fund Balance - Total Governmental Funds \$ (1,729,143)

**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 expense:

Expenditures for Capital Assets	\$ 22,369,565	
(Current Year Depreciation)	<u>(5,045,725)</u>	17,323,840

Repayments of Debt are recorded as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Payments related to the Contractual Pension Liability - Firefighters' Plan		539,865
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Change in Accrued Compensated Absences	(316,983)	
Change in Net Pension Liability and Deferred Inflows and Outflows Related to Pensions	987,506	
Change in Other Postemployment Benefits and Deferred Inflows and Outflows Related to OPEB	<u>126,263</u>	796,786

Some revenues have been deferred in the governmental funds because they were not available at year-end, but have been recognized in the statement of activities.

98,414

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

1,361,589

Change in Net Position of Governmental Activities

\$ 18,391,351

See accompanying notes.

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Assets					
Current Assets:					
Equity in Pooled Cash and Investments	\$ 58,784,432	\$ 58,644,930	\$ 21,128,366	\$ 138,557,728	\$ 6,793,577
Other Operating Cash	-	-	800	800	-
Receivables:					
Accounts, Net	13,589,158	2,236,275	1,326,952	17,152,385	229
Leases, Current	-	-	112,822	112,822	-
Due from Other Governments	2,767	-	-	2,767	-
Inventories	2,892,648	-	115,452	3,008,100	-
Prepaid Expenses	104,926	-	14,342	119,268	1,728,848
Restricted Assets:					
Equity in Pooled Cash and Investments	30,341,704	-	516,117	30,857,821	-
Total Current Assets	105,715,635	60,881,205	23,214,851	189,811,691	8,522,654
Non-Current Assets:					
Leases Receivable, Non-Current	-	-	929,990	929,990	-
Capital Assets:					
Land	2,551,256	361,970	1,474,972	4,388,198	-
Buildings and Improvements	248,858,408	107,588,197	48,447,828	404,894,433	166,135
Equipment	9,794,046	4,156,799	3,124,740	17,075,585	996,125
Software Assets Under SBITAs	-	-	-	-	163,702
Equipment Under Leases	-	-	682,985	682,985	-
Construction in Progress	11,713,062	19,564,001	2,371,017	33,648,080	-
	272,916,772	131,670,967	56,101,542	460,689,281	1,325,962
(Accumulated Depreciation and Amortization)	(150,144,225)	(64,170,763)	(25,056,150)	(239,371,138)	(1,014,133)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	122,772,547	67,500,204	31,045,392	221,318,143	311,829
Total Non-Current Assets	122,772,547	67,500,204	31,975,382	222,248,133	311,829
Total Assets	228,488,182	128,381,409	55,190,233	412,059,824	8,834,483
Deferred Outflows of Resources					
Pension Related	2,087,429	927,130	318,858	3,333,417	1,209,868
OPEB Related	257,336	143,372	58,819	459,527	-
Total Deferred Outflows of Resources	2,344,765	1,070,502	377,677	3,792,944	1,209,868

See accompanying notes.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 6,636,893	\$ 781,353	\$ 814,487	\$ 8,232,733	\$ 137,388
Accrued Interest	2,241	1,494	-	3,735	-
Other Accrued Liabilities	717,013	957,622	179,048	1,853,683	297,409
Due to Other Governments	-	-	3,563	3,563	-
Unearned Revenue	-	-	89,143	89,143	-
Estimated Liability for Self-Insured Losses	-	-	-	-	25,000
Accrued Compensated Absences	345,568	132,239	24,822	502,629	260,846
Lease Liability	-	-	167,143	167,143	-
Liabilities under SBITAs	-	-	-	-	31,393
Current Liabilities Payable from Restricted Assets:					
Power Costs Recovered in Advance	8,712,543	-	516,117	9,228,660	-
Customer Deposits	7,296,029	-	-	7,296,029	-
Total Current Liabilities	23,710,287	1,872,708	1,794,323	27,377,318	752,036
Non-Current Liabilities:					
Accrued Compensated Absences	1,382,271	528,957	99,288	2,010,516	1,043,387
Lease Liability	-	-	92,669	92,669	-
Liabilities under SBITAs	-	-	-	-	70,162
Net Pension Liability	4,234,360	1,940,703	707,075	6,882,138	2,300,794
Other Postemployment Benefits	631,524	351,850	144,349	1,127,723	-
Total Non-Current Liabilities	6,248,155	2,821,510	1,043,381	10,113,046	3,414,343
Total Liabilities	29,958,442	4,694,218	2,837,704	37,490,364	4,166,379
Deferred Inflows of Resources					
Pension Related	1,177,990	526,417	233,776	1,938,183	755,982
OPEB Related	292,662	163,054	66,894	522,610	-
Lease Related	-	-	939,003	939,003	-
Rate Stabilization	14,333,132	-	-	14,333,132	-
Total Deferred Inflows of Resources	15,803,784	689,471	1,239,673	17,732,928	755,982
Net Position					
Net Investment in Capital Assets	122,772,547	67,500,204	30,785,580	221,058,331	210,274
Unrestricted	62,298,174	56,568,018	20,704,953	139,571,145	4,911,716
Total Net Position	\$ 185,070,721	\$ 124,068,222	\$ 51,490,533	\$ 360,629,476	\$ 5,121,990

See accompanying notes.

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Operating Revenues					
Charges for Services	\$ 94,651,262	\$ 18,757,021	\$ 14,982,561	\$ 128,390,844	\$ 18,683,832
Other	398,415	144,494	818,036	1,360,945	159,781
Total Operating Revenues	<u>95,049,677</u>	<u>18,901,515</u>	<u>15,800,597</u>	<u>129,751,789</u>	<u>18,843,613</u>
Operating Expenses					
Purchased Power	62,051,779	-	1,002,047	63,053,826	-
Personnel Services	7,701,704	4,072,650	2,228,691	14,003,045	7,396,219
Purchased Services	1,787,268	521,831	7,713,805	10,022,904	1,209,270
Repairs and Maintenance	478,291	2,161,838	929,525	3,569,654	681,452
Depreciation and Amortization	6,727,544	3,194,739	2,026,854	11,949,137	77,055
Materials and Supplies	721,082	743,510	409,096	1,873,688	214,946
Other Expenses	7,633,058	2,912,105	1,287,784	11,832,947	7,995,265
(Total Operating Expenses)	<u>(87,100,726)</u>	<u>(13,606,673)</u>	<u>(15,597,802)</u>	<u>(116,305,201)</u>	<u>(17,574,207)</u>
Operating Income	<u>7,948,951</u>	<u>5,294,842</u>	<u>202,795</u>	<u>13,446,588</u>	<u>1,269,406</u>
Non-Operating Revenues (Expenses)					
Investment Earnings	3,739,872	2,372,733	869,576	6,982,181	144,048
Interest from Leasing Activities	-	-	22,018	22,018	-
Intergovernmental Revenue	-	194,000	-	194,000	-
Interest Expense on Leases and SBITAs	-	-	(14,582)	(14,582)	(5,397)
Gain (Loss) on Disposal of Capital Assets	(163,854)	(208,330)	(140,979)	(513,163)	-
Total Non-Operating Revenues (Expenses)	<u>3,576,018</u>	<u>2,358,403</u>	<u>736,033</u>	<u>6,670,454</u>	<u>138,651</u>
Income Before Contributions and Transfers	<u>11,524,969</u>	<u>7,653,245</u>	<u>938,828</u>	<u>20,117,042</u>	<u>1,408,057</u>
Capital Contributions					
Connection Fees	244,755	102,283	108,229	455,267	-
Developer Contributions	294,471	-	-	294,471	-
Total Capital Contributions	<u>539,226</u>	<u>102,283</u>	<u>108,229</u>	<u>749,738</u>	<u>-</u>
Transfers					
Transfers in	324,194	-	500,000	824,194	23,532
Transfers (out)	(4,372,796)	(126,000)	(541,490)	(5,040,286)	(70,000)
Total Transfers	<u>(4,048,602)</u>	<u>(126,000)</u>	<u>(41,490)</u>	<u>(4,216,092)</u>	<u>(46,468)</u>
Change in Net Position	<u>8,015,593</u>	<u>7,629,528</u>	<u>1,005,567</u>	<u>16,650,688</u>	<u>1,361,589</u>
Total Net Position, Beginning of Year	<u>177,055,128</u>	<u>116,438,694</u>	<u>50,484,966</u>	<u>343,978,788</u>	<u>3,760,401</u>
Total Net Position, End of Year	<u>\$ 185,070,721</u>	<u>\$ 124,068,222</u>	<u>\$ 51,490,533</u>	<u>\$ 360,629,476</u>	<u>\$ 5,121,990</u>

See accompanying notes.

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	Business-Type Activities - Enterprise Funds				Governmental
	Electric	Water and Sewer	Other Funds	Totals	Activities - Internal Service Funds
Cash Flows from Operating Activities					
Cash Received from Customers and Users	\$ 91,341,368	\$ 18,741,079	\$ 15,352,882	\$ 125,435,329	\$ 18,843,613
Cash Payments to Vendors for Goods and Services	(70,874,658)	(6,152,329)	(11,564,718)	(88,591,705)	(10,832,751)
Cash Payments to Employees for Services	(7,779,018)	(4,215,560)	(2,232,862)	(14,227,440)	(7,441,042)
Insurance Reimbursements Received (Claims Paid)	-	-	-	-	103,643
Net Cash Provided by (Used in) Operating Activities	12,687,692	8,373,190	1,555,302	22,616,184	673,463
Cash Flows from Non-Capital Financing Activities					
Transfers in	324,194	-	500,000	824,194	23,532
Intergovernmental Revenue	-	194,000	-	194,000	-
Transfers (out)	(4,372,796)	(126,000)	(541,490)	(5,040,286)	(70,000)
Interest from Leasing and SBITA Activities	-	-	22,018	22,018	-
Net Cash (Used in) Provided by Non-Capital Financing Activities	(4,048,602)	68,000	(19,472)	(4,000,074)	(46,468)
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(8,532,455)	(9,836,133)	(2,006,857)	(20,375,445)	(59,208)
Connection Fees	244,755	102,283	108,229	455,267	-
Principal Repayments on Long-term Debt	-	-	(160,280)	(160,280)	(29,124)
Interest Paid on Long-term Debt	-	-	(14,582)	(14,582)	(5,397)
Net Cash (Used in) Provided by Capital and Related Financing Activities	(8,287,700)	(9,733,850)	(2,073,490)	(20,095,040)	(93,729)
Cash Flows from Investing Activities					
Investment Earnings	3,739,872	2,372,733	869,576	6,982,181	144,048
Net Cash Provided by (Used in) Investing Activities	3,739,872	2,372,733	869,576	6,982,181	144,048
Net Increase (Decrease) in Cash and Cash Equivalents	4,091,262	1,080,073	331,916	5,503,251	677,314
Cash and Cash Equivalents, Beginning of Year	85,034,874	57,564,857	21,313,367	163,913,098	6,116,263
Cash and Cash Equivalents, End of Year	\$ 89,126,136	\$ 58,644,930	\$ 21,645,283	\$ 169,416,349	\$ 6,793,577

See accompanying notes.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental
	<u>Electric</u>	<u>Water and Sewer</u>	<u>Other Funds</u>	<u>Totals</u>	Activities - Internal Service Funds
<u>Included on the Accompanying Balance</u>					
<u>Sheet Under the Following Captions</u>					
Current Assets					
Equity in Pooled Cash and Investments	\$ 58,784,432	\$ 58,644,930	\$ 21,128,366	\$ 138,557,728	\$ 6,793,577
Other Operating Cash	-	-	800	800	-
Restricted Assets					
Equity in Pooled Cash and Investments	30,341,704	-	516,117	30,857,821	-
Total	<u>\$ 89,126,136</u>	<u>\$ 58,644,930</u>	<u>\$ 21,645,283</u>	<u>\$ 169,416,349</u>	<u>\$ 6,793,577</u>
<u>Reconciliation of Operating Income (Loss)</u>					
<u>to Net Cash Provided by (Used in)</u>					
<u>Operating Activities</u>					
Operating Income (Loss)	\$ 7,948,951	\$ 5,294,842	\$ 202,795	\$ 13,446,588	\$ 1,269,406
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation and Amortization	6,727,544	3,194,739	2,026,854	11,949,137	77,055
Power Costs (Returned) Recovered in Advance	(6,072,807)	-	(407,751)	(6,480,558)	-
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):					
Accounts Receivable	1,789,957	(160,436)	(28,317)	1,601,204	-
Leases Receivable and Related Deferred Inflow of Resources	-	-	(17,183)	(17,183)	-
Inventories	651,120	-	(22,930)	628,190	-
Prepaid Expenses	12,916	-	(324)	12,592	(281,267)
Accounts Payable and Other Accrued Liabilities	1,132,784	186,955	(199,207)	1,120,532	(17,751)
Estimated Liability for Self-Insured Losses	-	-	-	-	(329,157)
Unearned Revenues	-	-	5,536	5,536	-
Customer Deposits	574,541	-	-	574,541	-
Accrued Compensated Absences	90,318	33,413	21,997	145,728	142,428
OPEB Liability and Related Deferred Inflows and Outflows of Resources	61,977	(63,551)	14,471	12,897	-
Net Pension Liability and Related Deferred Inflows and Outflows of Resources	(229,609)	(112,772)	(40,639)	(383,020)	(187,251)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 12,687,692</u>	<u>\$ 8,373,190</u>	<u>\$ 1,555,302</u>	<u>\$ 22,616,184</u>	<u>\$ 673,463</u>

See accompanying notes.

**STATEMENT OF FIDUCIARY NET POSITION
ALL FIDUCIARY FUNDS - PENSION TRUST FUNDS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

Assets

Cash and Cash Equivalents	\$ 3,602,913
Accrued Interest	262,949
Investments:	
Equities, Including Mutual Funds	95,604,308
Corporate Bonds	7,390,401
U.S. Government Obligations/Agencies	26,646,792
Real Estate	4,963,013
Total Investments	<u>134,604,514</u>
Total Assets	<u><u>138,470,376</u></u>

Liabilities

Accounts Payable	14,824
Other Accrued Liabilities	3,382
Total Liabilities	<u><u>18,206</u></u>

Net Position

Restricted for Pensions	<u><u>\$ 138,452,170</u></u>
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See accompanying notes.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL FIDUCIARY FUNDS - PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

Additions

Contributions:		
Employee	\$	2,363,637
Employer:		
City of Jacksonville Beach		4,278,238
City of Jacksonville		324,272
State of Florida		372,132
Total Contributions		<u>7,338,279</u>
Investment Income:		
Investment Earnings		12,093,141
(Investment Expenses)		<u>(137,435)</u>
Net Investment Income		<u>11,955,706</u>
Total Additions		<u>19,293,985</u>

Deductions

Benefits		7,977,644
Refunds of Contributions		360,193
Administrative Expense		<u>383,745</u>
(Total Deductions)		<u>(8,721,582)</u>
Change in Net Position		10,572,403
Net Position, Beginning of Year		<u>127,879,767</u>
Net Position, End of Year	\$	<u><u>138,452,170</u></u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Jacksonville Beach, Florida (the City) was founded in 1907 and operates under a City Council/City Manager form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units.

The City has one blended component unit, the City of Jacksonville Beach Community Redevelopment Agency (CRA). The CRA was created in 1978 pursuant to Chapter 163, Florida Statutes, and City Ordinance No. 6950. The CRA is being treated as a blended component unit and included as part of the primary government for financial reporting purposes because the City appoints the CRA Board, the City has the power to impose its will on the CRA through significant influence on activities and level of service, and the CRA provides its services entirely to the City. All assets constructed by the CRA on City-owned land automatically become assets of the City upon completion, and all assets constructed by the CRA on CRA-owned land, along with the underlying land, are deeded to the City upon completion. The CRA is presented in the financial statements of the City as a special revenue fund. There are two redevelopment trust funds established by the CRA: the Downtown Redevelopment District and the Southend Redevelopment District. Both Districts' fund financial statements are presented in the separately issued financial statements of the CRA, as required by State Statute.

This report also includes the accounts and transactions of the following pension plans (collectively, the Plans), which are considered to be fiduciary component units of the City:

- City of Jacksonville Beach General Employees' Retirement System (the General Plan)
- City of Jacksonville Beach Police Officers' Retirement System (the Police Plan)
- City of Jacksonville Beach Firefighters' Retirement System (the Firefighters' Plan)

The Plans are being treated as fiduciary component units and included as part of the primary government for financial reporting purposes because the City may amend provisions of the Plans through a bargaining process with members and unions associated with the Plans, and a financial burden exists on the part of the City wherein the City is legally obligated or has otherwise assumed the obligation to make contributions to the Plans. Each individual pension plan issues its own separate set of financial statements. The General Plan and the Police Plan are considered to be fiscally dependent on the City. The Firefighters' Plan is substantially funded through contributions from the City of Jacksonville; obligated contributions to the Firefighters' plan by the City are contractual in nature.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements so as not to distort financial results. Fiduciary funds are also excluded from the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

obligations of the government. *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 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 (fund financial statements) are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

A reconciliation is provided that converts the results of governmental fund accounting to the governmental activities in the government-wide presentations. The City's fiduciary funds are presented in the fund financial statements by type (pension trust funds only) but as noted above, are not included in the government-wide statements.

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are allocated among the appropriate governmental and business-type activities.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Operating revenues shown for proprietary operations generally result from producing or providing goods and services such as electric, water and sewer, stormwater, sanitation, natural gas, leased space/assets, and the golf course, or from interfund charges (internal service funds). Operating expenses for these operations include all costs related to providing the service or product. These costs include purchased power, personal and purchased services, repairs and maintenance, depreciation, materials and supplies, and other expenses directly related to costs of services. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

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 the liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period, except for grant revenues which are considered available if collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, accrued compensated absences, and expenditures related to claims and judgments, are recorded only when payment is due. Other postemployment benefits are accrued in governmental funds only if funded.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual as revenue of the current period. Only the portion of special assessments collectible within the current period is accrued as revenue of the current period. Grant revenues are considered earned and are accrued simultaneously with the grant expenditure. In applying the susceptibility-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and substantially irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion. All other revenue items are considered to be measurable and available only when cash is received by the government.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The City reports the following major governmental funds:

- **General Fund**—is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Most of the essential governmental services such as public safety, street construction and maintenance, culture and recreation, and general administration are provided by the general fund.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

- **General Capital Projects Fund**—is the City’s primary capital projects fund. It accounts for the costs of various capital projects, major equipment purchases, and major repairs and renovations.
- **Community Redevelopment Fund**—accounts for the activities of the CRA, including the Downtown and Southend redevelopment districts. The primary revenue source is ad valorem tax increment funds, which are restricted for expenditures benefiting the redevelopment districts.

The City reports the following major enterprise funds:

- **Electric Fund**—accounts for the activities associated with providing electric service to its customers inside the City, as well as to its service territories in Neptune Beach and Ponte Vedra Beach. The electric fund is a distribution utility, with no significant power generation assets.
- **Water and Sewer Fund**—accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including the capital and operating costs associated with water supply, treatment and distribution, wastewater collection, treatment and disposal, and utility billing and collection.

Governmental and enterprise funds which do not meet the criteria for reporting as *major funds* are grouped together for financial reporting into one column.

In addition, the City reports the following fund types:

- **Internal Service Funds**—account for services provided to other departments within the City on a cost reimbursement basis. These services include: city manager, accounting, utility billing, information systems, human resources, fleet maintenance, purchasing administration, maintenance facility, and insurance. The internal service funds are included in governmental activities for government-wide reporting purposes, and the excess revenue or expenses for the funds are allocated to the appropriate functional activity.
- **Pension Trust Funds**—account for the activities of the general employees’ pension, police officers’ pension and firefighters’ pension plans, which accumulate resources for defined benefit payments to qualified employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges of the City’s enterprise activities, which are quasi-external transactions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The City does not charge user departments for indirect services provided by general fund departments.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

D. Assets and Liabilities

■ **Cash and Investments**

- **Cash and Cash Equivalents**—for purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents include demand deposits, certificates of deposit, repurchase agreements with financial institutions, petty cash, state pool investments, mutual funds, and equity in pooled cash and investments. Equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. Cash equivalents may exclude certain liquid assets held in restricted investment accounts.
- **Equity in Pooled Cash and Investments**—the City maintains an accounting system in which substantially all cash and investments are recorded and are reflected as pooled cash and investments, except for the pension trust fund investments. Investment earnings are distributed monthly in accordance with the participating funds’ relative percentage of investments.
- **Restricted Cash and Investments**—represent equity in pooled cash and investments and separately identified investments which are restricted as to use.

Investments are valued at fair value unless the investment qualifies as an external investment pool under guidance in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. These investments are valued at amortized cost.

- **Receivables**—All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The allowance for doubtful accounts at September 30, 2025, is \$185,956. Estimated unbilled revenues from the electric, water and sewer, stormwater, sanitation, and natural gas funds are recognized at the end of each fiscal year on a pro rata basis. Included in accounts receivable at September 30, 2025, are unbilled amounts totaling \$7,334,096. The estimated amount is based on billings during the month following the close of the fiscal year.
- **Interfund Receivables and Payables**—During the course of its operations, the City has numerous transactions between funds to provide services and construct assets. To the extent that certain transactions between funds were not paid for or received as of September 30, 2025, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year, if any, are recorded as advances to and advances from other funds. Balances of advances to other funds are offset by non-spendable fund balances in the respective funds since these receivables are not available for appropriation. Short-term interfund loans to eliminate cash deficits are classified as “interfund receivables/payable”.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

- **Inventories and Prepaid Items**—Inventories are only significant to and reported in proprietary funds. Inventories in the Electric Fund are reported using the consumption method and are valued at the lower of average cost or net realizable value, using the first-in, first-out method for the physical flow of inventory. Inventories in the Golf Fund are held for resale and are reported at the lower of average cost or market.

Certain payments to vendors reflect costs applicable to future accounting periods. Such expenditures are primarily recorded using the purchase method, except for prepayments of postage and estimated sales tax in the governmental, proprietary, and internal service funds, and prepaid insurance in the internal service funds only, which are recorded using the consumption method and appear as prepaid items in both the government-wide and fund financial statements.

- **Capital Assets**—Capital assets, which include property, plant 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. Capital assets are defined by the City as assets with an initial estimated useful life in excess of one year and individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Interest costs incurred before the end of a construction period are a financing activity separate from the related capital asset and are recognized as an expense in the period in which the cost is incurred. These interest costs are not capitalized as part of the historical cost of the capital asset.

In proprietary fund types, capital assets are capitalized at cost in the fund which acquired or constructed them. Donated assets are recorded at acquisition value. Depreciation of exhaustible capital assets used by these funds is charged as an expense against operations, and accumulated depreciation is reported on the balance sheets of the funds in which the assets are capitalized. Depreciation has been provided over the estimated useful life of each asset using the straight-line method. The range of estimated useful lives of capital assets are:

Buildings and Improvements	30-35 Years
Infrastructure	15-75 Years
Vehicles and Equipment	3-15 Years

Capital assets are not recorded on the balance sheet of governmental funds.

- **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. Bond premiums, discounts, and refunding losses are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Issuance costs are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

In the fund financial statements, governmental fund types record bond premiums and discounts, as well as bond issuance costs in the year incurred. The face amount of debt and 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, are reported as debt service expenditures.

- **Leases**—The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes leases with an initial term of greater than 12 months and an individual value of \$100,000 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 the lease payments made at or before the lease commencement date, plus initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

- **Subscription-Based Technology Arrangements (SBITAs)**—The City recognizes a SBITA liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. At the commencement of the arrangement, the City initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. Subsequently, the SBITA liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the SBITA liability, adjusted for subscription payments made at or before the lease commencement date. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the City determines: (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- (1) The City uses the interest rate charged in the agreement as the discount rate. When an interest rate is not provided in the agreement, the City uses the treasury rate corresponding to the subscription term as the discount rate for the SBITA.
- (2) The subscription term includes the non-cancellable period of the subscription. Subscription payments included in the measurement of the SBITA liability are composed of fixed payments. The City only recognizes a SBITA liability for lease terms greater than one year.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

(3) Subscription payments are the monthly or yearly payments stated in the agreement. The City only recognizes a SBITA liability for SBITAs with a beginning present value greater than \$500,000.

- **Compensated Absences**—City employees are entitled to certain compensated absences based on their length of employment. Accumulated unpaid vacation and sick pay are accrued in the enterprise and internal service funds when earned. Benefits are considered earned and a liability is recognized for these benefits when they are attributable to services already rendered, are accumulative, and are more likely than not to be used as time off or settled through cash payments upon termination. These accumulated benefits are only recorded when paid in the governmental fund types. The compensated absence liability is measured using current pay rates and includes payroll taxes. A LIFO (last-in, first-out) flow assumption is used, reflecting that employees use recently earned leave first.
- **Deferred Inflows/Outflows of Resources**—Deferred outflows of resources represent the consumption of net assets that applies to future periods. Deferred outflows have a positive effect on net position, similar to assets. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred inflows have a negative effect on net position, similar to liabilities.
- **Unearned Revenue**—Governmental funds and business-type funds also defer revenue recognition in connection with resources that have been received but not yet earned.
- **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 City’s pension plans and additions to/deductions from pension plan net position have been determined on the same basis as they are reported by the plans. 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.

E. Fund Balances

- **Classifications**—The City has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:
 - **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
 - **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution, which are considered equally binding) of the organization’s governing authority (the City Council). These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) employed to constrain those amounts.

Pursuant to a fund balance policy adopted under the City Council’s Resolution No. 1887-2011, the City established a stabilization fund in the general fund that qualifies as a stabilization arrangement and is classified as committed fund balance under GASB 54. At each fiscal year-end, the stabilization fund is adjusted to an amount equal to 25% of the subsequent years’ general fund budgeted expenditures. The purpose of the stabilization fund is to provide sufficient working capital at the beginning of the fiscal year until the time the City begins receiving ad valorem taxes, usually toward the end of the first quarter. The stabilization balance can only be reduced with City Council approval, or for budgeted expenditures when all other unrestricted or uncommitted fund balances have been exhausted, or there is a revenue shortfall resulting in a decrease in the stabilization fund.

- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.

Fund balance at year-end has been assigned within the general fund for unanticipated events or emergencies. The City’s fund balance policy adopted under the City Council’s Resolution No. 1887-2011 established the reserve. Expenditures for emergencies must be approved by the City Manager and reported to the City Council within 30 working days of the emergency. Expenditures for major unanticipated unbudgeted events require prior City Council approval and subsequent modification to the general fund budget.

- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed, or assigned.

■ **Flow Assumption**

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in the general fund, it is the City’s policy to use unassigned resources first, then assigned, and then committed, as needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any other governmental fund, it is the City’s policy to use committed resources first, then assigned, and then unassigned, as needed.

**NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

F. Accounting Changes

Implementation of New Accounting Standards

During the year ended September 30, 2025, the City adopted GASB Statement Nos. 101, *Compensated Absences*, and 102, *Certain Risk Disclosures*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences, achieved by aligning the recognition and measurement under a unified model and by amending certain previously required disclosures. As a result of the adoption of this statement, the City assessed its calculation of compensated absences for compliance with provisions of the statement. The City has determined, based on the nature of the compensated absence liability flow assumption and an analysis of historical usage and payout trends, that its current calculation methodology for compensated absences complies with the provisions of GASB Statement No. 101 in all material respects. As a result, no restatement of the prior year financial statements is required.

GASB Statement No. 102 intends to improve financial reporting by providing users of the financial statements with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. There was no impact to the City’s financial statements as a result of the adoption of this statement.

Note 2 - Property Tax Calendar

The City levies property taxes each November 1, which become a lien on real and personal property located in the City. The assessment of all properties and the collection of all property taxes are made through the Property Appraiser and Tax Collector of Duval County, Florida.

Details of the tax calendar are presented below:

Lien Date	January 1, 2024
Levy Date	October 1, 2024
Installment Payments	
First Installment	No Later Than June 30, 2024
Second Installment	No Later Than September 30, 2024
Third Installment	No Later Than December 31, 2024
Fourth Installment	No Later Than March 31, 2025
Regular Payments	
Discount Periods	November 2024 Through February 2025
No Discount Period	After March 1, 2025
Delinquent Date	April 1, 2025

Note 3 - Deposits and Investments

Equity in Pooled Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Interest earned on pooled cash and investments is allocated to each fund based on the average equity balance.

NOTES TO FINANCIAL STATEMENTS
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CITY OF JACKSONVILLE BEACH, FLORIDA

The table below provides a reconciliation of City funds held in cash and investments to the amounts presented in the financial statements:

Cash Held in Banks	\$ 20,266,041
Petty Cash	4,325
Investments	265,420,180
Deposits Held in Trust	831,676
Less Pooled Cash Held in Pension Trust Funds	<u>(490,018)</u>
Total	<u>\$ 286,032,204</u>

As presented in the accompanying statement of net position:

Equity in Pooled Cash and Investments	\$ 255,170,058
Other Cash and Investments	4,325
Restricted Equity in Pooled Cash and Investments	<u>30,857,821</u>
Total	<u>\$ 286,032,204</u>

Deposits

The City's bank deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280 (the Act). The Act provides protection of public deposits by requiring each QPD to pledge collateral to the State Treasurer. The Treasurer shall establish minimum required collateral pledging levels ranging from 25% to 200% of public deposits held, depending on the depository's financial condition and establishment period. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default. Therefore, all cash and time deposits held by QPDs are fully insured and collateralized.

Certain deposits held by trust companies and fully secured under trust business laws are exempt from Chapter 280 requirements. At year-end, the amount of City deposits held in short-term cash and investments for the settlement of investment purchase/sale transactions was \$831,676 and the amount of deposits held in the pension trust funds was \$3,112,895.

Investments

Following are the investments held in the pooled cash fund, credit ratings, and maturities of the City's governmental and business-type activities at September 30, 2025:

NOTES TO FINANCIAL STATEMENTS
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Investment Type	S&P Credit Rating	Fair Value	Investment Maturities			
			Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Govt Obligations	AA+	\$ 97,180,110	\$ 9,283,722	\$ 86,874,026	\$ 713,941	\$ 308,421
Federal Agency Securities:						
Federal Home Loan Mortgage Corporation	AA+	10,728,822	1,073	8,396,637	-	2,331,112
Federal National Mortgage Association	AA+	8,641,567	-	5,664,393	94,090	2,883,084
Federal Home Loan Bank	AA+	2,547,995	1,672,421	875,574	-	-
Federal Farm Credit Bank	AA+	2,417,540	-	2,417,540	-	-
Government National Mortgage Association	AA+	11,541	-	-	-	11,541
Corporate ABSs	AAA	12,290,858	-	11,812,844	463,586	14,428
Corporate ABSs	AA+	72,680	-	72,680	-	-
Corporate ABSs	NR	4,530,356	2,516	4,409,512	118,328	-
Corporate Bonds	AAA	2,462,247	-	2,331,820	130,427	-
Corporate Bonds	AA+	-	-	-	-	-
Corporate Bonds	A+	622,911	-	622,911	-	-
Corporate Bonds	AA	-	-	-	-	-
Corporate Bonds	AA-	117,066	-	117,066	-	-
Corporate Bonds	A	4,336,554	-	4,336,554	-	-
Corporate Bonds	A-	7,289,122	170,681	7,118,441	-	-
Corporate Bonds	Aa3	3,687,542	375,330	3,312,212	-	-
Corporate Bonds	A2	5,994,436	1,381,072	4,613,364	-	-
Corporate Bonds	A1(Moody's)	1,869,305	295,875	1,573,430	-	-
Corporate Bonds	A3(Moody's)	3,504,004	644,801	2,859,203	-	-
Corporate Bonds	Aa2 (Moody's)	1,324,132	-	1,263,461	60,671	-
Corporate Bonds	BBB+	1,689,050	101,951	1,587,099	-	-
Municipal Bonds	AAA	1,043,712	277,267	586,429	180,016	-
Municipal Bonds	AA+	852,424	112,930	739,494	-	-
Municipal Bonds	AA	685,181	289,519	395,662	-	-
Municipal Bonds	AA-	125,048	50,517	74,531	-	-
Municipal Bonds	A+	125,965	-	125,965	-	-
Municipal Bonds	A-	150,206	150,206	-	-	-
Municipal Bonds	NR	69,862	-	-	54,929	14,933
Florida State Board of Administration:						
Florida PRIME	AAAm	37,628,473	37,628,473	-	-	-
Florida Trust - Day to Day Fund	AAAmf (Fitch)	38,999,300	38,999,300	-	-	-
Florida Municipal Investment Trust:						
Short-Term Bond Portfolio (0-2 Years)	AAA (Fitch)	14,422,171	14,422,171	-	-	-
Total		\$ 265,420,180	\$ 105,859,825	\$ 152,180,848	\$ 1,815,988	\$ 5,563,519

Listed below are the investments and maturities in the City's pension trust funds at September 30, 2025:

Investment Type	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Equities	\$ 95,604,308	\$ 95,604,308	\$ -	\$ -	\$ -
U.S. Government Securities	7,151,744	-	2,066,446	857,837	4,227,461
Federal Agency Securities:					
Federal Farm Credit Banks	107,334	-	107,334	-	-
Federal Home Loan Mortgage Corporation	8,673,342	-	-	186,469	8,486,873
Federal National Mortgage Association	10,714,372	2,855	104,703	1,116,259	9,490,555
Corporate Bonds	7,390,401	-	1,550,884	5,297,261	542,256
Real Estate	4,963,013	4,963,013	-	-	-
Total	\$ 134,604,514	\$ 100,570,176	\$ 3,829,367	\$ 7,457,826	\$ 22,747,145

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
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Credit quality distribution for the City’s pension trust fund investments with credit exposure as a percentage of the total pension investment is as follows:

<u>Investment Type</u>	<u>Moody’s Credit Rating</u>	<u>Percent of Total</u>
U.S. Government Securities	Aaa	5.31%
Federal Agency Securities	Aaa	14.48%
Corporate Bonds	A1	2.47%
Corporate Bonds	A2	0.80%
Corporate Bonds	A3	0.69%
Corporate Bonds	Baa1	0.63%
Corporate Bonds	Baa2	0.90%

Authorized Investments

Florida Statute 218.415 authorizes the City to invest in the state pools and in obligations of the United States Treasury and agencies. The City has adopted an investment policy for operating funds pursuant to state statutes that allows the City to contract for investment and related services, establish internal controls, and specifies the types of investments that may be purchased. Key objectives of the policy are as follows:

- Safety of principal is the foremost objective of the investment program.
- Provide sufficient liquidity to allow for quick conversion of investments to cash easily and rapidly without loss of principal to meet operating, payroll, and capital requirements.
- The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.
- Investments held should be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold.

The policy also lists permitted types of investments, limitations as to amounts invested in each type, the amount invested with each issuer, the length of investment maturities, and other statutory or contractual restrictions for each type of investment. The investment in any derivative products or the use of reverse repurchase agreements is not permitted by this investment policy.

Chapters 175 and 185 of the Florida Statutes authorize the Police Officers’ and Firefighters’ pension trust funds to invest in time and savings accounts of banks insured by the Federal Deposit Insurance Corporation.

Under City Ordinance, the pension trust funds are also authorized to invest in obligations of the United States, in obligations guaranteed as to principal and interest by the United States. Additional authorized investments include bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, provided the corporation is listed on one or more of the recognized national stock exchanges. Corporate fixed income securities must hold a rating of BBB or higher by Moody’s or Standard & Poor’s rating services. At September 30, 2025, 0.90% of plan

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
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investments held a rating at or below this level due to the unavoidable time lag between the dates of downgrades in ratings of bonds subsequent to their purchase and the date of reallocation of the amounts by the fund managers to higher-rated securities.

Risk Disclosure

The City's investment policy does not address its exposure to interest rate changes, custodial credit risk, or quality credit risk. The following items discuss the City's operating funds' and pension funds' exposure to various risks in primarily the fixed rate portions of their investment portfolios:

- **Interest Rate Risk**—the City's fixed rate investments are generally tied to bond reserve requirements and are intended to be held until the funds are needed, at maturity. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's pension funds limit their risk by averaging investment maturities at approximately five to seven years.
- **Custodial Credit Risk**—for an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City generally utilizes third-party custodians to help manage custodial credit risk.
- **Concentration of Credit Risk**—the investment policy for the operating funds of the City define what percentage of the total investment portfolio may be invested in each type of investment vehicle. The City's policy states that these percentages may be further restricted based on market conditions, risk, and diversification investment strategies. The pension funds' investment policies and practices require investments to be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold. No more than 10% of the plans' total fixed assets may be invested in securities of a corporate issuer. No more than 25% of plan assets may be in foreign securities.

Fair Value Measurements

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 Inputs**—are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2 Inputs**—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- **Level 3 Inputs**—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

NOTES TO FINANCIAL STATEMENTS
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The City's investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value in the hierarchy described above. The fair value measurements for the City's operating investments are as follows at September 30, 2025:

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Obligations	\$ 97,180,110	\$ 868,843	\$ 96,311,267	\$ -
Federal Agency Securities:				
Federal Farm Credit Bank	2,417,540	-	2,417,540	-
Federal Home Loan Mortgage Corporation	10,728,822	-	10,728,822	-
Federal Home Loan Bank	2,547,995	-	2,547,995	-
Federal National Mortgage Association	8,641,567	-	8,641,567	-
Government National Mortgage Association	11,541	-	11,541	-
Corporate ABSs	16,893,894	-	16,893,894	-
Corporate Bonds	32,896,369	-	32,896,369	-
Municipal Bonds	3,052,398	-	3,052,398	-
Total Investments by Fair Value Level	174,370,236	\$ 868,843	\$ 173,501,393	\$ -
Investments Measured at Amortized Cost	Amount			
Florida State Board of Administration:				
Florida PRIME	\$ 37,628,473			
Florida Trust - Day to Day Fund	38,999,300			
Florida Municipal Investment Trust:				
Short-Term Bond Portfolio (0-2 Years)	14,422,171			
Total Investments Measured at Amortized Cost	91,049,944			
Total Investments	\$ 265,420,180			

As of September 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements of the Florida PRIME investment pool that serve to limit a participant's daily access to 100 percent of their account value.

The fair value measurements for the City's pension trust fund investments are as follows at September 30, 2025:

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 95,604,308	\$ 95,604,308	\$ -	\$ -
U.S. Government Securities	7,151,744	-	7,151,744	-
Federal Agency Securities:				
Federal Farm Credit Banks	107,334	-	107,334	-
Federal Home Loan Mortgage Corporation	8,673,342	-	8,673,342	-
Federal National Mortgage Association	10,714,372	-	10,714,372	-
Corporate Bonds	7,390,401	-	7,390,401	-
Total Investments Measured at Fair Value	129,641,501	\$ 95,604,308	\$ 34,037,193	\$ -
Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund	\$ 4,963,013	\$ -	Quarterly	45 days
Total Investments	\$ 134,604,514			

NOTES TO FINANCIAL STATEMENTS
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Federal Agency Securities and U.S. Government Obligations are categorized as Level 1 or Level 2, depending on whether the individual securities are quoted in active markets; otherwise, they are valued using matrix pricing techniques that value securities based on their relationship to benchmark quoted prices. Corporate bonds, corporate ABSs, and municipal bonds are valued using quoted prices for similar securities in active markets and are categorized as Level 2 in the fair value hierarchy. The Real Estate Fund is valued at Net Asset Value (NAV), which is determined using certified annual appraisals of investment properties held by the fund.

Note 4 - Interfund Receivables, Payables, and Transfers

Interfund receivables/payables represent short-term loans to cover other funds' deficits in pooled cash and investments. As of September 30, 2025, the balance in these accounts consists of the following:

	Receivable	Payable
General Fund	\$ 55,599	\$ -
Community Development Block Grant	-	1,998
J.A.G. Grant	-	<u>53,601</u>
Total	<u>\$ 55,599</u>	<u>\$ 55,599</u>

Interfund transfers during the year ended September 30, 2025, consist of the following:

	Transfers In					Total
	General Fund	General Capital Projects	Electric	Other Enterprise	Internal Service	
Transfers Out						
General Fund	\$ -	\$ 5,630,920 (1)	\$ -	\$ -	\$ 23,532 (1)	\$ 5,654,452
Other Governmental	512,900 (2)	-	-	-	-	512,900
Electric Fund	3,689,796 (3)	183,000 (1)	-	500,000 (1)	-	4,372,796
Water and Sewer	-	126,000 (1)	-	-	-	126,000
Other Enterprise	127,296 (3)	90,000 (1)	324,194 (4)	-	-	541,490
Internal Service	-	70,000 (1)	-	-	-	70,000
Total Transfers Out	<u>\$ 4,329,992</u>	<u>\$ 6,099,920</u>	<u>\$ 324,194</u>	<u>\$ 500,000</u>	<u>\$ 23,532</u>	<u>\$ 11,277,638</u>

Transfer Purpose

- (1) Capital Projects Funding
- (2) Supplemental Funding
- (3) Return on Investment
- (4) Repayment of Construction Advance

Note 5 - Capital Assets

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

NOTES TO FINANCIAL STATEMENTS
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CITY OF JACKSONVILLE BEACH, FLORIDA

	Beginning Balances	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 29,373,496	\$ -	\$ -	\$ 29,373,496
Construction in Progress	18,684,239	18,436,288	-	37,120,527
Total Capital Assets Not Being Depreciated	<u>48,057,735</u>	<u>18,436,288</u>	<u>-</u>	<u>66,494,023</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	64,622,756	2,242,605	-	66,865,361
Equipment	22,197,832	1,749,879	(506,552)	23,441,159
Subscription-Based IT Arrangements	163,702	-	-	163,702
Road Network	41,578,513	-	-	41,578,513
Other Infrastructure Networks	31,134,265	-	-	31,134,265
Total Capital Assets Being Depreciated	<u>159,697,068</u>	<u>3,992,484</u>	<u>(506,552)</u>	<u>163,183,000</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(27,567,093)	(2,276,558)	-	(29,843,651)
Equipment	(16,532,558)	(1,771,502)	506,552	(17,797,508)
Subscription-Based IT Arrangements	(32,740)	(32,740)	-	(65,480)
Road Network	(14,081,091)	(534,222)	-	(14,615,313)
Other Infrastructure Networks	(23,592,162)	(507,758)	-	(24,099,920)
Total Accumulated Depreciation	<u>(81,805,644)</u>	<u>(5,122,780)</u>	<u>506,552</u>	<u>(86,421,872)</u>
Total Being Depreciated, Net	<u>77,891,424</u>	<u>(1,130,296)</u>	<u>-</u>	<u>76,761,128</u>
Governmental Activities Capital Assets, Net	<u>\$ 125,949,159</u>	<u>\$ 17,305,992</u>	<u>\$ -</u>	<u>\$ 143,255,151</u>

	Beginning Balances	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 4,388,198	\$ -	\$ -	\$ 4,388,198
Construction in Progress	22,786,942	13,801,422	(2,940,284)	33,648,080
Total Capital Assets Not Being Depreciated	<u>27,175,140</u>	<u>13,801,422</u>	<u>(2,940,284)</u>	<u>38,036,278</u>
Capital Assets Being Depreciated/Amortized:				
Buildings and Improvements	397,846,255	7,344,109	(295,931)	404,894,433
Equipment	15,171,307	2,073,284	(169,006)	17,075,585
Equipment Under Leases	682,985	-	-	682,985
Total Capital Assets Being Depreciated/Amortized	<u>413,700,547</u>	<u>9,417,393</u>	<u>(464,937)</u>	<u>422,653,003</u>
Less Accumulated Depreciation and Amortization for:				
Buildings and Improvements	(216,274,616)	(10,574,387)	174,153	(226,674,850)
Equipment	(11,213,447)	(1,215,224)	169,006	(12,259,665)
Equipment Under Leases	(277,097)	(159,526)	-	(436,623)
Total Accumulated Depreciation and Amortization	<u>(227,765,160)</u>	<u>(11,949,137)</u>	<u>343,159</u>	<u>(239,371,138)</u>
Total Being Depreciated or Amortized, Net	<u>185,935,387</u>	<u>(2,531,744)</u>	<u>(121,778)</u>	<u>183,281,865</u>
Business-Type Activities Capital Assets, Net	<u>\$ 213,110,527</u>	<u>\$ 11,269,678</u>	<u>\$ (3,062,062)</u>	<u>\$ 221,318,143</u>

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

Governmental Activities	
General Government	\$ 1,880,777
Law Enforcement	1,130,342
Building Inspections	17,698
Physical Environment	411,503
Roads and Streets	1,077,783
Parks and Recreation	527,622
Internal Service Funds	77,055
Total Depreciation and Amortization Expense –	
 Governmental Activities	<u>\$ 5,122,780</u>

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

Business-Type Activities	
Electric	\$ 6,727,544
Water and Sewer	3,194,739
Stormwater	1,285,616
Sanitation	46,160
Golf Course	457,371
Leased Facilities	13,750
Natural Gas	223,957
Total Depreciation and Amortization Expense – Business-Type Activities	<u>\$ 11,949,137</u>

Note 6 - Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2025:

	Balance September 30, 2024	Additions	Other Reductions	Balance September 30, 2025	Due Within One Year
Governmental Activities					
Accrued Compensated Absences	\$ 4,303,543	\$ 459,411	\$ -	\$ 4,762,954	\$ 952,590
Accrued Other Postemployment Benefits	1,438,162	140,650	-	1,578,812	-
Net Pension Liability	12,935,703	-	(7,195,755)	5,739,948	-
Other Contractual Pension Obligation - Fire	3,104,620	-	(539,865)	2,564,755	577,656
Liabilities Under SBITAs	130,679	-	(29,124)	101,555	31,393
Total Governmental Activities	<u>21,912,707</u>	<u>600,061</u>	<u>(7,764,744)</u>	<u>14,748,024</u>	<u>1,561,639</u>
Business-Type Activities					
Accrued Compensated Absences	2,367,417	145,728	-	2,513,145	502,629
Accrued Other Postemployment Benefits	944,592	199,639	(16,508)	1,127,723	-
Net Pension Liability	9,915,147	-	(3,033,009)	6,882,138	-
Lease Liability	420,092	-	(160,280)	259,812	167,143
Total Business-Type Activities	<u>13,647,248</u>	<u>345,367</u>	<u>(3,209,797)</u>	<u>10,782,818</u>	<u>669,772</u>
Total Long-Term Obligations	<u>\$ 35,559,955</u>	<u>\$ 945,428</u>	<u>\$(10,974,541)</u>	<u>\$ 25,530,842</u>	<u>\$ 2,231,411</u>

Note 7 - Restricted Assets

The following table indicates the balances at September 30, 2025, for all restricted assets in the proprietary fund types:

	Electric Fund	Natural Gas Fund
Power Costs Recovered in Advance	\$ 8,712,543	\$ 516,117
Rate Stabilization	14,333,132	-
Customer Deposits	7,296,029	-
Total Restricted Assets	<u>\$ 30,341,704</u>	<u>\$ 516,117</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

Note 8 - Florida Municipal Power Affiliation

The City is a member of the Florida Municipal Power Agency (FMPA) and a participant in three of its projects: the St. Lucie Project, the All Requirements Project (ARP), and the Florida Municipal Solar Project. FMPA currently has six major power supply projects in operation: (1) the St. Lucie Project; (2) the Stanton Project; (3) the Tri-City Project; (4) the Stanton 2 Project; (5) the ARP; and (6) the Florida Municipal Solar Project.

The St. Lucie Project

On May 12, 1983, FMPA acquired an 8.8% undivided ownership interest in the St. Lucie Unit 2, a 934 megawatt (MW) nuclear power plant operated by Florida Power & Light Company (FPL). The St. Lucie Unit 2 began operation in 1983. In 2003, the Nuclear Regulatory Commission extended the plant's operating license by twenty years. It is now licensed to operate until 2043.

Fifteen of FMPA's members, including the City, are participants in the St. Lucie Project. As a participant in the St. Lucie Project, the City is entitled to 5.4 MW of FMPA's 73.5 MW capacity and energy associated with the St. Lucie Project.

Total expense for 2025 under this contract was \$2,652,789. The City's St. Lucie Power Supply and Sales contracts with FMPA extend through the later of: (1) the date on which related bond principal or other obligations are fully retired; (2) the date the St. Lucie Project is fully decommissioned or otherwise disposed of; or (3) the date all obligations of FMPA under its participation agreement with FPL have been fully satisfied.

The All Requirements Project

FMPA's All Requirements Project provides: (1) each Participant's power supply requirements above Excluded Power Supply Resources and Back-up and Support Services (capitalized terms are defined in the All Requirements Power Supply Contracts), if any, under All Requirements Services; and (2) reserves, losses, firming capacity, back-up energy, and certain associated transmission and dispatching services required for Excluded Power Supply Resources under Back-up and Support Services.

The All Requirements Project's current utility plant assets include varying ownership interests in Stanton Energy Center Units 1 and 2; Indian River Combustion Turbines A, B, C, and D; Stanton A, as well as a minority interest in the FPL St. Lucie nuclear plant. The All Requirements Project's current utility plant assets also consist of 100% ownership in Key West Stock Island Units 2, 3, and 4; the Treasure Coast Energy Center; and Cane Island Units 1, 2, 3, and 4.

In addition to its ownership facilities, FMPA has interchange and various power purchase contracts with Progress Energy, FPL, Southern Company, and others.

The electric system's load in excess of that served from the St. Lucie Project is provided for by FMPA under the All Requirements Project. The City's highest system peak load for fiscal 2025 was in January 2025, at 166.380 MW. Total expense to the City under the All Requirements Project for 2025 was \$59,139,047.

The City and FMPA have entered into an ARP Power Supply Contract (effective March 22, 1985, as amended on May 24, 1991, and January 22, 1999) which requires: 1) FMPA to sell and deliver to the City, and 2) the City to purchase from FMPA, all electric power that the City requires. The initial term of the

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ARP contract is October 1, 2030; however, on each October 1st, after the effective date, the contract automatically extends for an additional one-year period unless either party, at least one year prior to such automatic extension date, notifies the other party in writing of its decision not to extend the contract.

The City pays for electric power under the contract at the rates set forth in the rate schedules to the ARP contract, which FMPA may revise from time to time in accordance with the contract. The contract provides the option for the City to withdraw from the ARP after notice and making the debt payment, provided for in Section 29 of the contract (which, generally, is equal to the City's portion of the ARP Debt and other costs incurred, or expected to be incurred, by the ARP as a result of the City's withdrawal).

The Florida Municipal Solar Project

The Florida Municipal Solar Project will generate zero-emission energy, using only the sun as fuel. When the sun is shining, solar panels absorb the sun and convert it to electricity. This energy is then distributed through the electric grid to homes and businesses. FMPA's Florida Municipal Solar Project is a joint project of 16 municipal electric utilities. It is one of the largest municipal-backed solar projects in the United States with approximately 1.5 million solar panels that will be installed at five sites. The project will consist of five solar farms that will generate nearly 375 MW of zero-emissions energy, enough to power approximately 75,000 Florida homes. Each site will generate between 74.5 and 74.9 MW.

Interconnect Services

The City also has a contract for backup interconnection and electric service with Jacksonville Electric Authority through an interconnection point at the Neptune Beach Substation. Total expense for 2025 under this contract was \$0.

Note 9 - Power Costs

The City uses a power cost true-up recomputed monthly in its electric rates. At September 30, 2025, the City was over-recovered from customers by \$8,712,543. This amount is expected to be returned to customers in future years. In 2013, the City adopted Resolution 1911-2013, establishing a rate stabilization reserve in order to reduce the impact of changes in power costs to the City's residents. The rate stabilization reserve is equal to three months of average power costs for the previous fiscal year. As of September 30, 2025, the rate stabilization reserve totaled \$14,333,132. This amount is included as a Deferred Inflow of Resources in the accompanying financial statements.

The City also uses a cost of gas true-up recomputed monthly in its natural gas rates. At September 30, 2025, the City was over-recovered from customers by \$516,117. This amount will be returned to customers in future years.

Note 10 - Retirement Systems

Plan Descriptions

Substantially all full-time employees of the City were covered by the City of Jacksonville Beach, Florida, Public Employees' Retirement System through March 31, 2000.

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Effective April 1, 2000, substantially all full-time employees were covered under one of three separate defined benefit pension plans formed on April 1, 2000, as a result of amendments to Florida Statutes mandated by the state legislature. Chapter 175.061 governing Firefighters’ pensions and Chapter 185.05 governing Police Officers’ pensions were amended to require separate pension plans for each of these groups of employees. On March 31, 2000, the predecessor pension plan ceased operations, and its assets, liabilities, and fund balance were divided among the following three distinct pension plans:

- General Employees’ Retirement System (GERS)
- Police Officers’ Retirement System (PORS)
- Firefighters’ Retirement System (FFRS)

Each plan is considered a single-employer, defined benefit pension plan. Each of the plans present separate financial statements and are included as fiduciary component units of the City’s financial reporting entity. The plans issue publicly available financial reports that include financial statements and required supplementary information. The GERS is administered by the Board of Trustees comprised of two members of City Council selected by the City Council, two members of the GERS elected by the membership, and a fifth member elected by the other four board members. The PORS and FFRS are both administered by a separate Board of Trustees comprised of two residents of the City appointed by City Council, two members of the PORS and FFRS elected by the membership, respectively, and a fifth member elected by the other four board members. The reports may be obtained by writing to the Payroll/Benefits Administrator, City of Jacksonville Beach, 11 North Third Street, Jacksonville Beach, Florida 32250, or by calling (904) 247-6264.

Membership

As of October 1, 2024, employee membership data related to the pension plans were:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Inactive Plan Members or Their Beneficiaries			
Currently Receiving Benefits (Including DROP Participants)	198	46	22
Inactive Plan Members Entitled to Benefits, But Not Yet Receiving Them	12	4	1
Active Plan Members	<u>261</u>	<u>61</u>	<u>25</u>
Total	<u><u>471</u></u>	<u><u>111</u></u>	<u><u>48</u></u>

Effective November 19, 2019, the City entered into an agreement with the City of Jacksonville to provide advanced life support and fire services to residents and businesses of the City. The City’s firefighters became employees of the City of Jacksonville. At that time, the Jacksonville Beach Firefighters’ Retirement Plan was closed to new members. Each firefighter in active service on the effective date was given the opportunity to individually elect to continue participating in the Jacksonville Beach Firefighters’ Retirement Plan or join the City of Jacksonville’s defined contribution retirement plan. Those who elected to continue participating in the Jacksonville Beach Firefighters’ Retirement Plan must continue to make legally required contributions and accrue service benefits under the Plan for as long as they are employed as certified firefighters by the City of Jacksonville.

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The City will continue to be the plan administrator and is responsible for the unfunded actuarial accrued liability as determined by the plan actuary as of November 22, 2019. The City agreed to pay the unfunded liability (representing a fixed contractual obligation) at that time totaling \$5,318,174 into the Plan over a 10-year period. Annual contributions towards the unfunded liability are \$707,653, including interest. The City of Jacksonville is responsible for paying the total required contribution to the Jacksonville Beach Firefighters' Pension Plan and estimated annual employee contributions attributable to services rendered after November 23, 2019. As such, the City is no longer subject to the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as it relates to the Firefighters' Pension Plan, as the City is no longer considered the Plan employer. The City's contractual pension obligation totaled \$2,564,755 as of September 30, 2025.

Benefits

The pension plans provide retirement benefits, deferred allowances, and death and disability benefits. The plan assets are available to pay the general, police, and firefighters categories of employees, respectively.

The following table shows a summary of benefits for each pension plan. Pension plan provisions were modified significantly during fiscal year 2014.

CITY OF JACKSONVILLE BEACH GENERAL EMPLOYEES' PENSION PLAN				
Provision	Employees with Less Than 5 Years of Service on November 25, 2013	Employees with at Least 5 Years of Service but Less Than 10 Years of Service on November 25, 2013	Employees with 10 or More Years of Service on November 25, 2013	Employees with 30 Years of Service or Age 60 with 5 Years of Service on November 25, 2013
Benefit Formula	2.5% for all years of service (\$100,000 or 75% maximum)			2.5% for all years of service (75% maximum)
Normal Retirement Date	Age 55 with 30 years of service; or age 62 with 10 years of service	Age 62 with 10 years of service; or age 55 with 30 years of service; or age 65 with 5 years of service	Age 60 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + longevity pay; excluding overtime, shift differential, leave payouts, and all other compensation			Base pay, longevity, overtime, shift differential, and incentive pay

CITY OF JACKSONVILLE BEACH POLICE OFFICERS' PENSION PLAN				
Provision	Employees with Less Than 5 Years of Service on June 23, 2014	Employees with at Least 5 Years of Service but Less Than 10 Years of Service on June 23, 2014	Employees with 10 or More Years of Service on June 23, 2014	Employees with 30 Years of Service; Age 52 with 25 Years of Service; Age 55 with 5 Years of Service on June 23, 2014
Benefit Formula	3% for all years of service (\$100,000 or 90% maximum)			3% - first 30 years; 2% thereafter (100% maximum)
Normal Retirement Date	Age 52 with 25 years of service; or Age 55 with 10 years of service; or 30 years of service regardless of age		Age 52 with 25 years of service; or Age 55 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + 300 hours of overtime per year + longevity pay + incentive pay; excluding overtime >300 hours, leave payouts, and all other compensation			Base pay, longevity, overtime, shift differential and, incentive pay

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CITY OF JACKSONVILLE BEACH FIREFIGHTERS' PENSION PLAN					
Provision	Employees Hired After July 21, 2014	Employees with Less Than 5 Years of Service on July 21, 2014	Employees with at Least 5 Years of Service but Less Than 10 Years of Service on July 21, 2014	Employees with 10 or More Years of Service on July 21, 2014	Employees with 30 Years of Service; Age 52 with 25 Years of Service; Age 55 with 5 Years of Service on July 21, 2014
Benefit Formula	3% for all years of service (\$90,000 or 90% maximum)				3% - first 30 years; 2% thereafter (100% maximum)
Normal Retirement Date	Age 52 with 25 years of service; or Age 55 with 10 years of service; or 30 years of service regardless of age			Age 52 with 25 years of service; or Age 55 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + longevity pay + incentive pay; excluding overtime, leave payouts, and all other compensation				Base pay, longevity, overtime, shift differential, and incentive pay
COLA	No COLA	2% increase on benefits earned prior to the effective date; 1% annual increase on benefits earned after the effective date			2% increase on 2 nd anniversary and annually thereafter

Pension provisions include death benefits when the death is non-duty-related, whereby the surviving beneficiary(ies) is (are) entitled to receive annually an amount equal to 100% of the employee's normal retirement benefit as long as the employee has attained 10 or more years of service. When the death is duty-related, the ten-year service requirement is waived. The surviving spouse is entitled to receive 100% of the employee's normal retirement benefit, with a minimum benefit of 35% of their final average compensation.

Contributions

For the year ended September 30, 2025, plan participants were required to pay 7.95% of their annual compensation to their respective pension plan. The payments are deducted from the employees' wages or salary and remitted by the City to the respective plan at the end of each pay period. If an employee leaves the employment of the City before he or she is vested, the accumulated contributions plus earned interest are refunded to the employee or the employee's designated beneficiary. If an employee leaves the employment of the City after becoming vested, but before attaining retirement age, the employee or the employee's designated beneficiary has the option of being refunded the accumulated contributions plus earned interest or keeping the funds in the plan and receiving benefits under the plan upon reaching retirement age.

For the GERS and the PORS, the City makes periodic contributions totaling a minimum of 100% of the annual actuarially determined amount to the pension plan. In addition to the employer contribution, the Police Officers' pension plan receives a distribution of casualty premium tax monies from the State of Florida pursuant to Chapter 185, Florida Statutes. The on-behalf payments received from the State of Florida totaling \$372,132 for the period ended September 30, 2025, were recognized as revenues and expenses in the General Fund and were used to reduce the City's contribution to the Police Officers' pension plan.

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For the period ended September 30, 2025, the actuarially determined contribution amount for the City was to be \$4,556,453, including estimated contributions from the State of Florida. The City's actual contribution was \$4,650,370, including actual contributions from the State of Florida. These contributions were determined pursuant to an actuarial valuation dated October 1, 2023.

There were no contributions due to the plans by the City at September 30, 2025.

Investment Policy

The following are the three Boards' adopted asset allocation policy as of September 30, 2025:

Asset Class	Target Allocation
Domestic Equity	47.5%
Alternative Equity	2.5%
International Equity	10%
Core Fixed Income	27.5%
Non-Core Fixed Income	5%
Alternative Fixed Income	2.5%
Real Estate	5%
Total	100%

Concentration

The plan did not hold investments in any one organization subject to the organizational limit that represents 5% or more of the pension plans' fiduciary net position.

Rate of Return

For the years ended September 30, 2025 and 2024, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 9.40% and 23.11%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Values

Investments in securities are reported at fair value. Corporate bond securities are assigned a value based on yields currently available on securities of issuers with credit ratings similar to the securities held by the pension plan. Unrestricted capital stock securities are assigned a value based on quoted market prices. There are no investments in, loans to, or leases with parties related to the pension plans.

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Schedule of Pension Plan Net Position as of September 30, 2025

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Totals</u>
Assets				
Cash and Cash Equivalents	\$ 1,976,190	\$ 982,178	\$ 644,545	\$ 3,602,913
Accrued Interest	155,606	65,517	41,826	262,949
Investments:				
Equities, Including Mutual Funds	53,483,456	25,621,969	16,498,883	95,604,308
Corporate Bonds	4,162,202	1,970,347	1,257,852	7,390,401
U.S. Government Obligations/Agencies	15,007,207	7,104,274	4,535,311	26,646,792
Real Estate Fund	2,795,120	1,323,184	844,709	4,963,013
Total Investments	<u>75,447,985</u>	<u>36,019,774</u>	<u>23,136,755</u>	<u>134,604,514</u>
Total Assets	<u>77,579,781</u>	<u>37,067,469</u>	<u>23,823,126</u>	<u>138,470,376</u>
Liabilities				
Accounts Payable	4,658	5,508	4,658	14,824
Other Accrued Liabilities	2,130	756	496	3,382
Total Liabilities	<u>6,788</u>	<u>6,264</u>	<u>5,154</u>	<u>18,206</u>
Net Position Restricted for Pensions	<u>\$ 77,572,993</u>	<u>\$ 37,061,205</u>	<u>\$ 23,817,972</u>	<u>\$ 138,452,170</u>

Schedule of the Change in Pension Plan Net Position as of September 30, 2025

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Totals</u>
Additions				
Contributions				
Employee	\$ 1,622,150	\$ 587,010	\$ 154,477	\$ 2,363,637
Employer:				
City of Jacksonville Beach	2,839,477	731,108	707,653	4,278,238
City of Jacksonville	-	-	324,272	324,272
State of Florida	-	372,132	-	372,132
Total Contributions	<u>4,461,627</u>	<u>1,690,250</u>	<u>1,186,402</u>	<u>7,338,279</u>
Investment Income				
Investment Earnings	6,817,006	3,223,283	2,052,852	12,093,141
(Investment Expenses)	(77,459)	(36,592)	(23,384)	(137,435)
Net Investment Income	<u>6,739,547</u>	<u>3,186,691</u>	<u>2,029,468</u>	<u>11,955,706</u>
Total Additions	<u>11,201,174</u>	<u>4,876,941</u>	<u>3,215,870</u>	<u>19,293,985</u>
Deductions				
Benefits	5,185,639	1,715,174	1,076,831	7,977,644
Refunds of Contributions	279,420	80,773	-	360,193
Administrative Expense	183,739	113,694	86,312	383,745
(Total Deductions)	<u>(5,648,798)</u>	<u>(1,909,641)</u>	<u>(1,163,143)</u>	<u>(8,721,582)</u>
Change in Net Position	5,552,376	2,967,300	2,052,727	10,572,403
Net Position, Beginning of Year	72,020,617	34,093,905	21,765,245	127,879,767
Net Position, End of Year	<u>\$ 77,572,993</u>	<u>\$ 37,061,205</u>	<u>\$ 23,817,972</u>	<u>\$ 138,452,170</u>

Basis of Accounting – Pension Trust Funds

The Pension Trust Fund statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized as revenue in the period in which employees provide services to the City. Interest and dividend income is recognized when earned by the pension plan.

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Realized gains and losses on the sale of investments held by the pension plan are recognized when incurred. Net appreciation in the fair value of investments held by the pension plan is recorded as an increase to investment income based on the valuation of investments as of the date of the statement of plan net position available for benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Measurement Date

As permitted by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the City elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2024, one year prior to the reporting date.

Net Pension Liability

The components of the net pension liability for the General Employees' Plan and Police Officers' Plan as of September 30, 2024, and for the year then ended, were as follows:

General Employees' Pension Plan

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balance, Beginning of Year	\$ 79,037,118	\$ 60,421,763	\$ 18,615,355
Service Cost	2,103,184	-	2,103,184
Interest	5,785,334	-	5,785,334
Differences Between Expected and Actual Experience	3,423,637	-	3,423,637
Contributions - Employer	-	2,335,245	(2,335,245)
Contributions - Employee	-	1,517,266	(1,517,266)
Net Investment Income	-	13,822,475	(13,822,475)
Benefit Payments Including Refunds of Employee Contributions	(5,901,852)	(5,901,852)	-
Administrative Expenses	-	(174,280)	174,280
Net Changes	5,410,303	11,598,854	(6,188,551)
Balance, End of Year	<u>\$ 84,447,421</u>	<u>\$ 72,020,617</u>	<u>\$ 12,426,804</u>

Police Officers' Pension Plan

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension (Asset) Liability
Balance, Beginning of Year	\$ 32,406,761	\$ 28,171,266	\$ 4,235,495
Service Cost	795,440	-	795,440
Interest	2,387,672	-	2,387,672
Differences Between Expected and Actual Experience	637,015	-	637,015
Contributions - Employer and State	-	1,007,812	(1,007,812)
Contributions - Employee	-	491,997	(491,997)
Net Investment Income	-	6,462,373	(6,462,373)
Benefit Payments Including Refunds of Employee Contributions	(1,937,701)	(1,937,701)	-
Administrative Expenses	-	(101,842)	101,842
Net Changes	1,882,426	5,922,639	(4,040,213)
Balance, End of Year	<u>\$ 34,289,187</u>	<u>\$ 34,093,905</u>	<u>\$ 195,282</u>

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Actuarial Assumptions

The total pension liability was based on an actuarial valuation as of October 1, 2023, and a measurement date of September 30, 2024, using the following actuarial assumptions applied to all measurement periods. The rationale for the actuarial assumptions were developed using an experience study last updated in 2002.

Inflation	2.5%
Salary Increases	2.5% - 6.3% (Including Inflation)
Investment Rate of Return	7.5% - General Employees' and Police Officers'

Mortality rates were based on the House Bill 1309, which mandated the use of the Florida Retirement System (FRS) mortality tables, which use variations of the fully generational PUB-2010 Mortality Tables with projection scale MP-2018.

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected 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 plans' target asset allocation are summarized below:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return (Excluding Inflation)</u>
Domestic Equity	7.5%
International Equity	8.5%
Domestic Bonds	2.5%
International Bonds	3.5%
Real Estate	4.5%
Alternative Assets	6.24%
Cash	0%

Discount Rate

The discount rate used to measure the total pension liability for the General Employees' and Police Officers' Plan was 7.5%. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans' fiduciary net positions were 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. The single discount rate reflects the long-term expected rate of return on pension plan investments including inflation.

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The table below provides the sensitivity of the net pension liability to changes in the discount rate. The table represents the plans' net pension liability, if it were calculated using a single discount rate that is one-percentage point lower or one-percentage point higher than the single discount rate.

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption				
	1% Decrease	Current	Discount Rate	1% Increase
	6.50%	7.50%	8.50%	
General Employees'				
Pension Plan:	\$ 21,675,085	\$ 12,426,804		\$ 4,592,773
Police Officers'				
Pension Plan:	\$ 4,291,558	\$ 195,282		\$ (3,244,158)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized pension expense as follows:

General Employees' Pension Plan	\$ 2,057,964
Police Officers' Pension Plan	<u>326,977</u>
Total	<u><u>\$ 2,384,941</u></u>

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

Deferred Outflows of Resources

	General Employees'	Police Officers'	Total
Contributions Made After the Measurement Date	\$ 2,839,477	\$ 1,103,240	\$ 3,942,717
Differences Between Expected and Actual Experience	3,271,351	598,873	3,870,224
Total	<u><u>\$ 6,110,828</u></u>	<u><u>\$ 1,702,113</u></u>	<u><u>\$ 7,812,941</u></u>

Deferred Inflows of Resources

	General Employees'	Police Officers'	Total
Differences Between Expected and Actual Experience	\$ 375,222	\$ 380,713	\$ 755,935
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,100,213	1,443,091	4,543,304
Changes in Assumptions	241,815	251,224	493,039
Total	<u><u>\$ 3,717,250</u></u>	<u><u>\$ 2,075,028</u></u>	<u><u>\$ 5,792,278</u></u>

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Contributions made after the measurement date (shown above) but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2026, the fiscal period subsequent to the actuarial measurement date.

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

<u>Year Ending September 30,</u>	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Total</u>
2026	\$ 382,662	\$ (253,149)	\$ 129,513
2027	1,891,676	437,224	2,328,900
2028	(1,552,665)	(922,325)	(2,474,990)
2029	(1,195,754)	(782,710)	(1,978,464)
2030	28,182	44,805	72,987
Total	<u>\$ (445,899)</u>	<u>\$ (1,476,155)</u>	<u>\$ (1,922,054)</u>

Note 11 - Interlocal Agreement

In 1984, pursuant to an interlocal agreement authorized by Florida Statutes, Section 163.01, the City joined with the City of Neptune Beach and the City of Atlantic Beach to construct and operate effluent outfall lines and disposal facilities, together with all the lands, right-of-ways, easements, and other entitlements necessary for the construction and use thereof.

Each party to the agreement was solely responsible for the design and construction of its individually used segments. For the shared segments, the initial capital costs allocation to the three parties was based upon each city’s reserved capacity as a percentage of total capacity.

Annual repair and maintenance of the shared outfall lines is prorated to each city based upon the applicable reserved capacity allocations. In 2003, upon mutual consent, the parties adjusted the percentages to reflect current permitted capacity as follows:

	<u>Atlantic Beach Tie-in to Discharge Point</u>	<u>Neptune Beach Tie-in to Atlantic Beach Tie-in</u>
Atlantic Beach, Florida	45%	0.0%
Jacksonville Beach, Florida	41.3%	75.0%
Neptune Beach, Florida	13.7%	25.0%
Total	<u>100.0%</u>	<u>100.0%</u>

The City contributed \$0 to the interlocal agreement during 2025. As of September 30, 2025, the City had no commitment related to outfall repairs and maintenance and the interlocal agreement had no outstanding debt. There are no separate financial statements prepared for the interlocal agreement. The City records its capital assets related to the interlocal agreement in the water/sewer enterprise fund.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

Note 12 - Commitments, Contingencies, and Encumbrances

Grants

The City participates in federal, state, and county programs that are fully or partially funded by grants received from other governmental units. In management's opinion, there are no material instances of non-compliance relating to these grants.

Litigation

The City is a party to claims and lawsuits arising in the normal course of business. Management does not expect that these matters will have a material effect on the financial position or results of operations of the City.

Construction Commitments

As of September 30, 2025, the City had the following commitments related to significant unfinished capital projects:

Project	Expended as of September 30, 2025	Remaining Commitment
1st St N Water Main Replacement Project	\$ -	\$ 644,511
4th St S Drainage Improvements	3,876,897	3,395,965
America Ave Drainage Impr	1,535,570	144,610
Central & South Basin Pump Station Impr	-	3,494,590
Chlorine Conversion at Water Plants & Pollution Control Plant	4,111,129	520,519
Driving Range Netting Improvements	-	953,602
DT Water/Sewer, Roadway & Drainage Improvements Phase IIIC - Proj 4&5, 4-11 Ave S	21,382,246	8,017,950
Dune Walkover Replacements	-	3,244,487
Electric Substation Infrastructure Improvements	357,117	1,735,576
Evans Dr Drainage Improvements	-	147,772
Lift Station #25 Rehabilitation	-	418,255
Lift Station #5 Reconstruction/Rehabilitation	237,516	664,058
Lift Stations #7 & #20 Improvements	3,606,643	701,770
Lift Station #8 Replacement	1,128,035	916,909
O&M Meter Bldg Conversion Project	114,875	2,605,088
PCP Sludge Dewatering System Improvements	7,202,011	2,286,682
Slip lining & Sewer Improvements on AIA	160,002	983,008
WRF Filter Upgrade	-	7,541,270
Lift Stations #28 & #33 Rehabilitation	838,903	322,784
Total	<u>\$ 44,550,944</u>	<u>\$ 38,739,406</u>

Fire Services Agreement

As previously discussed, the City entered into an Interlocal Agreement with the City of Jacksonville for Advanced Life Support and Fire Services effective November 23, 2019. As part of this agreement, the City is required to pay \$2,220,000 in the first year for services provided with amounts being increased each subsequent year by 2.5% or the annual percentage increase in the U.S. Consumer Price Index, whichever is greater. The term of the agreement is 20 years.

**NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

Encumbrances

Significant encumbrances included in governmental fund balances are as follows:

<u>Fund</u>	<u>Restricted Fund Balance</u>	<u>Assigned Fund Balance</u>
General Fund	\$ -	\$ 266,025
General Capital Projects Fund	-	6,384,974
Community Redevelopment Fund	13,593,516	-
Other Governmental Funds	2,921,562	-
Total	\$ 16,515,078	\$ 6,650,999

Note 13 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In response to that risk, the City has implemented a risk management program. The major features of the program include the following:

- Beginning in fiscal year 2020, the City is fully insured for workers’ compensation claims. Prior to fiscal year 2020, the City was self-insured for workers’ compensation risks up to \$150,000 per claim.
- Continuing a \$25,000 general liability coverage deductible.
- Funding adequate reserves to cover self-insuring workers’ compensation retentions and liability and property insurance deductibles.
- Competitive solicitation of insurance and self-insurance proposals.

During 2025, the City purchased commercial insurance against losses for the following types of risks:

- Real and personal property damage, including flood and storage tank damage.
- General, cyber, and automobile liability.
- Health.
- Fiduciary Liability.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

Substantially all risk management activities are accounted for by the City within its internal service fund. Total expenses for risk management services (including claims and commercial insurance) were \$4,665,042 in 2025, and \$5,094,256 in 2024.

The City is self-insured for one remaining workers' compensation claim with the Florida League of Cities, Inc. providing aggregate excess coverage. Beginning in fiscal year 2020, the City became fully insured for all new claims.

The internal service fund is charging other funds of the City for risk management services based on costs incurred of the program. For 2025, interdepartmental charges and other earnings exceeded actual costs by \$724,493. For 2024, actual costs exceeded interdepartmental charges and other earnings by \$140,344. The self-insurance fund has unrestricted net position of \$4,322,094 at September 30, 2025.

There were no significant reductions in insurance coverage from 2025 to 2024.

The estimated liability for self-insured losses of \$25,000 accrued in the self-insurance fund at September 30, 2025, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Estimates must be re-evaluated annually based on current year payment activity and progression of remaining open claims. Based on prior claims activity and the nature of outstanding claims remaining, it is considered to be reasonably possible that the full current estimated claims payable amount may be paid within one year of the reporting date. Should the remaining claims not be liquidated, a revised estimate will be performed, with the remaining liability reported as a current liability. Changes in the self-insurance fund's estimated liability were as follows for September 30:

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ 354,157	\$ 218,374
Current Year Claims and Changes in Estimates	(475,514)	168,034
Insurance Reimbursements (Claim Payments)	<u>146,357</u>	<u>(32,251)</u>
Ending Balance	<u>\$ 25,000</u>	<u>\$ 354,157</u>

Note 14 - Leases and Subscription-Based Information Technology Arrangements

City as Lessor

The City has four facilities that have rental space available. Additionally, the City leases available space on cell towers for pole attachments. Revenues from the facilities' and towers' operating leases and the related maintenance expenses are accumulated in the City's Leased Facilities Fund and fund net income is used to make technology purchases.

Lease agreements for the Community Services Center, the Industrial Park, and Penman Park are for initial five-year terms, renewable in one to three-year increments and with the option for the City to cancel with ninety days' notice; the lessee may cancel the lease with thirty days' notice, but only in the event of elimination of their programs' primary funding source(s). The lease agreement for the Marina building was for an initial five-year term and is renewable in five-year increments, with the option for the lessee to cancel with 90 days' notice prior to the expiration of each renewal term. After the first twenty years

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

of the lease, the City may terminate the lease with three hundred and sixty-five days' notice prior to the expiration of any renewal term. Lease agreements for cell tower space are for initial five-year terms and are renewable in five-year increments, with the option for the lessee to cancel the lease given 90 days' notice prior to the expiration of each renewal term; the lessor has no rights of cancellation without cause during the term of any cell tower lease.

Charges for space at the Community Services Center, the Industrial Park, Penman Park, and the Marina building are based on the size of the area leased; cell tower charges are based on square footage of tower and ancillary ground-level space utilized. Payments are due monthly at the beginning of each month for all leases with an annual escalation of 4% applied across all leases, with the exception of the Marina building, which is subject to a 3% annual escalation on payments. No leases of the City contain variable payment components. There are no contingent rentals or subleases at any of the facilities. Imputed interest on all leases is considered to be the incremental borrowing rate of the City, which was 2% at inception of the leases.

The City received the following inflows of resources from leases in 2025:

Lease Revenue Recognized	\$	123,288
Interest Revenue Recognized		<u>22,018</u>
Total Inflows of Resources from Leases		<u><u>\$ 145,306</u></u>

City as Lessee

Commencing January 1, 2023, the City entered into two lease agreements for operational assets for the City's golf course, including golf carts and associated GPS units for the carts. Terms of these leases are 52 months from the date of inception, terminating April 30, 2027. The City applied an imputed rate of interest of 4.2% for these leases, based on the stated interest rate of 4.2% on additional golf course operational asset leases as described below, as all leases are for similar assets and were entered into within the same timeframe. The leases include no variable components, residual value guarantees, or bargain purchase options.

Commencing February 1, 2023, the City entered into three lease agreements for operational assets for the City's golf course, including golf carts and a range picker car. Terms of the leases are 48 months from the date of inception, terminating January 31, 2027, at a stated rate of interest of 4.2%. The leases include no variable components, residual value guarantees, or bargain purchase options.

Lease payments made under these agreements during the fiscal year ended September 30, 2025, were \$174,862, including \$160,280 of principal and \$14,582 of interest expense. Future minimum lease payments, including principal and interest components, under this lease are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 167,143	\$ 7,719	\$ 174,862
2027	<u>92,669</u>	<u>1,241</u>	<u>93,910</u>
Total	<u><u>\$ 259,812</u></u>	<u><u>\$ 8,960</u></u>	<u><u>\$ 268,772</u></u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

City as SBITA Obligor

Commencing July 1, 2024, the City entered into a SBITA for cloud-based server hosting software. The term of the agreement is 60 months from the date of inception, terminating June 30, 2028. The City applied an imputed rate of interest of 4.13% for the agreement, based on the stated interest rates of long-term obligations (leases of physical assets) entered into within the same general timeframe and for a similar term. The SBITA includes no variable components or commitments prior to commencement of the term, and no impairment losses were noted related to the underlying software assets.

Payments made under the SBITA during the fiscal year ended September 30, 2025, were \$34,521, including \$29,124 of principal and \$5,397 of interest expense. Future minimum lease payments, including principal and interest components, under this lease are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 31,393	\$ 4,194	\$ 35,587
2027	33,802	2,898	36,700
2028	36,360	1,502	37,862
Total	\$ 101,555	\$ 8,594	\$ 110,149

Note 15 - Other Postemployment Benefits (OPEB)

Plan Description

As part of a single-employer postemployment benefit plan, the City offers postemployment medical, dental, and life insurance benefits to any employee who satisfies the disability, early, or normal retirement provisions of the applicable retirement plan (GERS, PORS, or FFRS). Eligibility requirements for retirement under the City’s three retirement systems may be obtained by writing to the Payroll/Benefits Administrator, City of Jacksonville Beach, 11 North Third Street, Jacksonville Beach, Florida 32250, or by calling (904) 247-6264. According to the Substantive Plan, retired police officers, firefighters, and general employees, as well as their dependents, are permitted to remain covered under the City’s medical plans as long as they pay the premium charged by the insurance company for the plan and coverage elected. The amount of the contributions required for retiree and dependent coverage may change from time to time. This conforms to the minimum requirements of governmental employers under Chapter 112.08, Florida Statutes. The plan does not issue separate financial statements.

Membership Information

The following table provides a summary of the number of participants in the plan as of September 30, 2024 (the latest actuarial valuation):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	19
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	297
Total Plan Members	316

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

Funding Policy

Currently, the City’s OPEB plan is unfunded. That is, there is no separate trust fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation, as it does for its pension plans. Therefore, the ultimate subsidies which are provided over time are financed directly by the general assets of the City, which are invested in very short-term fixed income instruments. Although an actuarial valuation for the OPEB plan was completed to measure current year’s subsidies and project future subsidies, the City Council has not determined if a separate trust fund or equivalent arrangement will be established.

Total OPEB Liability

The City’s total OPEB liability of \$2,706,535 was measured as of September 30, 2024, which is one year prior to the reporting date. The actuarial valuation date was September 30, 2024.

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year	<u>\$ 2,382,754</u>
Service Cost	79,756
Interest on Total OPEB Liability	110,613
Differences Between Expected and Actual Experience	(225,888)
Changes of Assumptions and Other Inputs	506,203
Benefit Payments	<u>(146,903)</u>
Net Change in Total OPEB Liability	<u>323,781</u>
Total OPEB Liability, End of Year	<u>\$ 2,706,535</u>

Changes of assumptions and other inputs include a decrease of the discount rate from 4.63% as of the beginning of the measurement period to 3.81% at the end of the measurement period.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>2.81%</u>	<u>3.81%</u>	<u>4.81%</u>
Total OPEB Liability	\$ 3,000,148	\$ 2,706,535	\$ 2,453,443

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,404,966	\$ 2,706,535	\$ 3,072,131

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

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

For the fiscal year ended September 30, 2025, the City recognized OPEB expense of \$50,626. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Benefits Paid after Measurement Date	\$ 163,992	\$ -
Differences Between Expected and Actual Experience	352,133	262,585
Changes in Assumptions and Other Inputs	<u>586,740</u>	<u>991,679</u>
Total	<u>\$ 1,102,865</u>	<u>\$ 1,254,264</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$163,992 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2026	\$ (138,196)
2027	(124,278)
2028	(7,893)
2029	(22,576)
2030	(35,813)
Thereafter	<u>13,365</u>
Total	<u>\$ (315,391)</u>

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	September 30, 2024
Measurement Date:	September 30, 2024
Reporting Date:	September 30, 2025
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.50%
Discount Rate:	3.81%
Projected Salary Increases:	Salary increase rates used for General Employees and Police Officers in their respective pension actuarial valuation: 2.7% - 6.3% including inflation.
Retirement Age:	Retirement rates vary by group and are based on applicable pension valuations.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

Mortality:	Mortality rates are the same as used in the July 1, 2024 actuarial valuation of the FRS for Regular Class and Special Risk Class members. These rates were taken from adjusted Pub-2010 mortality tables published by the SOA with generational mortality improvements using Scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2018 through 2023.
Healthcare Cost Trend Rate:	Based on the Getzen Model, with a trend starting at 6.50% for 2025 followed by 6.25% for 2026, and then gradually decreasing to an ultimate trend rate of 4.00%.
Aging Factors:	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
Expenses:	Administrative expenses are included in the per capita health costs.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 19,510,526	\$ 19,604,390	\$ 19,772,298	\$ 167,908
Licenses and Permits	820,000	820,000	942,605	122,605
Intergovernmental	5,154,947	5,335,000	5,480,143	145,143
Charges for Services	700,000	700,000	967,991	267,991
Fines and Forfeitures	218,000	218,000	300,692	82,692
Interest and Other Revenue	412,500	412,500	1,206,719	794,219
Total Revenues	<u>26,815,973</u>	<u>27,089,890</u>	<u>28,670,448</u>	<u>1,580,558</u>
Expenditures				
Executive and Legislative	1,377,662	1,644,247	1,434,726	209,521
Finance	501,527	561,892	552,344	9,548
Planning and Development	1,587,397	1,822,666	1,535,558	287,108
Parks and Recreation	4,596,545	4,703,624	4,659,520	44,104
Public Works	2,078,884	2,078,884	1,882,078	196,806
Police	12,086,833	12,982,701	12,815,017	167,684
Fire	3,874,103	3,938,359	3,861,595	76,764
Non-Departmental	969,114	709,709	598,309	111,400
(Total Expenditures)	<u>(27,072,065)</u>	<u>(28,442,082)</u>	<u>(27,339,147)</u>	<u>1,102,935</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(256,092)</u>	<u>(1,352,192)</u>	<u>1,331,301</u>	<u>2,683,493</u>
Other Financing Sources (Uses)				
Transfers in	4,331,092	4,331,092	4,329,992	(1,100)
Transfers (out)	<u>(4,075,000)</u>	<u>(5,654,452)</u>	<u>(5,654,452)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>256,092</u>	<u>(1,323,360)</u>	<u>(1,324,460)</u>	<u>(1,100)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (2,675,552)</u>	<u>\$ 6,841</u>	<u>\$ 2,682,393</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 14,122,657	\$ 14,122,657	\$ 14,074,033	\$ (48,624)
Interest and Other Revenue	170,200	170,200	2,204,984	2,034,784
Total Revenues	<u>14,292,857</u>	<u>14,292,857</u>	<u>16,279,017</u>	<u>1,986,160</u>
Expenditures				
Current:				
General Government	2,079,685	2,423,889	2,004,282	419,607
Public Safety	1,515,318	1,459,139	1,345,838	113,301
Physical Environment	10	10	-	10
Roads and Streets	-	604,780	549,800	54,980
Capital Outlay	9,821,968	37,270,588	16,283,099	20,987,489
(Total Expenditures)	<u>(13,416,981)</u>	<u>(41,758,406)</u>	<u>(20,183,019)</u>	<u>21,575,387</u>
Net Change in Fund Balance	<u>\$ 875,876</u>	<u>\$ (27,465,549)</u>	<u>\$ (3,904,002)</u>	<u>\$ 23,561,547</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

Note 1 - Stewardship, Compliance, and Accountability

Budgets

The City Council annually adopts a budget resolution for all funds of the City of Jacksonville Beach, Florida (the City). A five-year capital improvement plan is prepared each year based on business requirements and internal five-year revenue and expense projections. Governmental fund annual operating budgets are adopted on a basis consistent with generally accepted accounting principles.

Encumbrance accounting is employed in the governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end are included in fund balances as restricted, assigned, or committed and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbered appropriations are carried forward into the subsequent years' budgets without being rebudgeted. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.

All departments of the City submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, department, division, and object of expenditure, and includes information on the previous two years, current year budget, and proposed expenditures, and the means of financing them for the next fiscal year. Public hearings are conducted to obtain taxpayer comments.

Prior to October 1, the budget is legally enacted through passage of a resolution. Overall changes to the adopted budget must be approved by a majority vote of the City Council. The City Council may make supplemental appropriations during the year, up to the amount available for appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to further appropriation.

Budgets are monitored at varying levels of classification detail; however, budgetary control is legally maintained at the fund level, except for the general fund, where it is maintained at the departmental level. Management must seek City Council approval to make budgetary amendments at the departmental level in the general fund, and at the fund level for all other funds. Management may, however, make a budget adjustment as long as it does not increase the overall budget for a department within the general fund or for any other fund in total.

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS MULTI-YEAR
GENERAL EMPLOYEES
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS**

Reporting Date - September 30:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date - September 30:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 2,103,184	\$ 1,979,653	\$ 1,660,426	\$ 1,568,162	\$ 1,598,849	\$ 1,503,973	\$ 1,376,901	\$ 1,391,483	\$ 1,207,176	\$ 1,111,657
Interest on the Total Pension Liability	5,785,334	5,687,138	5,454,290	5,420,774	5,349,162	5,292,226	5,106,511	4,852,273	4,606,558	4,557,077
Difference Between Expected and Actual Experience	3,423,637	(631,284)	1,303,615	218,907	(533,465)	(1,027,446)	1,126,397	325,573	(1,228,033)	(891,893)
Assumption Changes (1), (2), (3), (4)	-	-	-	(1,459,419)	-	-	2,931,687	2,129,976	2,784,150	-
Benefit Payments	(5,748,234)	(5,427,690)	(5,042,246)	(5,149,912)	(4,908,805)	(4,346,876)	(4,555,656)	(4,599,574)	(3,929,634)	(4,052,263)
Refunds	(153,618)	(246,452)	(230,213)	(272,998)	(557,035)	(301,365)	(158,889)	(97,989)	(153,923)	(276,366)
Net Change in Total Pension Liability	5,410,303	1,361,365	3,145,872	325,514	948,706	1,120,512	5,826,951	4,001,742	3,286,294	448,212
Total Pension Liability-Beginning	79,037,118	77,675,753	74,529,881	74,204,367	73,255,661	72,135,149	66,308,198	62,306,456	59,020,162	58,571,950
Total Pension Liability-Ending (a)	84,447,421	79,037,118	77,675,753	74,529,881	74,204,367	73,255,661	72,135,149	66,308,198	62,306,456	59,020,162
Plan Fiduciary Net Position										
Employer and State Contributions	2,335,245	2,356,822	2,405,223	2,443,559	2,324,624	2,100,105	1,898,689	1,591,545	1,321,320	1,387,165
Employee Contributions	1,517,266	1,410,829	1,173,445	1,147,477	1,110,267	1,036,998	1,029,762	1,018,627	927,251	853,057
Pension Plan Net Investment Income	13,822,475	5,393,601	(10,994,068)	11,245,803	5,610,039	3,062,326	4,761,584	5,827,579	3,782,591	(153,496)
Benefit Payments	(5,748,234)	(5,427,690)	(5,042,246)	(5,149,912)	(4,908,805)	(4,346,876)	(4,555,656)	(4,599,574)	(3,929,634)	(4,052,263)
Refunds	(153,618)	(246,452)	(230,213)	(272,998)	(557,035)	(301,365)	(158,889)	(97,989)	(153,923)	(276,366)
Pension Plan Administrative Expense	(174,280)	(166,403)	(101,612)	(101,416)	(102,704)	(96,476)	(100,429)	(105,804)	(111,995)	(92,050)
Net Change in Plan Fiduciary Net Position	11,598,854	3,320,707	(12,789,471)	9,312,513	3,476,386	1,454,712	2,875,061	3,634,384	1,835,610	(2,333,953)
Plan Fiduciary Net Position-Beginning	60,421,763	57,101,056	69,890,527	60,578,014	57,101,628	55,646,916	52,771,855	49,137,471	47,301,861	49,635,814
Plan Fiduciary Net Position-Ending (b)	72,020,617	60,421,763	57,101,056	69,890,527	60,578,014	57,101,628	55,646,916	52,771,855	49,137,471	47,301,861
Net Pension Liability-Ending (a) – (b)	\$ 12,426,804	\$ 18,615,355	\$ 20,574,697	\$ 4,639,354	\$ 13,626,353	\$ 16,154,033	\$ 16,488,233	\$ 13,536,343	\$ 13,168,985	\$ 11,718,301
Plan Fiduciary Net Position as Percentage of Total Pension Liability	85.28%	76.45%	73.51%	93.78%	81.64%	77.95%	77.14%	79.59%	78.86%	80.15%
Covered Payroll	\$ 19,085,152	\$ 17,612,571	\$ 14,746,238	\$ 14,294,336	\$ 13,915,132	\$ 13,044,000	\$ 12,952,981	\$ 12,812,918	\$ 11,663,535	\$ 10,730,277
Net Pension Liability as a Percentage of Covered Payroll	65.11%	105.69%	139.53%	32.46%	97.92%	123.84%	127.29%	105.65%	112.91%	109.21%

Notes to Schedule:

- (1) - Assumption changes for the 9/30/16 measurement date include adding a 3% load on the present value of future benefits as a margin for future mortality improvements.
- (2) - Assumption changes for the 9/30/17 measurement date include lowering the investment return and wage inflation assumptions from 8.0% to 7.9% and 3.5% to 2.5%, respectively, and the use of the HB mandated FRS mortality tables.
- (3) - Assumption changes for the 9/30/18 measurement date include lowering the investment return from 7.9% to 7.5%.
- (4) - Assumption changes for the 9/30/21 measurement date include an update to and use of the HB mandated FRS mortality tables.

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS MULTI-YEAR
POLICE OFFICERS
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS**

Reporting Date - September 30:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date - September 30:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 795,440	\$ 868,130	\$ 815,805	\$ 787,675	\$ 750,964	\$ 724,675	\$ 625,887	\$ 633,232	\$ 608,970	\$ 583,329
Interest on the Total Pension Liability	2,387,672	2,316,992	2,206,627	2,200,335	2,063,471	2,008,899	1,916,453	1,826,742	1,709,163	1,632,596
Difference Between Expected and Actual Experience	637,015	(370,085)	126,843	(533,542)	279,135	(521,988)	177,596	(458,370)	(393,421)	-
Assumption Changes (1), (2), (3), (4)	-	-	-	(906,992)	-	-	1,221,310	675,123	776,974	-
Benefit Payments	(1,868,926)	(1,662,530)	(1,646,393)	(1,265,218)	(1,276,474)	(1,670,519)	(1,161,010)	(1,176,786)	(1,211,452)	(1,263,089)
Refunds	(68,775)	(72,352)	(26,525)	(17,162)	(15,301)	(31,896)	(65,031)	(94,019)	(5,905)	(62,865)
Net Change in Total Pension Liability	1,882,426	1,080,155	1,476,357	265,096	1,801,795	509,171	2,715,205	1,405,922	1,484,329	889,971
Total Pension Liability-Beginning	32,406,761	31,326,606	29,850,249	29,585,153	27,783,358	27,274,187	24,558,982	23,153,060	21,668,731	20,778,760
Total Pension Liability-Ending (a)	34,289,187	32,406,761	31,326,606	29,850,249	29,585,153	27,783,358	27,274,187	24,558,982	23,153,060	21,668,731
Plan Fiduciary Net Position										
Employer and State Contributions	1,007,812	742,170	653,851	1,024,101	909,449	802,241	691,323	705,983	662,694	562,835
Employee Contributions	491,997	498,855	448,906	493,053	399,342	383,822	362,140	353,277	343,112	328,665
Pension Plan Net Investment Income	6,462,373	2,484,432	(5,042,780)	4,983,666	2,411,239	1,316,052	1,991,673	2,367,943	1,498,725	(59,565)
Benefit Payments	(1,868,926)	(1,662,530)	(1,646,393)	(1,265,218)	(1,276,474)	(1,670,519)	(1,161,010)	(1,176,786)	(1,211,452)	(1,263,089)
Refunds	(68,775)	(72,352)	(26,525)	(17,162)	(15,301)	(31,896)	(65,031)	(94,019)	(5,905)	(62,865)
Pension Plan Administrative Expense	(101,842)	(107,363)	(81,970)	(83,994)	(80,908)	(77,460)	(88,504)	(80,293)	(66,704)	(71,518)
Net Change in Plan Fiduciary Net Position	5,922,639	1,883,212	(5,694,911)	5,134,446	2,347,347	722,240	1,730,591	2,076,105	1,220,470	(565,537)
Plan Fiduciary Net Position-Beginning	28,171,266	26,288,054	31,982,965	26,848,519	24,501,172	23,778,932	22,048,341	19,972,236	18,751,766	19,317,303
Plan Fiduciary Net Position-Ending (b)	34,093,905	28,171,266	26,288,054	31,982,965	26,848,519	24,501,172	23,778,932	22,048,341	19,972,236	18,751,766
Net Pension Liability-Ending (a) – (b)	\$ 195,282	\$ 4,235,495	\$ 5,038,552	\$ (2,132,716)	\$ 2,736,634	\$ 3,282,186	\$ 3,495,255	\$ 2,510,641	\$ 3,180,824	\$ 2,916,965
Plan Fiduciary Net Position as Percentage of Total Pension Liability	99.43%	86.93%	83.92%	107.14%	90.75%	88.19%	87.18%	89.78%	86.26%	86.54%
Covered Payroll	\$ 5,944,990	\$ 6,037,062	\$ 5,641,806	\$ 5,395,032	\$ 5,023,170	\$ 4,827,950	\$ 4,555,220	\$ 4,443,736	\$ 4,315,874	\$ 4,134,151
Net Pension Liability as a Percentage of Covered Payroll	3.28%	70.16%	89.31%	-39.53%	54.48%	67.98%	76.73%	56.50%	73.70%	70.56%

Notes to Schedule:

- (1) - Assumption changes for the 9/30/16 measurement date include adding a 3% load on the present value of future benefits as a margin for future mortality improvements.
- (2) - Assumption changes for the 9/30/17 measurement date include lowering the investment return and wage inflation assumptions from 8.0% to 7.9% and 3.5% to 2.5%, respectively, and the use of the HB mandated FRS mortality tables.
- (3) - Assumption changes for the 9/30/18 measurement date include lowering the investment return from 7.9% to 7.5%.
- (4) - Assumption changes for the 9/30/21 measurement date include an update to and use of the HB mandated FRS mortality tables.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
GENERAL EMPLOYEES
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS**

September 30:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 2,839,477	\$ 2,334,877	\$ 2,356,821	\$ 2,405,220	\$ 2,442,960	\$ 2,322,790	\$ 2,097,788	\$ 1,892,707	\$ 1,591,545	\$ 1,321,320
Contributions in Relation to the Actuarially Determined Contribution	<u>2,839,477</u>	<u>2,335,245</u>	<u>2,356,822</u>	<u>2,405,223</u>	<u>2,443,559</u>	<u>2,324,624</u>	<u>2,100,105</u>	<u>1,898,689</u>	<u>1,591,545</u>	<u>1,321,320</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (368)</u>	<u>\$ (1)</u>	<u>\$ (3)</u>	<u>\$ (599)</u>	<u>\$ (1,834)</u>	<u>\$ (2,317)</u>	<u>\$ (5,982)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 21,228,891	\$ 19,085,152	\$ 17,612,571	\$ 14,746,238	\$ 14,294,336	\$ 13,915,132	\$ 13,044,000	\$ 12,952,981	\$ 12,812,918	\$ 11,663,535
Contributions as a Percentage of Covered Payroll	13.38%	12.24%	13.38%	16.31%	17.09%	16.71%	16.10%	14.66%	12.42%	11.33%

Notes to Schedule of Contributions

Valuation Date	October 1, 2024 for period ended September 30, 2025
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	2 to 25 Years
Asset Valuation Method	4-Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.5% wage inflation, 2.5% price inflation
Investment Rate of Return	7.50%
Projected Salary Increases	2.5% to 6.3% including inflation
Retirement Age	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.
Mortality	The Florida Retirement System mortality tables which use variations of the fully generational PUB-2010 Mortality Tables with projection scale MP-2018.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE OFFICERS
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS**

September 30:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 1,009,323	\$ 906,115	\$ 742,170	\$ 653,851	\$ 917,954	\$ 844,401	\$ 770,582	\$ 691,323	\$ 678,304	\$ 633,555
Contributions in Relation to the Actuarially Determined Contribution	1,103,240	1,007,812	742,170	653,851	1,024,101	909,449	802,241	691,323	705,983	662,694
Contribution Deficiency (Excess)	\$ (93,917)	\$ (101,697)	\$ -	\$ -	\$ (106,147)	\$ (65,048)	\$ (31,659)	\$ -	\$ (27,679)	\$ (29,139)
Covered Payroll	\$ 7,398,318	\$ 5,944,990	\$ 6,037,062	\$ 5,641,806	\$ 5,395,032	\$ 5,023,170	\$ 4,827,950	\$ 4,555,220	\$ 4,443,736	\$ 4,315,874
Contributions as a Percentage of Covered Payroll	14.91%	16.95%	12.29%	11.59%	18.98%	18.11%	16.62%	15.18%	15.89%	15.35%

Notes to Schedule of Contributions

Valuation Date	October 1, 2024 for period ended September 30, 2025
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	1 to 25 Years
Asset Valuation Method	4-Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.5% wage inflation, 2.5% price inflation
Investment Rate of Return	7.50%
Projected Salary Increases	2.5% to 6.3% including inflation
Retirement Age	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.
Mortality	The Florida Retirement System mortality tables which use variations of the fully generational PUB-2010 Mortality Tables with projection scale MP-2018.

**SCHEDULE OF INVESTMENT RETURNS
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS**

	Annual Money-Weighted Rate of Return Net of Investment Expense	
Fiscal Year Ended September 30,	General Employees	Police Officers
2025	9.40%	9.40%
2024	23.11%	23.11%
2023	9.64%	9.64%
2022	-16.04%	-16.04%
2021	18.94%	18.94%
2020	10.02%	10.02%
2019	5.61%	5.61%
2018	9.22%	9.22%
2017	12.11%	12.11%
2016	8.15%	8.15%

**SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB)
AND RELATED RATIOS
CITY OF JACKSONVILLE BEACH, FLORIDA
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Reporting Date:	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date:	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB Liability								
Service Cost	\$ 79,756	\$ 80,349	\$ 129,864	\$ 119,336	\$ 136,800	\$ 119,289	\$ 178,369	\$ 173,214
Interest on the Total OPEB Liability	110,613	105,236	65,662	69,333	74,815	89,149	119,333	106,001
Difference Between Expected and Actual Experience of the Total OPEB Liability	(225,888)	-	208,011	-	476,887	-	(260,980)	-
Changes in Assumptions and Other Inputs	506,203	(49,059)	(821,527)	69,271	(392,386)	279,237	(915,785)	(137,638)
Benefit Payments	(146,903)	(130,316)	(147,767)	(146,390)	(98,241)	(126,309)	(161,121)	(152,098)
Net Change in Total OPEB Liability	<u>323,781</u>	<u>6,210</u>	<u>(565,757)</u>	<u>111,550</u>	<u>197,875</u>	<u>361,366</u>	<u>(1,040,184)</u>	<u>(10,521)</u>
Total OPEB Liability - Beginning of Year	<u>2,382,754</u>	<u>2,376,544</u>	<u>2,942,301</u>	<u>2,830,751</u>	<u>2,632,876</u>	<u>2,271,510</u>	<u>3,311,694</u>	<u>3,322,215</u>
Total OPEB Liability - End of Year	<u>\$ 2,706,535</u>	<u>\$ 2,382,754</u>	<u>\$ 2,376,544</u>	<u>\$ 2,942,301</u>	<u>\$ 2,830,751</u>	<u>\$ 2,632,876</u>	<u>\$ 2,271,510</u>	<u>\$ 3,311,694</u>
Estimated Covered-Employee Payroll	\$ 23,466,127	\$ 25,835,099	\$ 17,213,754	\$ 21,560,345	\$ 17,562,406	\$ 20,116,441	\$ 17,880,928	\$ 14,491,777
Total OPEB Liability as a Percentage of Covered-Employee Payroll	11.53%	9.22%	13.81%	13.65%	16.12%	13.09%	12.70%	22.85%

Notes:

Covered-employee payroll presented above is an estimate based on data submitted. GASB Statement No. 75 defined covered-employee payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period.

There are no assets accumulated in a trust that meets the criteria of GASB Codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

Assumption changes and other inputs include the following:

- Change in discount rate from 3.10% to 3.50% for the 9/30/17 measurement date.
- Change in discount rate from 3.50% to 3.83% for the 9/30/18 measurement date.
- Change in discount rate from 3.83% to 2.75% for the 9/30/19 measurement date.
- Change in discount rate from 2.75% to 2.41% for the 9/30/20 measurement date.
- Change in discount rate from 2.41% to 2.19% for the 9/30/21 measurement date.
- Change in discount rate from 2.19% to 4.40% for the 9/30/22 measurement date.
- Updates to per capita cost and premiums for the 9/30/22 measurement date.
- Updates to the healthcare cost trend assumption for the 9/30/22 measurement date.
- Change in discount rate from 4.40% to 4.63% for the 9/30/23 measurement date.
- Change in discount rate from 4.63% to 3.81% for the 9/30/24 measurement date.

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Special Revenue Funds			
	Convention Development Tax Fund	Court Costs Training Fund	Local Option Gas Tax Fund	Infrastructure Surtax Fund
Assets				
Equity in Pooled Cash and Investments	\$ 4,487,424	\$ 13,864	\$ 4,962,340	\$ 9,323,621
Due from Other Governments	232,488	-	111,642	123,417
Total Assets	<u>4,719,912</u>	<u>13,864</u>	<u>5,073,982</u>	<u>9,447,038</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	29,504	-	-	56,156
Other Accrued Liabilities	-	-	467	85,338
Interfund Payables	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>29,504</u>	<u>-</u>	<u>467</u>	<u>141,494</u>
Deferred Inflows of Resources				
Unavailable Revenues	63,163	-	-	-
Fund Balances				
Restricted for:				
Tourism Expenditures	4,627,245	-	-	-
Transportation Improvements	-	-	5,073,515	-
Capital Projects	-	-	-	9,305,544
Law Enforcement	-	13,864	-	-
Opioid Mitigation	-	-	-	-
Committed for:				
Tree Replacement	-	-	-	-
Total Fund Balances	<u>4,627,245</u>	<u>13,864</u>	<u>5,073,515</u>	<u>9,305,544</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,719,912</u>	<u>\$ 13,864</u>	<u>\$ 5,073,982</u>	<u>\$ 9,447,038</u>

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA
(Continued)**

	Special Revenue Funds				
	Community Development Block Grant Fund	Radio Communications Fund	J.A.G. Grant Fund	ARPA Fund	Opioid Settlement Fund
Assets					
Equity in Pooled Cash and Investments	\$ -	\$ 46,261	\$ -	\$ 534,045	\$ 488,316
Due from Other Governments	1,998	-	53,601	-	-
Total Assets	<u>1,998</u>	<u>46,261</u>	<u>53,601</u>	<u>534,045</u>	<u>488,316</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payable	-	-	-	125,359	-
Other Accrued Liabilities	-	-	-	205,556	-
Interfund Payables	1,998	-	53,601	-	-
Unearned Revenues	-	-	-	203,130	-
Total Liabilities	<u>1,998</u>	<u>-</u>	<u>53,601</u>	<u>534,045</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable Revenues	-	-	-	-	-
Fund Balances					
Restricted for:					
Tourism Expenditures	-	-	-	-	-
Transportation Improvements	-	-	-	-	-
Capital Projects	-	-	-	-	-
Law Enforcement	-	46,261	-	-	-
Opioid Mitigation	-	-	-	-	488,316
Committed for:					
Tree Replacement	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>46,261</u>	<u>-</u>	<u>-</u>	<u>488,316</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,998</u>	<u>\$ 46,261</u>	<u>\$ 53,601</u>	<u>\$ 534,045</u>	<u>\$ 488,316</u>

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)**

	Special Revenue Funds			Capital Projects Fund	Total Non-Major Governmental Funds
	Tree Protection Fund	Law Enforcement Trust Fund	Equitable Sharing Trust Fund	Infrastructure Tax Capital Projects Fund	
Assets					
Equity in Pooled Cash and Investments	\$ 9,248	\$ 7,580	\$ 359,716	\$ 142,386	\$ 20,374,801
Due from Other Governments	-	-	-	-	523,146
Total Assets	9,248	7,580	359,716	142,386	20,897,947
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payable	-	224	-	-	211,243
Other Accrued Liabilities	-	-	-	-	291,361
Interfund Payables	-	-	-	-	55,599
Unearned Revenues	-	-	-	-	203,130
Total Liabilities	-	224	-	-	761,333
Deferred Inflows of Resources					
Unavailable Revenues	-	-	-	-	63,163
Fund Balances					
Restricted for:					
Tourism Expenditures	-	-	-	-	4,627,245
Transportation Improvements	-	-	-	-	5,073,515
Capital Projects	-	-	-	142,386	9,447,930
Law Enforcement	-	7,356	359,716	-	427,197
Opioid Mitigation	-	-	-	-	488,316
Committed for:					
Tree Replacement	9,248	-	-	-	9,248
Total Fund Balances	9,248	7,356	359,716	142,386	20,073,451
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,248	\$ 7,580	\$ 359,716	\$ 142,386	\$ 20,897,947

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Special Revenue Funds			
	Convention Development Tax Fund	Court Costs Training Fund	Local Option Gas Tax Fund	Infrastructure Surtax Fund
Revenues				
Taxes	\$ 892,293	\$ -	\$ 1,276,505	\$ 2,006,723
Intergovernmental	-	-	-	-
Fines and Forfeitures	-	9,948	-	-
Interest and Other Revenue	186,940	352	189,732	486,162
Total Revenues	<u>1,079,233</u>	<u>10,300</u>	<u>1,466,237</u>	<u>2,492,885</u>
Expenditures				
Current:				
General Government	-	-	-	21,901
Public Safety	-	7,886	-	-
Physical Environment	-	-	-	-
Roads and Streets	-	-	205,755	5,377,685
Parks and Recreation	152,772	-	-	-
Capital Outlay	170,912	-	-	613,824
(Total Expenditures)	<u>(323,684)</u>	<u>(7,886)</u>	<u>(205,755)</u>	<u>(6,013,410)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>755,549</u>	<u>2,414</u>	<u>1,260,482</u>	<u>(3,520,525)</u>
Other Financing Sources (Uses)				
Transfers (out)	-	-	(372,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(372,000)</u>	<u>-</u>
Net Change in Fund Balance	755,549	2,414	888,482	(3,520,525)
Fund Balances, Beginning of Year	<u>3,871,696</u>	<u>11,450</u>	<u>4,185,033</u>	<u>12,826,069</u>
Fund Balances, End of Year	<u>\$ 4,627,245</u>	<u>\$ 13,864</u>	<u>\$ 5,073,515</u>	<u>\$ 9,305,544</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA
(Continued)**

	Special Revenue Funds				
	Community Development Block Grant Fund	Radio Communications Fund	J.A.G. Grant Fund	ARPA Fund	Opioid Settlement Fund
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	140,900	-	53,601	1,474,717	-
Fines and Forfeitures	-	43,938	-	-	168,565
Interest and Other Revenue	-	-	-	-	-
Total Revenues	<u>140,900</u>	<u>43,938</u>	<u>53,601</u>	<u>1,474,717</u>	<u>168,565</u>
Expenditures					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Roads and Streets	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Capital Outlay	-	-	53,601	1,474,717	-
(Total Expenditures)	<u>-</u>	<u>-</u>	<u>(53,601)</u>	<u>(1,474,717)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>140,900</u>	<u>43,938</u>	<u>-</u>	<u>-</u>	<u>168,565</u>
Other Financing Sources (Uses)					
Transfers (out)	(140,900)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(140,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	43,938	-	-	168,565
Fund Balances, Beginning of Year	<u>-</u>	<u>2,323</u>	<u>-</u>	<u>-</u>	<u>319,751</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 46,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 488,316</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)**

	Special Revenue Funds			Capital Projects Fund	Total Non-Major Governmental Funds
	Tree Protection Fund	Law Enforcement Trust Fund	Equitable Sharing Trust Fund	Infrastructure Tax Capital Projects Fund	
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,175,521
Intergovernmental	-	-	-	-	1,669,218
Fines and Forfeitures	-	-	152,187	-	374,638
Interest and Other Revenue	2,572	479	13,055	-	879,292
Total Revenues	<u>2,572</u>	<u>479</u>	<u>165,242</u>	<u>-</u>	<u>7,098,669</u>
Expenditures					
Current:					
General Government	-	-	-	-	21,901
Public Safety	-	10,432	560	-	18,878
Physical Environment	15	-	-	-	15
Roads and Streets	-	-	-	-	5,583,440
Parks and Recreation	-	-	-	-	152,772
Capital Outlay	-	-	-	97,997	2,411,051
(Total Expenditures)	<u>(15)</u>	<u>(10,432)</u>	<u>(560)</u>	<u>(97,997)</u>	<u>(8,188,057)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,557</u>	<u>(9,953)</u>	<u>164,682</u>	<u>(97,997)</u>	<u>(1,089,388)</u>
Other Financing Sources (Uses)					
Transfers (out)	-	-	-	-	(512,900)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(512,900)</u>
Net Change in Fund Balance	2,557	(9,953)	164,682	(97,997)	(1,602,288)
Fund Balances, Beginning of Year	<u>6,691</u>	<u>17,309</u>	<u>195,034</u>	<u>240,383</u>	<u>21,675,739</u>
Fund Balances, End of Year	<u>\$ 9,248</u>	<u>\$ 7,356</u>	<u>\$ 359,716</u>	<u>\$ 142,386</u>	<u>\$ 20,073,451</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONVENTION DEVELOPMENT TAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 785,000	\$ 785,000	\$ 892,293	\$ 107,293
Interest and Other Revenue	20,000	36,650	186,940	150,290
Total Revenues	805,000	821,650	1,079,233	257,583
Expenditures				
Current:				
Parks and Recreation	167,173	183,823	152,772	31,051
Capital Outlay	500,000	720,685	170,912	549,773
(Total Expenditures)	(667,173)	(904,508)	(323,684)	580,824
Net Change in Fund Balance	\$ 137,827	\$ (82,858)	\$ 755,549	\$ 838,407

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 COURT COSTS TRAINING FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 8,000	\$ 8,000	\$ 9,948	\$ 1,948
Interest and Other Revenue	100	100	352	252
Total Revenues	<u>8,100</u>	<u>8,100</u>	<u>10,300</u>	<u>2,200</u>
Expenditures				
Current:				
Public Safety	8,100	8,100	7,886	214
(Total Expenditures)	<u>(8,100)</u>	<u>(8,100)</u>	<u>(7,886)</u>	<u>214</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,414</u>	<u>\$ 2,414</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
LOCAL OPTION GAS TAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,378,500	\$ 1,378,500	\$ 1,276,505	\$ (101,995)
Interest and Other Revenue	20,000	20,000	189,732	169,732
Total Revenues	<u>1,398,500</u>	<u>1,398,500</u>	<u>1,466,237</u>	<u>67,737</u>
Expenditures				
Current:				
Roads and Streets	856,852	874,871	205,755	669,116
(Total Expenditures)	<u>(856,852)</u>	<u>(874,871)</u>	<u>(205,755)</u>	<u>669,116</u>
Excess of Revenues Over Expenditures	541,648	523,629	1,260,482	736,853
Other Financing Sources (Uses)				
Transfers (out)	<u>(372,000)</u>	<u>(372,000)</u>	<u>(372,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 169,648</u>	<u>\$ 151,629</u>	<u>\$ 888,482</u>	<u>\$ 736,853</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE SURTAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,065,170	\$ 2,065,170	\$ 2,006,723	\$ (58,447)
Interest and Other Revenue	35,801	35,801	486,162	450,361
Total Revenues	2,100,971	2,100,971	2,492,885	391,914
Expenditures				
Current:				
General Government	9,595	9,595	21,901	(12,306)
Roads and Streets	750,000	6,412,140	5,377,685	1,034,455
Capital Outlay	7,613,025	10,288,818	613,824	9,674,994
(Total Expenditures)	(8,372,620)	(16,710,553)	(6,013,410)	10,697,143
Net Change in Fund Balance	\$ (6,271,649)	\$ (14,609,582)	\$ (3,520,525)	\$ 11,089,057

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 142,000	\$ 142,000	\$ 140,900	\$ (1,100)
Total Revenues	<u>142,000</u>	<u>142,000</u>	<u>140,900</u>	<u>(1,100)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	142,000	142,000	140,900	(1,100)
Other Financing Sources (Uses)				
Transfers (out)	<u>(142,000)</u>	<u>(142,000)</u>	<u>(140,900)</u>	<u>1,100</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 RADIO COMMUNICATION FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 20,000	\$ 20,000	\$ 43,938	\$ 23,938
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>43,938</u>	<u>23,938</u>
Net Change in Fund Balance	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 43,938</u>	<u>\$ 23,938</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 J.A.G. GRANT FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 53,601	\$ 53,601	\$ -
Total Revenues	<u>-</u>	<u>53,601</u>	<u>53,601</u>	<u>-</u>
Expenditures				
Capital Outlay	-	53,601	53,601	-
(Total Expenditures)	<u>-</u>	<u>(53,601)</u>	<u>(53,601)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 ARPA FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 1,474,717	\$ 1,474,717
Total Revenues	<u>-</u>	<u>-</u>	<u>1,474,717</u>	<u>1,474,717</u>
Expenditures				
Capital Outlay	-	2,061,973	1,474,717	587,256
(Total Expenditures)	<u>-</u>	<u>(2,061,973)</u>	<u>(1,474,717)</u>	<u>587,256</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (2,061,973)</u>	<u>\$ -</u>	<u>\$ 2,061,973</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 OPIOID SETTLEMENT FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ -	\$ -	\$ 168,565	\$ 168,565
Total Revenues	<u>-</u>	<u>-</u>	<u>168,565</u>	<u>168,565</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 168,565</u>	 <u>\$ 168,565</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 TREE PROTECTION FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest and Other Revenue	\$ -	\$ -	\$ 2,572	\$ 2,572
Total Revenues	<u>-</u>	<u>-</u>	<u>2,572</u>	<u>2,572</u>
Expenditures				
Current:				
Physical Environment	6,400	6,400	15	6,385
(Total Expenditures)	<u>(6,400)</u>	<u>(6,400)</u>	<u>(15)</u>	<u>6,385</u>
Net Change in Fund Balance	<u>\$ (6,400)</u>	<u>\$ (6,400)</u>	<u>\$ 2,557</u>	<u>\$ 8,957</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
LAW ENFORCEMENT TRUST FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Interest and Other Revenue	3,000	3,000	479	(2,521)
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>479</u>	<u>(3,521)</u>
Expenditures				
Current:				
Public Safety	11,010	11,010	10,432	578
(Total Expenditures)	<u>(11,010)</u>	<u>(11,010)</u>	<u>(10,432)</u>	<u>578</u>
Net Change in Fund Balance	<u>\$ (7,010)</u>	<u>\$ (7,010)</u>	<u>\$ (9,953)</u>	<u>\$ (2,943)</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 EQUITABLE SHARING TRUST FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 152,187	\$ 142,187
Interest and Other Revenue	3,700	3,700	13,055	9,355
Total Revenues	13,700	13,700	165,242	151,542
Expenditures				
Current:				
Public Safety	13,700	13,700	560	13,140
(Total Expenditures)	(13,700)	(13,700)	(560)	13,140
Net Change in Fund Balance	\$ -	\$ -	\$ 164,682	\$ 164,682

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL CAPITAL PROJECTS FUND
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 200,000	\$ 200,000	\$ -
Interest and Other Revenues	100,000	100,000	1,039,077	939,077
Total Revenues	<u>100,000</u>	<u>300,000</u>	<u>1,239,077</u>	<u>939,077</u>
Expenditures				
Current:				
General Government	287,000	640,123	390,080	250,043
Public Safety	11,340	12,014	11,009	1,005
Capital Outlay	7,513,488	13,883,597	3,167,602	10,715,995
(Total Expenditures)	<u>(7,811,828)</u>	<u>(14,535,734)</u>	<u>(3,568,691)</u>	<u>10,967,043</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,711,828)	(14,235,734)	(2,329,614)	11,906,120
Other Financing Sources (Uses)				
Transfers in	4,544,000	6,099,920	6,099,920	-
Net Change in Fund Balance	<u>\$ (3,167,828)</u>	<u>\$ (8,135,814)</u>	<u>\$ 3,770,306</u>	<u>\$ 11,906,120</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 INFRASTRUCTURE TAX CAPITAL PROJECTS FUND
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Capital Outlay	\$ -	\$ 128,633	\$ 97,997	\$ 30,636
(Total Expenditures)	<u>-</u>	<u>(128,633)</u>	<u>(97,997)</u>	<u>30,636</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>\$ (128,633)</u>	 <u>\$ (97,997)</u>	 <u>\$ 30,636</u>

**COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Assets						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 7,259,397	\$ 2,935,955	\$ 6,099,343	\$ 1,344,591	\$ 3,489,080	\$ 21,128,366
Other Operating Cash	-	-	800	-	-	800
Receivables:						
Accounts, Net	161,675	905,000	-	95,586	164,691	1,326,952
Leases, Current	-	-	-	112,822	-	112,822
Inventory	-	-	115,452	-	-	115,452
Prepaid Expenses	-	-	13,405	937	-	14,342
Restricted Assets:						
Equity in Pooled Cash and Investments	-	-	-	-	516,117	516,117
Total Current Assets	<u>7,421,072</u>	<u>3,840,955</u>	<u>6,229,000</u>	<u>1,553,936</u>	<u>4,169,888</u>	<u>23,214,851</u>
Non-Current Assets:						
Leases Receivable, Non-Current	-	-	-	929,990	-	929,990
Capital Assets:						
Land	1,057,992	-	388,980	28,000	-	1,474,972
Buildings and Improvements	35,428,957	-	4,787,457	813,838	7,417,576	48,447,828
Equipment	856,937	831,742	740,071	695,990	-	3,124,740
Equipment Under Leases	-	-	682,985	-	-	682,985
Construction in Progress	2,346,457	24,560	-	-	-	2,371,017
Total Capital Assets	<u>39,690,343</u>	<u>856,302</u>	<u>6,599,493</u>	<u>1,537,828</u>	<u>7,417,576</u>	<u>56,101,542</u>
(Accumulated Depreciation and Amortization)	<u>(17,413,773)</u>	<u>(624,282)</u>	<u>(3,636,775)</u>	<u>(1,328,528)</u>	<u>(2,052,792)</u>	<u>(25,056,150)</u>
Total Non-Current Assets	<u>22,276,570</u>	<u>232,020</u>	<u>2,962,718</u>	<u>1,139,290</u>	<u>5,364,784</u>	<u>31,975,382</u>
Total Assets	<u>29,697,642</u>	<u>4,072,975</u>	<u>9,191,718</u>	<u>2,693,226</u>	<u>9,534,672</u>	<u>55,190,233</u>
Deferred Outflows of Resources						
Pension Related	83,013	58,449	177,396	-	-	318,858
OPEB Related	3,676	-	55,143	-	-	58,819
Total Deferred Outflows of Resources	<u>86,689</u>	<u>58,449</u>	<u>232,539</u>	<u>-</u>	<u>-</u>	<u>377,677</u>

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Liabilities						
Current Liabilities:						
Accounts Payable	\$ 123,326	\$ 562,229	\$ 30,544	\$ -	\$ 98,388	\$ 814,487
Power Costs Recovered in Advance	-	-	-	-	516,117	516,117
Other Accrued Liabilities	67,878	21,105	78,807	1,032	10,226	179,048
Due to Other Governments	-	3,563	-	-	-	3,563
Unearned Revenues	-	-	89,143	-	-	89,143
Current Portion of Long-Term Liabilities:						
Accrued Compensated Absences	-	8,860	15,962	-	-	24,822
Lease Liability	-	-	167,143	-	-	167,143
Total Current Liabilities	191,204	595,757	381,599	1,032	624,731	1,794,323
Non-Current Liabilities:						
Accrued Compensated Absences	-	35,441	63,847	-	-	99,288
Lease Liability	-	-	92,669	-	-	92,669
Net Pension Liability	130,914	154,278	421,883	-	-	707,075
Other Postemployment Benefits	9,022	-	135,327	-	-	144,349
Total Non-Current Liabilities	139,936	189,719	713,726	-	-	1,043,381
Total Liabilities	331,140	785,476	1,095,325	1,032	624,731	2,837,704
Deferred Inflows of Resources						
Pension Related	76,756	42,372	114,648	-	-	233,776
OPEB Related	4,181	-	62,713	-	-	66,894
Lease Related	-	-	-	939,003	-	939,003
Total Deferred Inflows of Resources	80,937	42,372	177,361	939,003	-	1,239,673
Net Position						
Net Investment in Capital Assets	22,276,570	232,020	2,702,906	209,300	5,364,784	30,785,580
Unrestricted	7,095,684	3,071,556	5,448,665	1,543,891	3,545,157	20,704,953
Total Net Position	\$ 29,372,254	\$ 3,303,576	\$ 8,151,571	\$ 1,753,191	\$ 8,909,941	\$ 51,490,533

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Operating Revenues						
Charges for Services	\$ 1,411,413	\$ 7,939,694	\$ 3,549,796	\$ -	\$ 2,081,658	\$ 14,982,561
Other	-	-	547	817,489	-	818,036
Total Operating Revenues	<u>1,411,413</u>	<u>7,939,694</u>	<u>3,550,343</u>	<u>817,489</u>	<u>2,081,658</u>	<u>15,800,597</u>
Operating Expenses						
Purchased Power	-	-	-	-	1,002,047	1,002,047
Personnel Services	275,916	509,251	1,443,450	74	-	2,228,691
Purchased Services	179,864	6,939,095	134,305	9,187	451,354	7,713,805
Repairs and Maintenance	24,069	7,998	162,975	712,332	22,151	929,525
Depreciation and Amortization	1,285,616	46,160	457,371	13,750	223,957	2,026,854
Materials and Supplies	6,443	21,125	379,731	-	1,797	409,096
Other Expenses	223,076	340,205	476,155	6,186	242,162	1,287,784
(Total Operating Expenses)	<u>(1,994,984)</u>	<u>(7,863,834)</u>	<u>(3,053,987)</u>	<u>(741,529)</u>	<u>(1,943,468)</u>	<u>(15,597,802)</u>
Operating Income (Loss)	<u>(583,571)</u>	<u>75,860</u>	<u>496,356</u>	<u>75,960</u>	<u>138,190</u>	<u>202,795</u>
Non-Operating Revenues (Expenses)						
Investment Earnings (Loss)	308,831	122,551	209,970	48,204	180,020	869,576
Interest from Leasing Activities	-	-	-	22,018	-	22,018
Interest Expense on Leases and SBITAs	-	-	(14,582)	-	-	(14,582)
Gain (Loss) on Disposal of Capital Assets	(118,504)	-	-	-	(22,475)	(140,979)
Total Non-Operating Revenues (Expense)	<u>190,327</u>	<u>122,551</u>	<u>195,388</u>	<u>70,222</u>	<u>157,545</u>	<u>736,033</u>
Income (Loss) Before Contributions and Transfers	<u>(393,244)</u>	<u>198,411</u>	<u>691,744</u>	<u>146,182</u>	<u>295,735</u>	<u>938,828</u>
Capital Contributions						
Connection Fees	-	-	-	-	108,229	108,229
Total Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,229</u>	<u>108,229</u>
Transfers						
Transfers in	-	-	500,000	-	-	500,000
Transfers (out)	-	-	-	(90,000)	(451,490)	(541,490)
Total Transfers	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>(90,000)</u>	<u>(451,490)</u>	<u>(41,490)</u>
Change in Net Position	<u>(393,244)</u>	<u>198,411</u>	<u>1,191,744</u>	<u>56,182</u>	<u>(47,526)</u>	<u>1,005,567</u>
Total Net Position, Beginning of Year	<u>29,765,498</u>	<u>3,105,165</u>	<u>6,959,827</u>	<u>1,697,009</u>	<u>8,957,467</u>	<u>50,484,966</u>
Total Net Position, End of Year	<u>\$ 29,372,254</u>	<u>\$ 3,303,576</u>	<u>\$ 8,151,571</u>	<u>\$ 1,753,191</u>	<u>\$ 8,909,941</u>	<u>\$ 51,490,533</u>

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Cash Flows from Operating Activities						
Cash Received from Customers and Users	\$ 1,414,868	\$ 7,967,235	\$ 3,558,840	\$ 738,430	\$ 1,673,509	\$ 15,352,882
Cash Payments to Vendors for Goods and Services	(612,302)	(7,292,803)	(1,164,721)	(727,295)	(1,767,597)	(11,564,718)
Cash Payments to Employees for Services	(304,555)	(516,763)	(1,411,470)	(74)	-	(2,232,862)
Net Cash Provided by (Used in) Operating Activities	<u>498,011</u>	<u>157,669</u>	<u>982,649</u>	<u>11,061</u>	<u>(94,088)</u>	<u>1,555,302</u>
Cash Flows from Non-Capital Financing Activities						
Transfers in	-	-	500,000	-	-	500,000
Interest from Leasing and SBITA Activities	-	-	-	22,018	-	22,018
Transfers (out)	-	-	-	(90,000)	(451,490)	(541,490)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>(67,982)</u>	<u>(451,490)</u>	<u>(19,472)</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition of Capital Assets	(1,405,578)	(215,000)	(111,291)	(11,500)	(263,488)	(2,006,857)
Connection Fees	-	-	-	-	108,229	108,229
Principal Repayments on Long-Term Debt	-	-	(160,280)	-	-	(160,280)
Interest Paid on Long-Term Debt	-	-	(14,582)	-	-	(14,582)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,405,578)</u>	<u>(215,000)</u>	<u>(286,153)</u>	<u>(11,500)</u>	<u>(155,259)</u>	<u>(2,073,490)</u>
Cash Flows from Investing Activities						
Investment Earnings	<u>308,831</u>	<u>122,551</u>	<u>209,970</u>	<u>48,204</u>	<u>180,020</u>	<u>869,576</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(598,736)	65,220	1,406,466	(20,217)	(520,817)	331,916
Cash and Cash Equivalents, Beginning of Year	<u>7,858,133</u>	<u>2,870,735</u>	<u>4,693,677</u>	<u>1,364,808</u>	<u>4,526,014</u>	<u>21,313,367</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,259,397</u>	<u>\$ 2,935,955</u>	<u>\$ 6,100,143</u>	<u>\$ 1,344,591</u>	<u>\$ 4,005,197</u>	<u>\$ 21,645,283</u>

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
<u>Included on the Accompanying Balance Sheet</u>						
<u>Under the Following Captions</u>						
Current Assets						
Equity in Pooled Cash and Investments	\$ 7,259,397	\$ 2,935,955	\$ 6,099,343	\$ 1,344,591	\$ 3,489,080	\$ 21,128,366
Other Operating Cash	-	-	800	-	-	800
Restricted Equity in Pooled Cash and Investments	-	-	-	-	516,117	516,117
Total	<u>\$ 7,259,397</u>	<u>\$ 2,935,955</u>	<u>\$ 6,100,143</u>	<u>\$ 1,344,591</u>	<u>\$ 4,005,197</u>	<u>\$ 21,645,283</u>
<u>Reconciliation of Operating Income (Loss) to Net</u>						
<u>Cash Provided by (Used in) Operating Activities</u>						
Operating Income (Loss)	\$ (583,571)	\$ 75,860	\$ 496,356	\$ 75,960	\$ 138,190	\$ 202,795
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation and Amortization	1,285,616	46,160	457,371	13,750	223,957	2,026,854
Power Costs Recovered in Advance (Returned)	-	-	-	-	(407,751)	(407,751)
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):						
Accounts Receivable	3,455	27,541	2,961	(61,876)	(398)	(28,317)
Leases Receivable and Related Deferred Inflow of Resources	-	-	-	(17,183)	-	(17,183)
Inventories	-	-	(22,930)	-	-	(22,930)
Prepaid Expenses	-	-	(698)	374	-	(324)
Accounts Payable and Other Accrued Liabilities	(178,850)	15,620	12,073	36	(48,086)	(199,207)
Unearned Revenues	-	-	5,536	-	-	5,536
Accrued Compensated Absences	-	(478)	22,475	-	-	21,997
OPEB Liability and Related Deferred Inflows and Outflows of Resources	(22,309)	-	36,780	-	-	14,471
Net Pension Liability and Related Deferred Inflows and Outflows of Resources	(6,330)	(7,034)	(27,275)	-	-	(40,639)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 498,011</u>	<u>\$ 157,669</u>	<u>\$ 982,649</u>	<u>\$ 11,061</u>	<u>\$ (94,088)</u>	<u>\$ 1,555,302</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA

	<u>Self-Insurance Funds</u>	<u>Other Internal Service Funds</u>	<u>Totals</u>
Assets			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 2,646,562	\$ 4,147,015	\$ 6,793,577
Accounts Receivable, Net	229	-	229
Prepaid Expenses	1,707,314	21,534	1,728,848
Total Current Assets	<u>4,354,105</u>	<u>4,168,549</u>	<u>8,522,654</u>
Non-Current Assets:			
Capital Assets:			
Buildings and Improvements	113,743	52,392	166,135
Software Assets Under SBITAs	-	163,702	163,702
Equipment	-	996,125	996,125
	<u>113,743</u>	<u>1,212,219</u>	<u>1,325,962</u>
(Accumulated Depreciation)	<u>(34,089)</u>	<u>(980,044)</u>	<u>(1,014,133)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>79,654</u>	<u>232,175</u>	<u>311,829</u>
Total Assets	<u>4,433,759</u>	<u>4,400,724</u>	<u>8,834,483</u>
Deferred Outflows of Resources			
Pension Related	-	1,209,868	1,209,868
Liabilities			
Current Liabilities:			
Accounts Payable	4,768	132,620	137,388
Other Accrued Liabilities	2,243	295,166	297,409
Estimated Liability for Self-Insured Losses	25,000	-	25,000
Current Portion of Long-Term Liabilities:			
Accrued Compensated Absences	-	260,846	260,846
SBITA Liability	-	31,393	31,393
Total Current Liabilities	<u>32,011</u>	<u>720,025</u>	<u>752,036</u>
Non-Current Liabilities:			
Accrued Compensated Absences	-	1,043,387	1,043,387
SBITA Liability	-	70,162	70,162
Net Pension Liability	-	2,300,794	2,300,794
Total Non-Current Liabilities	<u>-</u>	<u>3,414,343</u>	<u>3,414,343</u>
Total Liabilities	<u>32,011</u>	<u>4,134,368</u>	<u>4,166,379</u>
Deferred Inflows of Resources			
Pension Related	-	755,982	755,982
Net Position			
Investment in Capital Assets	79,654	130,620	210,274
Unrestricted	4,322,094	589,622	4,911,716
Total Net Position	<u>\$ 4,401,748</u>	<u>\$ 720,242</u>	<u>\$ 5,121,990</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Self-Insurance Funds	Other Internal Service Funds	Totals
Operating Revenues			
Charges for Services	\$ 5,230,877	\$ 13,452,955	\$ 18,683,832
Other Revenue	158,658	1,123	159,781
Total Operating Revenues	<u>5,389,535</u>	<u>13,454,078</u>	<u>18,843,613</u>
Operating Expenses			
Personnel Services	37,847	7,358,372	7,396,219
Purchased Services	125,491	1,083,779	1,209,270
Repairs and Maintenance	-	681,452	681,452
Depreciation and Amortization	7,576	69,479	77,055
Materials and Supplies	-	214,946	214,946
Other Expenses	4,494,128	3,501,137	7,995,265
(Total Operating Expenses)	<u>(4,665,042)</u>	<u>(12,909,165)</u>	<u>(17,574,207)</u>
Operating Income (Loss)	<u>724,493</u>	<u>544,913</u>	<u>1,269,406</u>
Non-Operating Income (Expense)			
Investment Earnings	144,048	-	144,048
Interest Expense on Leases and SBITAs	-	(5,397)	(5,397)
Total Non-Operating Income (Expense)	<u>144,048</u>	<u>(5,397)</u>	<u>138,651</u>
Income Before Transfers	<u>868,541</u>	<u>539,516</u>	<u>1,408,057</u>
Transfers			
Transfers in	-	23,532	23,532
Transfers (out)	-	(70,000)	(70,000)
Total Transfers	<u>-</u>	<u>(46,468)</u>	<u>(46,468)</u>
Change in Net Position	868,541	493,048	1,361,589
Total Net Position, Beginning of Year	<u>3,533,207</u>	<u>227,194</u>	<u>3,760,401</u>
Total Net Position, End of Year	<u>\$ 4,401,748</u>	<u>\$ 720,242</u>	<u>\$ 5,121,990</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Self-Insurance Funds	Other Internal Service Funds	Totals
Cash Flows from Operating Activities			
Cash Received from Customers and Users	\$ 5,389,535	\$ 13,454,078	\$ 18,843,613
Cash Payments to Vendors for Goods and Services	(5,333,872)	(5,498,879)	(10,832,751)
Cash Payments to Employees for Services	(37,847)	(7,403,195)	(7,441,042)
Insurance Reimbursements Received (Claims Paid)	103,643	-	103,643
Net Cash Provided (Used in) by Operating Activities	<u>121,459</u>	<u>552,004</u>	<u>673,463</u>
Cash Flows from Non-Capital Financing Activities			
Transfers in	-	23,532	23,532
Transfers (out)	-	(70,000)	(70,000)
Total Cash Flows from Non-Capital Financing Activities	<u>-</u>	<u>(46,468)</u>	<u>(46,468)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	-	(59,208)	(59,208)
Principal Repayments on Long-Term Debt	-	(29,124)	(29,124)
Interest Paid on Long-Term Debt	-	(5,397)	(5,397)
Total Cash Flows from Non-Capital Financing Activities	<u>-</u>	<u>(93,729)</u>	<u>(93,729)</u>
Cash Flows from Investing Activities			
Interest Received on Investments	144,048	-	144,048
Net Increase (Decrease) in Cash and Cash Equivalents	265,507	411,807	677,314
Cash and Cash Equivalents, Beginning of Year	2,381,055	3,735,208	6,116,263
Cash and Cash Equivalents, End of Year	<u>\$ 2,646,562</u>	<u>\$ 4,147,015</u>	<u>\$ 6,793,577</u>
<u>Included on the Accompanying Balance Sheet Under the Following Captions</u>			
Current Assets			
Equity in Pooled Cash and Investments	<u>\$ 2,646,562</u>	<u>\$ 4,147,015</u>	<u>\$ 6,793,577</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ 724,493	\$ 544,913	\$ 1,269,406
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used in) Provided by Operating Activities:			
Depreciation and Amortization	7,576	69,479	77,055
Changes in Assets - (Increase) Decrease and Liabilities - Increase (Decrease):			
Prepaid Expenses	(282,730)	1,463	(281,267)
Accounts Payable and Other Accrued Liabilities	1,277	(19,028)	(17,751)
Change in Estimated Liability for Self-Insured Losses	(329,157)	-	(329,157)
Accrued Compensated Absences	-	142,428	142,428
Net Pension Liability and Related Deferred Inflows and Outflows of Resources	-	(187,251)	(187,251)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 121,459</u>	<u>\$ 552,004</u>	<u>\$ 673,463</u>

**SCHEDULE OF COMBINING BALANCE SHEET
COMMUNITY REDEVELOPMENT FUNDS
SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Downtown Redevelopment District Fund</u>	<u>Southend Redevelopment District Fund</u>	<u>Totals</u>
Assets			
Equity in Pooled Cash and Investments	\$ 28,046,120	\$ 18,219,238	\$ 46,265,358
Total Assets	<u>28,046,120</u>	<u>18,219,238</u>	<u>46,265,358</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	1,388,891	31,397	1,420,288
Other Accrued Liabilities	1,122,885	85,976	1,208,861
Due to Other Governments	-	2,898,860	2,898,860
Total Liabilities	<u>2,511,776</u>	<u>3,016,233</u>	<u>5,528,009</u>
Fund Balances			
Restricted for:			
Redevelopment	25,534,344	15,203,005	40,737,349
Total Fund Balances	<u>25,534,344</u>	<u>15,203,005</u>	<u>40,737,349</u>
Total Liabilities and Fund Balances	<u>\$ 28,046,120</u>	<u>\$ 18,219,238</u>	<u>\$ 46,265,358</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - COMMUNITY REDEVELOPMENT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Downtown Redevelopment District Fund</u>	<u>Southend Redevelopment District Fund</u>	<u>Totals</u>
Revenues			
Taxes	\$ 10,853,077	\$ 3,220,956	\$ 14,074,033
Interest and Other Revenue	1,431,516	773,468	2,204,984
Total Revenues	<u>12,284,593</u>	<u>3,994,424</u>	<u>16,279,017</u>
Expenditures			
Current:			
General Government	1,544,887	459,395	2,004,282
Public Safety	1,345,838	-	1,345,838
Roads and Streets	-	549,800	549,800
Capital Outlay	14,690,260	1,592,839	16,283,099
(Total Expenditures)	<u>(17,580,985)</u>	<u>(2,602,034)</u>	<u>(20,183,019)</u>
Net Change in Fund Balances	(5,296,392)	1,392,390	(3,904,002)
Fund Balances, Beginning of Year	<u>30,830,736</u>	<u>13,810,615</u>	<u>44,641,351</u>
Fund Balances, End of Year	<u>\$ 25,534,344</u>	<u>\$ 15,203,005</u>	<u>\$ 40,737,349</u>

Statistical Section (Unaudited)

This part of the City of Jacksonville Beach, Florida's (the City) 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.

Contents	Pages
Financial Trends Information These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	108
Revenue Capacity Information These schedules contain information to help the reader assess the City's local revenue source.	113
Debt Capacity Information These schedules present information to help the reader assess the City's debt burden and its ability to issue additional debt in the future.	117
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.	122
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.	124

Sources: Unless otherwise noted, the information in these schedules were obtained from the Annual Comprehensive Financial Reports for the relevant year.

FINANCIAL TRENDS INFORMATION

Schedule 1
City of Jacksonville Beach, Florida
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental Activities									
Net Investment in Capital Assets	\$ 91,291,193	\$ 97,360,044	\$ 103,211,819	\$ 106,877,097	\$ 109,163,923	\$ 107,483,303	\$ 111,901,718	\$ 123,538,442	\$ 125,818,480
Restricted	27,183,762	29,102,410	31,711,520	34,119,094	38,810,100	47,141,320	51,566,305	60,971,262	66,774,197
Unrestricted	12,564,372	11,440,106	13,386,797	14,252,607	17,354,249	19,725,094	27,260,116	28,053,635	30,831,677
Total Governmental Activities Net Position	<u>131,039,327</u>	<u>137,902,560</u>	<u>148,310,136</u>	<u>155,248,798</u>	<u>165,328,272</u>	<u>174,349,717</u>	<u>190,728,139</u>	<u>212,563,339</u>	<u>223,424,354</u>
Business-type Activities									
Net Investment in Capital Assets	157,675,660	168,296,227	175,128,349	183,588,778	194,305,179	193,783,121	194,884,830	197,443,561	212,690,435
Restricted	2,000,000	2,000,000	2,000,000	2,000,000	4,193,000	-	-	-	-
Unrestricted	68,166,503	65,451,820	68,995,532	75,349,878	78,181,725	94,215,754	106,226,490	116,330,037	131,288,353
Total Business-type Activities Net Position	<u>227,842,163</u>	<u>235,748,047</u>	<u>246,123,881</u>	<u>260,938,656</u>	<u>276,679,904</u>	<u>287,998,875</u>	<u>301,111,320</u>	<u>313,773,598</u>	<u>343,978,788</u>
Primary Government									
Net Investment in Capital Assets	248,966,853	265,656,271	278,340,168	290,465,875	303,469,102	301,266,424	306,786,548	320,982,003	338,508,915
Restricted	29,183,762	31,102,410	33,711,520	36,119,094	43,003,100	47,141,320	51,566,305	60,971,262	66,774,197
Unrestricted	80,730,875	76,891,926	82,382,329	89,602,485	95,535,974	113,940,848	133,486,606	144,383,672	162,120,030
Total Primary Government Net Position	<u>\$ 358,881,490</u>	<u>\$ 373,650,607</u>	<u>\$ 394,434,017</u>	<u>\$ 416,187,454</u>	<u>\$ 442,008,176</u>	<u>\$ 462,348,592</u>	<u>\$ 491,839,459</u>	<u>\$ 526,336,937</u>	<u>\$ 567,403,142</u>

Schedule 2
City of Jacksonville Beach, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
General Government	\$ 2,493,191	\$ 3,284,283	\$ 3,202,655	\$ 3,737,267	\$ 3,911,667	\$ 4,974,593	\$ 4,319,646	\$ 6,600,965	\$ 7,857,087	5,595,210
Law Enforcement	9,020,136	10,008,845	9,757,732	10,562,207	11,300,694	11,033,893	10,871,090	13,229,825	14,034,597	14,885,230
Fire Control	3,827,130	4,183,046	4,123,060	4,766,320	4,342,859	2,758,059	2,790,961	2,939,662	3,168,180	3,258,745
Building Inspections	510,092	531,696	574,436	631,896	682,069	668,549	704,921	814,472	895,705	941,586
Physical Environment	356,268	446,496	506,348	482,877	465,506	491,317	511,929	496,048	482,676	493,223
Roads and Streets	2,713,668	2,794,320	2,643,431	3,635,996	2,514,183	3,051,233	2,506,098	2,845,201	2,696,649	9,044,029
Parks and Recreation	3,134,179	3,502,497	3,607,934	3,848,072	3,863,411	3,513,829	4,270,654	4,529,661	4,964,566	5,130,994
Interest on Long-Term Debt	74,599	38,722	21,773	4,310	-	-	-	-	-	-
Total Governmental Activities Expenses	22,129,263	24,789,905	24,437,369	27,668,945	27,080,389	26,491,473	25,975,299	31,455,834	34,099,460	39,349,017
Business-Type Activities:										
Electric	74,126,043	76,095,735	75,833,677	73,644,169	70,910,714	75,085,347	97,129,039	91,506,974	81,681,888	87,264,580
Water and Sewer	9,008,417	9,358,111	9,782,478	9,738,833	10,252,806	9,911,907	10,009,081	11,939,694	12,681,275	13,815,003
Stormwater	1,290,008	1,507,348	1,573,499	1,294,110	1,484,027	1,547,067	1,481,291	1,618,979	1,766,932	2,113,488
Sanitation	3,362,128	5,203,263	3,970,986	3,554,289	3,652,176	3,701,798	3,821,009	5,880,149	7,977,094	7,863,834
Golf Course	1,268,556	1,309,024	962,855	1,877,802	2,171,412	2,321,607	2,322,140	2,724,234	3,013,391	3,068,569
Leased Facilities	278,923	424,898	541,874	383,286	833,029	468,625	487,915	657,558	777,854	741,529
Natural Gas	1,201,664	1,506,490	1,611,079	1,592,891	1,293,532	1,461,999	2,280,020	1,763,251	1,638,210	1,965,943
Total Business-Type Activities Expenses	90,535,739	95,404,869	94,276,448	92,085,380	90,597,696	94,498,350	117,530,495	116,090,839	109,536,644	116,832,946
Total Primary Government Expenses	112,665,002	120,194,774	118,713,817	119,754,325	117,678,085	120,989,823	143,505,794	147,546,673	143,636,104	156,181,963
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	73,132	65,947	64,540	67,387	66,255	68,662	61,255	60,229	62,667	57,140
Law Enforcement	187,762	131,667	127,957	203,998	139,910	279,504	270,235	254,070	267,910	328,293
Building Inspections	683,556	604,421	666,973	938,103	917,441	841,131	1,027,742	1,197,778	1,097,564	940,725
Physical Environment	12,371	15,185	11,260	29,169	24,120	17,007	13,720	17,733	10,079	12,271
Roads and Streets	170,746	163,799	175,360	275,640	898,622	311,036	328,515	569,559	534,385	740,614
Parks and Recreation	121,342	160,132	213,789	211,172	160,824	225,110	238,155	275,043	204,455	188,381
Operating Grants and Contributions	1,105,992	1,424,306	1,472,822	1,226,389	1,290,905	1,229,351	1,440,547	1,411,143	1,285,834	1,641,905
Capital Grants and Contributions	53,564	52,233	28,223	58,070	55,547	292,208	1,707,747	7,773,103	3,650,615	1,728,318
Total Governmental Activities										
Program Revenues	2,408,465	2,617,690	2,760,924	3,009,928	3,553,624	3,264,009	5,087,916	11,558,658	7,113,509	5,637,647

Schedule 2 (Concluded)
City of Jacksonville Beach, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues (Concluded)										
Business-type Activities:										
Charges for Services:										
Electric	\$ 82,096,562	\$ 81,444,806	\$ 83,457,490	\$ 79,637,252	\$ 80,101,098	\$ 82,519,625	\$ 106,890,674	\$ 96,803,891	\$ 87,722,354	\$ 95,049,677
Water and Sewer	12,459,297	13,002,446	14,357,160	14,825,478	14,901,668	15,786,840	16,506,710	17,138,549	17,870,592	18,901,515
Stormwater	1,314,783	1,337,248	1,382,348	1,408,750	1,406,797	1,311,274	1,360,397	1,388,041	1,396,351	1,411,413
Sanitation	3,333,899	3,447,674	3,515,142	3,579,173	3,490,240	3,600,138	3,750,331	4,907,474	7,047,750	7,939,694
Golf Course	984,317	954,162	278,686	2,013,103	2,516,520	3,125,375	3,443,125	3,393,606	3,464,804	3,550,343
Leased Facilities	528,391	588,606	653,191	664,195	767,195	761,049	758,819	762,855	785,530	817,489
Natural Gas	1,869,071	2,068,186	2,221,745	2,162,732	1,788,412	1,845,309	2,699,398	2,121,073	1,827,610	2,081,658
Operating Grants and Contributions	-	1,518,177	1,459,055	23,204	55,062	2,580	11,910	642	-	194,000
Capital Grants and Contributions	489,894	661,152	349,628	458,010	499,544	665,695	2,626,206	625,267	349,814	749,738
Total Business-Type Activities										
Program Revenues	103,076,214	105,022,457	107,674,445	104,771,897	105,526,536	109,617,885	138,047,570	127,141,398	120,464,805	130,695,527
Total Primary Government Program Revenues	105,484,679	107,640,147	110,435,369	107,781,825	109,080,160	112,881,894	143,135,486	138,700,056	127,578,314	136,333,174
Net (Expense) Revenue										
Governmental Activities	(19,720,798)	(22,172,215)	(21,676,445)	(24,659,017)	(23,526,765)	(23,227,464)	(20,887,383)	(19,897,176)	(26,985,951)	(33,711,370)
Business-Type Activities	12,540,475	9,617,588	13,397,997	12,686,517	14,928,840	15,119,535	20,520,075	11,050,559	10,928,161	13,862,581
Total Primary Government Net Expense	(7,180,323)	(12,554,627)	(8,278,448)	(11,972,500)	(8,597,925)	(8,107,929)	(367,308)	(8,846,617)	(16,057,790)	(19,848,789)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	16,942,109	18,050,950	19,884,929	18,357,738	20,971,159	22,048,764	23,114,045	26,078,066	28,672,921	31,675,329
Franchise Taxes	5,280	5,280	5,280	5,280	5,280	5,280	5,280	-	-	-
Infrastructure Surtax	1,242,584	1,300,026	1,384,739	1,436,666	1,395,678	1,593,766	1,842,917	1,790,723	1,952,501	2,006,723
Communication Service Tax	1,168,470	1,080,151	1,161,638	1,151,317	1,160,616	1,101,550	1,186,333	1,133,739	1,327,304	1,475,130
Convention Development Tax	363,370	372,921	414,030	423,275	320,451	565,513	753,398	781,771	836,397	901,687
Fuel Taxes	797,149	806,576	837,087	853,266	772,754	780,852	1,193,223	1,195,249	1,271,481	1,276,505
Other Taxes	728,276	653,051	618,215	632,425	682,804	554,098	538,015	553,934	699,068	695,872
State-shared Revenues	3,120,537	3,290,116	3,475,563	3,568,750	3,298,598	3,809,465	4,359,210	4,042,787	4,273,952	4,134,645
Other Intergovernmental Revenues	31,883	41,756	38,603	33,258	31,429	12,074	65,919	30,804	29,361	29,332
Interest	1,344,885	805,131	363,329	2,405,402	2,090,225	99,731	(2,240,169)	3,350,619	7,312,122	5,082,177
Miscellaneous	146,118	326,364	363,393	423,946	118,521	509,738	2,233,441	96,720	715,784	609,229
Net Transfers	5,653,987	2,303,126	3,766,229	2,306,356	2,758,724	3,969,386	4,214,193	2,677,964	(9,243,925)	4,216,092
Total Governmental Activities	31,544,648	29,035,448	32,313,035	31,597,679	33,606,239	35,050,217	37,265,805	41,732,376	37,846,966	52,102,721
Business-Type Activities:										
Interest	1,275,320	591,422	828,004	4,413,572	3,570,132	155,103	(3,193,437)	4,214,966	9,978,956	7,004,199
Miscellaneous	-	-	68,325	21,042	1,000	13,719	-	74,717	54,148	-
Net Transfers	(5,653,987)	(2,303,126)	(3,766,229)	(2,306,356)	(2,758,724)	(3,969,386)	(4,214,193)	(2,677,964)	9,243,925	(4,216,092)
Total Business-Type Activities	(4,378,667)	(1,711,704)	(2,869,900)	2,128,258	812,408	(3,800,564)	(7,407,630)	1,611,719	19,277,029	2,788,107
Total Primary Government	27,165,981	27,323,744	29,443,135	33,725,937	34,418,647	31,249,653	29,858,175	43,344,095	57,123,995	54,890,828
Change in Net Position										
Governmental Activities	11,823,850	6,863,233	10,636,590	6,938,662	10,079,474	11,822,753	16,378,422	21,835,200	10,861,015	18,391,351
Business-Type Activities	8,161,808	7,905,884	10,528,097	14,814,775	15,741,248	11,318,971	13,112,445	12,662,278	30,205,190	16,650,688
Total Primary Government	\$ 19,985,658	\$ 14,769,117	\$ 21,164,687	\$ 21,753,437	\$ 25,820,722	\$ 23,141,724	\$ 29,490,867	\$ 34,497,478	\$ 41,066,205	\$ 35,042,039

Schedule 3
City of Jacksonville Beach, Florida
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund										
Non-Spendable	\$ 1,807	\$ 77	\$ 1,193	\$ 2,291	\$ 4,714	\$ 3,279	\$ 4,219	\$ 851	\$ 2,992	\$ 3,748
Restricted					79,020	161,612	352,382	455,246	463,798	184,903
Committed	5,168,956	5,540,793	5,758,237	6,271,451	6,265,763	6,603,601	7,899,382	8,544,202	9,199,479	9,667,721
Assigned	5,050,075	5,029,759	5,712,790	7,537,043	8,001,876	6,233,902	6,664,268	6,731,935	6,179,272	5,996,010
Unassigned	-	-	-	-	-	2,089,507	851,311	440,568	-	-
Total General Fund	<u>\$ 10,220,838</u>	<u>\$ 10,570,629</u>	<u>\$ 11,472,220</u>	<u>\$ 13,810,785</u>	<u>\$ 14,351,373</u>	<u>\$ 15,091,901</u>	<u>\$ 15,771,562</u>	<u>\$ 16,172,802</u>	<u>\$ 15,845,541</u>	<u>\$ 15,852,382</u>
All Other Governmental Funds										
Restricted	\$ 26,836,531	\$ 28,742,329	\$ 31,944,567	\$ 33,726,706	\$ 38,442,868	\$ 46,572,425	\$ 50,665,089	\$ 60,516,016	\$ 66,310,399	\$ 60,801,552
Committed	6,194	7,994	6,007	3,121	5,164	6,259	6,097	6,286	6,691	9,248
Assigned	7,934,432	7,362,439	7,865,834	7,198,956	10,047,394	13,382,461	17,510,191	19,859,853	23,638,404	27,408,710
Total All Other Governmental Funds	<u>\$ 34,777,157</u>	<u>\$ 36,112,762</u>	<u>\$ 39,816,408</u>	<u>\$ 40,928,783</u>	<u>\$ 48,495,426</u>	<u>\$ 59,961,145</u>	<u>\$ 68,181,377</u>	<u>\$ 80,382,155</u>	<u>\$ 89,955,494</u>	<u>\$ 88,219,510</u>

Schedule 4
City of Jacksonville Beach, Florida
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	\$ 21,228,237	\$ 22,273,155	\$ 24,271,318	\$ 22,847,169	\$ 25,332,542	\$ 26,618,023	\$ 28,480,812	\$ 32,207,083	\$ 34,775,502	\$ 38,021,852
Licenses and Permits	679,820	592,151	650,985	942,091	1,556,531	845,334	1,033,441	1,050,332	1,100,484	942,605
Intergovernmental	4,207,812	4,665,075	4,844,846	4,800,083	4,590,750	5,017,950	7,429,215	12,436,810	9,214,181	7,349,361
Charges for Services	351,926	382,336	444,799	559,815	414,576	594,556	614,126	853,704	781,009	967,991
Fines and Forfeitures	259,869	239,465	201,815	250,244	301,027	332,246	347,667	491,076	626,300	675,330
Interest and Other Revenue	1,450,768	1,126,585	760,051	2,644,066	2,312,513	386,188	(1,821,537)	3,552,836	7,588,506	5,330,072
Total Revenues	28,178,432	29,278,767	31,173,814	32,043,468	34,507,939	33,794,297	36,083,724	50,591,841	54,085,982	53,287,211
Expenditures										
Current:										
General Government	2,556,750	2,800,432	2,712,795	2,866,277	2,905,661	3,292,935	3,639,400	4,115,433	4,996,622	\$ 5,400,698
Public Safety	12,874,674	13,350,078	13,892,257	15,014,400	15,383,041	14,703,460	14,671,947	15,989,584	17,198,096	18,894,670
Physical Environment	9,651	81,029	114,600	98,436	70,743	80,264	136,955	104,489	92,474	81,720
Roads and Streets	1,584,109	1,769,416	1,757,092	2,921,604	1,725,376	2,333,010	1,711,030	2,007,542	1,863,276	7,962,353
Parks and Recreation	2,783,261	2,900,618	3,109,305	3,297,899	3,203,695	3,318,536	3,725,833	4,043,525	4,406,797	4,569,908
Debt Service:										
Principal	1,581,880	955,000	980,000	490,000	-	-	-	-	-	-
Interest	74,599	38,722	21,773	4,310	-	-	-	-	-	-
Capital Outlay	4,757,047	9,551,371	7,796,984	7,947,720	7,394,715	2,234,402	9,370,859	16,148,877	20,459,612	22,369,565
(Total Expenditures)	(26,221,971)	(31,446,666)	(30,384,806)	(32,640,646)	(30,683,231)	(25,962,607)	(33,256,024)	(42,409,450)	(49,016,877)	(59,278,914)
(Deficiency) of Revenues										
(Under) Expenditures	1,956,461	(2,167,899)	789,008	(597,178)	3,824,708	7,831,690	2,827,700	8,182,391	5,069,105	(5,991,703)
Other Financing Sources (Uses)										
Sale of General Capital Assets	-	-	-	-	-	-	1,788,000	155,232	-	-
Transfers in	7,466,111	7,188,855	7,540,195	6,987,402	8,182,686	8,903,923	10,566,155	11,464,283	14,007,652	10,429,912
Transfers (out)	(3,310,742)	(3,335,560)	(3,723,966)	(2,939,281)	(3,900,166)	(4,529,366)	(6,281,962)	(7,199,888)	(9,830,679)	(6,167,352)
Total Other Financing Sources (Uses)	4,155,369	3,853,295	3,816,229	4,048,121	4,282,520	4,374,557	6,072,193	4,419,627	4,176,973	4,262,560
Net Change in Fund Balance	\$ 6,111,830	\$ 1,685,396	\$ 4,605,237	\$ 3,450,943	\$ 8,107,228	\$ 12,206,247	\$ 8,899,893	\$ 12,602,018	\$ 9,246,078	\$ (1,729,143)
Debt Service as a % of Non-Capital Expenditures*	7.8%	4.6%	4.6%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

* Non-capital expenditures are total expenditures less capital outlay.

REVENUE CAPACITY INFORMATION

Schedule 5
City of Jacksonville Beach, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Assessed Taxable Values			Tax-Exempt Property	Estimated Actual Value (1)	Total Direct Tax Rate (2)	Taxable Assessed Value as a % of Actual Value
	Real Property	Personal Property	Total Taxable Assessed Value				
2016	\$ 2,814,151,792	80,641,926	2,894,793,718	1,259,519,810	4,154,313,528	3.8947	69.68%
2017	3,027,805,594	96,405,964	3,124,211,558	1,340,803,509	4,465,015,067	3.7947	69.97%
2018	3,249,073,173	99,904,354	3,348,977,527	1,419,311,962	4,768,289,489	3.9947	70.23%
2019	3,498,864,284	108,836,408	3,607,700,692	1,599,153,996	5,206,854,688	3.9947	69.29%
2020	3,713,763,339	109,049,032	3,822,812,371	1,566,454,924	5,389,267,295	3.9947	70.93%
2021	3,925,727,019	112,031,838	4,037,758,857	1,940,839,379	5,978,598,236	3.9947	67.54%
2022	4,121,219,786	127,396,062	4,248,615,848	2,002,908,823	6,251,524,671	3.9947	67.96%
2023	4,649,229,278	130,892,674	4,780,121,952	2,736,047,495	7,516,169,447	3.9947	63.60%
2024	5,137,081,932	141,196,658	5,278,278,590	3,182,311,544	8,460,590,134	3.9947	62.39%
2025	5,637,051,130	138,106,330	5,775,157,460	3,588,041,352	9,363,198,812	3.9947	61.68%

Source: Duval County Ad Valorem Assessment Rolls for Jacksonville Beach.

(1) Estimated actual values are the total "just" values of property subject to taxation, as defined by Section 193.001, Florida Statutes.

Note: Property is assessed each year as of January 1 at market value. However, assessed value is limited by the Amendment 10 or the "Save Our Homes" tax cap. This 1992 amendment to the Florida Constitution limits increases in value of homesteads (an individual's primary residence) to 3% or less per year. The taxable value is the assessed value less any exemptions.

(2) Tax rate is per \$1,000 of assessed value.

Schedule 6
City of Jacksonville Beach, Florida
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$1,000 of Assessed Value)

Fiscal Year September 30,	Direct Rates (1)	Overlapping Rates			Total Millage Rate	
	City of Jacksonville Beach	Florida Inland Navigation	Water Management District	School District		Duval County
2016	3.8947	0.0320	0.3023	7.1170	8.1512	19.4972
2017	3.7947	0.0320	0.2885	6.8020	8.1512	19.0684
2018	3.9947	0.0320	0.2724	6.4850	8.1512	18.9353
2019	3.9947	0.0320	0.2562	6.2930	8.1512	18.7271
2020	3.9947	0.0320	0.2414	6.1500	8.1512	18.5693
2021	3.9947	0.0320	0.2287	5.9050	8.1512	18.3116
2022	3.9947	0.0320	0.2287	5.9050	8.1512	18.3116
2023	3.9947	0.0320	0.1974	5.4840	8.0262	17.7343
2024	3.9947	0.0288	0.1793	6.4310	8.0262	18.6600
2025	3.9947	0.0288	0.1793	6.3400	8.0262	18.5690

Source: Duval County Property Appraiser

(1) Direct rate consists of operating millage only.

Schedule 7
City of Jacksonville Beach, Florida
Principal Property Tax Payers
Fiscal Year 2025 and Nine Years Ago

	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Broadstone Beach House at Jax. Beach	\$ 51,268,700	1	0.91%	\$ 32,121,298	1	1.14%
South Beach Regional Shopping Center	42,492,100	2	0.75%	16,693,590	5	0.59%
Ocean Park (Apartments) Partnership, Ltd.	40,517,300	3	0.72%	23,211,500	2	0.82%
Margaritaville Beach Hotel	40,252,300	4	0.71%			
Hampton Inn Oceanfront	39,146,373	5	0.69%	21,673,500	4	0.77%
Springhill Suites	36,594,300	6	0.65%			
Courtyard Marriott - Beachfront	29,741,300	7	0.53%	22,133,400	3	0.79%
Pablo Plaza	26,944,000	8	0.48%	12,479,600	6	0.44%
Four Points by Sheraton - Jax Beachfront	21,458,000	9	0.38%			
Winward Marina Group	19,590,100	10	0.35%	11,392,100	7	0.40%
Marsh Landing Plaza			0.00%	11,363,220	8	0.40%
South Beach Parkway Shopping Center			0.00%	10,767,600	9	0.38%
Adventure Landing Amusement Park			0.00%	9,527,580	10	0.34%
Total	<u>\$ 348,004,473</u>		<u>6.17%</u>	<u>\$ 171,363,388</u>		<u>6.07%</u>
Total Assessed Real Property Valuation from Schedule 5	<u>\$ 5,637,051,130</u>			<u>\$ 2,814,151,792</u>		

Source: Duval County Property Appraiser

Schedule 8
City of Jacksonville Beach, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year September 30,</u>	<u>Taxes Levied for Fiscal Year (1)</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections To-Date</u>	
		<u>Amount Net of Discount (2)</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2016	8,292,080	7,845,052	94.61%	66,708	7,911,760	95.41%
2017	8,699,388	8,008,400	92.06%	423,672	8,432,072	96.93%
2018	9,831,502	9,062,838	92.18%	341,173	9,404,011	95.65%
2019	10,654,284	10,101,419	94.81%	237,715	10,339,134	97.04%
2020	11,327,634	10,516,809	92.84%	454,850	10,971,659	96.86%
2021	12,068,826	11,306,880	93.69%	341,287	11,648,167	96.51%
2022	12,675,758	11,917,633	94.02%	351,332	12,268,965	96.79%
2023	14,217,164	13,464,082	94.70%	325,798	13,789,880	96.99%
2024	15,764,773	14,909,522	94.57%	360,745	15,270,267	96.86%
2025	17,132,852	16,186,020	94.47%	451,948	16,637,968	97.11%

Source: Duval County Property Appraiser and City of Jacksonville Beach Finance Department.

(1) Taxes levied do not include the taxes levied for the Community Redevelopment Agencies.

(2) Section 197.012 of the Florida Statutes allows a discount for early payment of taxes: 4% in November, 3% in December, 2% in January, and 1% in February.

DEBT CAPACITY INFORMATION

Schedule 9
City of Jacksonville Beach, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				
	Redevelopment Bonds	Infrastructure Sales Tax Bonds	SBITA Liability	Total Governmental	Electric Bonds	Outstanding Debt Per Electric Customer (1)	Water and Sewer Bonds	Outstanding Debt Per Water Customer (1)	Lease Liability
2016	\$ -	2,425,000	-	2,425,000	10,874,050	313	7,587,834	732	-
2017	-	1,470,000	-	1,470,000	8,550,349	246	5,966,373	574	-
2018	-	490,000	-	490,000	6,178,302	177	4,311,174	414	-
2019	-	-	-	-	3,752,911	108	2,618,754	252	-
2020	-	-	-	-	1,266,350	36	883,650	84	-
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	573,791
2024	-	-	130,679	130,679	-	-	-	-	420,092
2025	-	-	101,555	101,555	-	-	-	-	259,812

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

(1) Number of electric, water, and stormwater customers can be found on Schedule 17.

(2) See the Schedule of Demographic and Economic Statistics on Schedule 14 for personal income and population data.

N/A - Not yet available

Schedule 9 (Concluded)
City of Jacksonville Beach, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Total Business-Type	Total Debt	Percentage of Personal Income (2)	Total Debt Per Capita (2)
2016	18,461,884	20,886,884	2.10%	897
2017	14,516,722	15,986,722	1.53%	680
2018	10,489,476	10,979,476	1.01%	467
2019	6,371,665	6,371,665	0.57%	273
2020	2,150,000	2,150,000	0.18%	92
2021	-	-	0.00%	-
2022	-	-	0.00%	-
2023	573,791	573,791	0.04%	24
2024	420,092	550,771	N/A	23
2025	259,812	361,367	N/A	15

Schedule 10
City of Jacksonville Beach, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					
	Redevelopment Bonds	% of Actual Taxable Value of Property (1)	Infrastructure Sales Tax Bonds	Infrastructure Debt Per Capita	Total Government Debt	Total Debt Per Capita
2016	-	0.00%	2,425,000	104	2,425,000	104
2017	-	0.00%	1,470,000	63	1,470,000	63
2018	-	0.00%	490,000	21	490,000	21
2019	-	0.00%	-	-	-	-
2020	-	0.00%	-	-	-	-
2021	-	0.00%	-	-	-	-
2022	-	0.00%	-	-	-	-
2023	-	0.00%	-	-	-	-
2024	-	0.00%	-	-	-	-
2025	-	0.00%	-	-	-	-

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

(1) Total redevelopment debt outstanding divided by total assessed taxable valuation in tax increment districts.

Schedule 11
City of Jacksonville Beach, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2025
(Dollars in Thousands)

There is no direct and overlapping governmental activities debt for the City of Jacksonville Beach.

Schedule 12
City of Jacksonville Beach, Florida
Legal Debt Margin Information

Neither the City of Jacksonville Beach Charter or Code, nor the Florida Statutes limits the amount of debt the City can issue.

Schedule 13
City of Jacksonville Beach, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Electric, Water, and Sewer Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Debt Service Coverage
				Principal	Interest	
2016	\$ 94,555,859	(74,581,123)	19,974,736	3,680,000	745,588	4.51
2017	94,447,252	(76,524,604)	17,922,648	3,800,000	634,688	4.04
2018	97,814,650	(77,018,181)	20,796,469	3,925,000	498,219	4.70
2019	94,462,730	(74,918,074)	19,544,656	4,060,000	366,925	4.41
2020	95,002,766	(72,450,850)	22,551,916	4,210,000	213,100	5.10
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-

(1) Excludes depreciation expense.

Bonds were paid off in FY 2021.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 14
City of Jacksonville Beach, Florida
Demographic and Economic Statistics
Last Ten Calendar Years

Fiscal Year	Population (1)	Duval County Unemployment Rate (2)	Duval County Per Capita Income (3)	Personal Income
2016	23,288	4.9%	\$ 42,617	\$ 992,464,696
2017	23,503	4.6%	44,347	1,042,287,541
2018	23,494	3.6%	46,174	1,084,811,956
2019	23,352	3.4%	47,475	1,108,636,200
2020	23,394	6.0%	51,131	1,196,158,614
2021	23,830	4.6%	54,354	1,295,255,820
2022	23,830	3.0%	56,168	1,338,483,440
2023	23,830	2.8%	58,975	1,405,374,250
2024	24,309	3.4%	N/A	N/A
2025	24,253	3.9%	N/A	N/A

(1) **Source:** U.S. Census Bureau and City Planning and Development Department

(2) **Source:** U.S. Department of Labor

(3) **Source:** Bureau of Economic Analysis-U.S. Dept of Commerce

N/A - Not yet available.

Schedule 15
City of Jacksonville Beach, Florida
Principal Employers
Fiscal Year 2025 and Nine Years Ago

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Naval Station Mayport	10,600	1	N/A	9,000	1	N/A
PGA Tour, Inc.	3,300	2	N/A	320	7	N/A
Baptist Medical Center - Beaches	950	3	N/A	800	2	N/A
The Players Championship	900	4	N/A	620	4	N/A
Ponte Vedra Inn and Club	760	5	N/A	650	3	N/A
Vicar's Landing	550	6	N/A	320	8	N/A
City of Jacksonville Beach	485	7	N/A	474	5	N/A
Sawgrass Marriott Golf Resort	430	8	N/A	465	6	N/A
Fleet Landing	330	9	N/A	280	10	N/A
Optimum Healthcare IT	240	10	N/A			
U.S. Coast Guard				300	9	N/A

Source: Jacksonville Chamber of Commerce

Notes: Principal Employer ranking includes the four beach communities of Jacksonville, Neptune, and Atlantic Beach (Duval County), Ponte Vedra Beach (St. Johns County), and Mayport Naval Base.

N/A - Total beaches workforce number is not available.

OPERATING INFORMATION

Schedule 16
City of Jacksonville Beach, Florida
City Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	14	14	14	14	16	25	30	22	22	22
Finance	39	42	41	44	45	40	41	41	40	40
Planning and Development	10	10	10	10	10	10	10	10	10	11
Electric	75	75	75	72	72	72	72	70	71	71
Information Services	0	0	0	0	0	0	0	12	12	12
Redevelopment*	1	1	0	0	0	1	1	1	1	1
Public Works	66	67	67	68	70	70	71	71	71	71
Human Resources	6	6	6	6	6	6	6	7	7	7
Parks and Recreation	100	100	100	100	99	101	100	102	102	102
Grounds and Maintenance	7	7	7	9	9	9	9	9	9	9
Golf Course	25	25	24	27	27	30	30	32	32	32
Police	100	102	102	103	103	103	103	103	103	107
Fire Fighters	31	31	31	31	31	0	0	0	0	0
Total	474	480	477	484	488	467	473	480	480	485

Source: City of Jacksonville Beach Annual Budget

Note: Figures include both full-time and part-time positions and have not been converted to full-time equivalent positions.

* Beginning in 2015, 1 part-time Community Redevelopment Specialist was added.

Schedule 17
City of Jacksonville Beach, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police											
Physical Arrests	1,582	1,470	1,992	1,932	1,980	1,452	1,409	1,250	1,217	993	1,413
Parking Violations	2,640	2,016	1,833	1,501	1,231	1,231	987	1,345	1,838	1,525	1,388
Law Violations	2,322	1,845	3,143	3,536	3,092	2,325	2,316	1,984	1,859	1,480	2,108
Fire											
Emergency Incidents*	3,195	3,401	3,643	3,298	3,399	0	0	0	0	0	0
Inspections (Total)	1,852	1,797	1,857	2,442	2,154	1,668	1,794	2,039	2,373	3,112	3,295
Other Public Works											
Street Resurfacing (Miles)	7.36	0.00	1.57	1.17	2.82	1.07	4.33	0	1.05	1.49	21.9
Electric											
Number of Active											
Electric Customers	34,433	34,711	34,738	34,815	34,900	35,171	35,437	35,481	35,686	35,679	35,826
Average Residential											
Monthly Consumption											
(Kilowatt Hours)	1,253	1,246	1,178	1,219	1,231	1,233	1,230	1,225	1,194	1,193	1,232
Water											
Number of Active											
Water Customers	10,204	10,369	10,398	10,405	10,399	10,520	10,678	10,689	10,756	10,794	10,882
Average Residential Monthly											
Consumption (Gallons)	3,083	3,926	4,146	4,255	4,389	4,191	4,195	4,093	4,644	4,006	4,188
Wastewater											
Number of Active Wastewater											
Customers	10,036	10,217	10,246	10,261	10,254	10,375	10,522	10,536	10,630	10,671	10,773
Storm Mains Cleaned (Feet)	33,153	34,733	33,791	22,543	17,584	8,078	26,030	17,864	9,031	15,945	11,200

Source: City of Jacksonville Beach Annual Budget & Department Directors

* - Emergency Incidents were contracted out to the City of Jacksonville during the fiscal year ended September 30, 2020.

Schedule 18
City of Jacksonville Beach, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police											
Stations (Including Satellite Stations)	1	1	1	1	1	1	1	1	1	1	1
Patrol Units	76	76	79	80	80	83	83	78	75	84	85
Fire Stations	2	2	2	2	2	0	0	0	0	0	0
Other Public Works											
Paved Roads (Miles)	89	89	90	90	90	90	93	93	93	93	93
Streetlights	5,493	5,538	5,909	5,582	5,613	5,643	5,649	5,649	5,680	5,683	5,685
Water											
Water Mains (Miles)	109	109	109	109	109	109	126	126	124	124	124
Production Wells	6	6	6	6	6	6	6	6	6	6	6
Fire Hydrants	895	895	900	909	909	909	951	951	955	955	957
Wastewater											
Sanitary Sewer Mains (Gravity, in Miles)	85	85	85	85	85	85	85	85	97	97	97
Sanitary Sewer Mains (Force, in Miles)	18	18	18	18	18	18	18	18	18	18	18
Treatment Plants	1	1	1	1	1	1	1	1	1	1	1
Lift Stations	38	38	38	38	38	38	38	38	38	38	38
Treatment Capacity (Millions of Gallons)	5	5	5	5	5	5	5	5	5	5	5
Parks and Recreation											
Acreage*	86	86	86	210	210	210	210	210	210	210	210
Parks	11	11	11	16	15	15	15	15	15	15	15
Golf Course	1	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8	8

Source: City of Jacksonville Beach Annual Budget & Department Directors

* - Golf course acreage was included beginning with fiscal year 2018.

SINGLE AUDIT SECTION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Award Amount</u>	<u>Federal Expenditures</u>
Federal Awards				
U.S. Department of Housing and Urban Development				
Passed Through City of Jacksonville				
Community Development Block Grant	14.218	684085-25	\$ 140,900	\$ 140,900
U.S. Department of Justice				
Bullet Proof Vest Partnership Program	16.607	N/A	11,250	11,250
Equitable Sharing Program	16.922	N/A	152,187	560
Passed Through Florida Department of Law Enforcement				
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-24-GG-03645-UHPX	500,000	177,553
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-02972-MUMU	53,601	53,601
Total U.S. Department of Justice			<u>717,038</u>	<u>242,964</u>
U.S. Department of Treasury				
Passed Through Florida Department of Emergency Management				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	COVID-19, 21.027	Y5134	11,834,170	1,474,717
Total Federal Awards			<u>\$ 12,692,108</u>	<u>\$ 1,858,581</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
CITY OF JACKSONVILLE BEACH, FLORIDA**

Note 1 - General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the City of Jacksonville Beach, Florida (the City) and is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The City reporting entity is defined in Note 1 to the City's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the same basis of accounting as the fund in which the grant is recorded, generally the accrual or modified accrual basis, as described in Note 1 to the City's financial statements.

Note 3 - De Minimis Indirect Cost Rate Election

The City did not elect to use the 15% de minimis indirect cost rate as covered in §200.414, *Indirect (F&A) costs*, of the Uniform Guidance.

**SCHEDULE OF EXPENDITURES OF GRANT FUNDS PER THE
CITY OF JACKSONVILLE'S ORDINANCE CODE CHAPTER 118.202(e)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

**City of Jacksonville Public Service Grants Received as a
Subgrant Recipient Per Interlocal Agreement**

City of Jacksonville Beach Fiscal Year 2024-2025 Grant No. 684085-25 - \$140,900

<u>Expenditures</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Spent in Current Year with Prior Year Awards</u>	<u>Carry Forward</u>
CAPE				
Services	\$ 140,900	\$ 140,900	\$ -	\$ -
Total Expenditures	<u>\$ 140,900</u>	<u>\$ 140,900</u>	<u>\$ -</u>	<u>\$ -</u>

**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**

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jacksonville Beach, Florida (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 17, 2026.

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.

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

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

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The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

**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**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

February 17, 2026
Tallahassee, Florida

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

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Jacksonville Beach, Florida’s (the City) 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 the City’s major federal program for the year ended September 30, 2025. The City’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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 the major federal program. Our audit does not provide a legal determination of the City’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 the City’s federal programs.

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The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material non-compliance when it exists. The risk of not detecting material non-compliance 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. Non-compliance 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 the City's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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 City'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 the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City'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

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, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance 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.

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

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

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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

Purvis Gray

February 17, 2026
Tallahassee, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF JACKSONVILLE BEACH, FLORIDA**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued on Whether the Financial Statements Audited Were Prepared in Accordance With Generally Accepted Accounting Principles:	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal Control Over Major Federal Programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None Reported
Type of Auditor's Report Issued on Compliance for Major Federal Programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of Major Federal Programs:	<u>Assistance Listing No.</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$1,000,000
Auditee qualified as low risk auditee pursuant to the Uniform Guidance?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

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

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

We have examined the City of Jacksonville Beach, Florida's (the City's) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 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 non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2025.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies and pass-through entities, the Mayor and City Council members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

February 17, 2026
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Jacksonville Beach, Florida (the City) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 17, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated February 17, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no such findings and recommendations made in the preceding financial audit report.

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 City was established in 1907 and incorporated in 1937, under the legal authority of the Laws of Florida Chapter 18623. In addition, the annual financial audit report for the City also includes the accounts and transactions of the entities noted below. The Jacksonville Beach Community Redevelopment Agency is considered a blended

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The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

MANAGEMENT LETTER

component unit and was established pursuant to Chapter 163 of the Florida Statutes. The General Employees', Police Officers', and Firefighters' Pension Plans are considered to be fiduciary component units and were established, and later amended, pursuant to Chapter 27 of the Laws of Florida and Chapters 175 and 185 of the Florida Statutes, respectively.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City 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 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. It is management's responsibility to monitor the City'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 did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City must state as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. The City has not authorized the operation of a PACE program, and management is not aware of the operation of any such program, within its geographical boundaries.

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. Information for the Southend and Downtown Community Redevelopment Districts (collectively, the CRA) are included in the separately issued financial statements of the CRA.

Additional Matters

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

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

MANAGEMENT LETTER

Purpose of this Letter

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

Purvis Gray

February 17, 2026
Tallahassee, Florida

