



# City of Jacksonville Beach

11 North Third Street  
Jacksonville Beach, Florida

## Agenda

### City Council

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Monday, March 2, 2026

6:00 PM

Council Chambers

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#### MEMORANDUM TO:

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

The following Agenda of Business has been prepared for consideration and action at the Regular Meeting of the City Council.

#### **OPENING CEREMONIES: INVOCATION, FOLLOWED BY SALUTE TO THE FLAG**

- A. Invocation by Rabbi Dyme

#### **CALL TO ORDER**

#### **ROLL CALL**

#### **APPROVAL OF MINUTES**

- A. Council Briefing held on February 9, 2026
- B. Regular City Council Meeting held on February 17, 2026

#### **APPROVAL OF THE AGENDA**

#### **ANNOUNCEMENTS**

#### **COURTESY OF THE FLOOR TO VISITORS**

#### **CONSENT AGENDA**

- A. Accept the Annual Comprehensive Financial Report and Community Redevelopment Agency Financial Statements for the Fiscal Year ending September 30, 2025

#### **MAYOR AND CITY COUNCIL**

- A. Authorize Council Member Dan Janson to represent the City of Jacksonville Beach on the Board of Trustees for the Florida Municipal Investment Trust (FMIvT)

#### **CITY CLERK**

#### **CITY MANAGER/NEW BUSINESS**

- A.
  - 1. Approve/Disapprove the purchase of Eagle Club Systems Point-of-Sale Software for Jacksonville Beach Golf Club; and
  - 2. Approve/Disapprove an Agreement with CardConnect, LLC, for credit card payment processing services at Jacksonville Beach Golf Club
- B. Approve/ Disapprove a Co-Sponsorship Agreement with the Volunteer Life Saving Corps. to host the 2026 South Atlantic Lifesaving Association Regional Lifesaving Competition
- C. Approve/Disapprove the Second Amended and Restated Agreement between the City of Jacksonville Beach and the Volunteer Life Saving Corps for Ocean Rescue Services
- D. Appoint \_\_\_\_\_ as the 2nd Alternate on the Board of Adjustment

#### **RESOLUTIONS**

- A. Adopt/Deny Resolution No. 2204-2025 Adopting the Amended Jacksonville Beach Golf Club Bylaws

## **ORDINANCES**

## **ADJOURNMENT**

### **NOTICE**

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*In accordance with Section 286.0105, Florida Statutes, any person desirous of appealing any decision reached at this meeting may need a record of the proceedings. Such person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.*

*The public is encouraged to speak on issues on this Agenda that concern them. Anyone who wishes to speak should submit the request to the City Clerk or to the recording secretary prior to the beginning of the meeting. These forms are available at the entrance of the City Council Chambers for your convenience.*

*If you are a person with a disability who needs an accommodation to participate in a meeting, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the ADA Coordinator by phone 904-712-6297 or submit an [Accommodation Request](#) to the ADA Coordinator as far in advance of the meeting as possible; preferably 7 days but no less than 2 business days, before the meeting. If you are hearing or voice impaired, please call Florida Relay at 711 for assistance.*

**Minutes of City Council Briefing  
Monday, February 9, 2026 – 5:30 P.M.  
City Hall 1<sup>st</sup> Floor Conference Room  
11 North 3<sup>rd</sup> Street, Jacksonville Beach, FL**



The Council Briefing began at 5:30 P.M.

The following City Council Members were in attendance:

**Mayor:** Christine Hoffman

**Council Members:** Sandy Golding                      Bill Horn                      Dan Janson  
Greg Sutton (virtual)                      John Wagner                      Bruce Wouters

Also present were City Manager Mike Staffopoulos, Senior Planner Christian Popoli, Community Redevelopment Agency (CRA) Coordinator Taylor Mobbs, Director of Planning and Development Heather Ireland, Project Manager Amber McClure, City Attorney David Migut, and Deputy City Clerk Jodilynn Byrd.

**Purpose of Briefing**

The purpose of the Briefing was to update the Council Members about ongoing items in the City.

**City Manager**

**Potential Mobility Projects**

City Manager Mike Staffopoulos introduced the item and recognized Senior Planner Christian Popoli, who provided an overview of the Transportation Planning Organization (TPO) funding process, explained coordination requirements through the City of Jacksonville, and reviewed the five-year funding horizon and potential planning study concepts.

A conversation ensued and the consensus of the Council was for staff to prepare a resolution of support for the proposed planning studies to be submitted to the North Florida TPO for consideration in the 2026 funding cycle and future cycles and for staff to schedule annual mobility briefings in advance of the January funding deadline.

**Boardwalk Activation Update**

CRA Coordinator Taylor Mobbs presented an update on the proposed Boardwalk Activation Pilot Program, incorporating feedback from the joint City Council and CRA meeting held on January 21, 2026.

Ms. Mobbs outlined key revisions and explained the ordinance would establish a two-year pilot program and temporarily suspend the 1946 ordinance during that period.

A conversation ensued and the consensus of Council was to advance the revised two-year pilot ordinance to be presented for formal consideration at an upcoming Council meeting.

**Asana Six-Month Update**

Project Manager Amber McClure presented information outlining milestones regarding the implementation of the Asana project management software.

A conversation ensued regarding reporting expectations and future visibility into project status. Mr. Staffopoulos indicated reporting tools would focus on capital and strategic initiatives, with a demonstration anticipated later in the pilot phase.

Council expressed support for continuing the pilot and requested periodic updates once reporting structure is finalized.

#### GovOS/Short-Term Vacation Rental Update

Director of Planning and Development Heather Ireland presented information and provided an update on the implementation of the GovOS platform for short-term vacation rental registration and compliance management.

A conversation ensued and Council expressed interest in reviewing comparable fee models used by other communities to ensure alignment with administrative costs and market conditions.

The consensus of the Council was for staff to research alternative annual registration fee structures and return with recommendations for future consideration.

#### Food Truck Rally Ordinance

City Attorney David Migut provided an overview of the proposed amendments to the Food Truck Rally draft ordinance.

A conversation ensued regarding the proposed draft ordinance. The consensus of the Council was for staff to refine the ordinance with the proposed amendments and present a revised version of the ordinance for formal consideration at a future City Council meeting.

#### Appointment of 2nd Alternate to Board of Adjustment

Deputy City Clerk Jodilynn Byrd introduced the item and summarized the reason for the vacancy of the 2<sup>nd</sup> Alternate member seat on the Board of Adjustment.

Mayor Christine Hoffman recommended the Council narrow the list of eligible board applicants. A conversation ensued, during which Ms. Byrd answered questions from the Council. The Council reduced the list of eligible applicants to be considered for appointment at an upcoming City Council meeting.

#### Committee Assignment Report

Council Member Golding and Council Member Janson provided an update regarding House Bill 145, regarding Sovereign Immunity, Senate Bill 948, and House Bill 1143 regarding Florida Starter Homes Act. A conversation ensued and it was the consensus of the Council for Mr. Staffopoulos to send an email to Senator Clay Yarborough and Representative Kiyon Michael requesting SB 948 not be heard in committee and include specific reasons for the opposition.

Ms. Golding introduced Representative Kiyon Michael's District Aide, Lacy Mahon. Ms. Mahon provided a summary of her legislative background and expressed her willingness to answer future questions and maintain open communication with the Council.

Ms. Golding expressed her thanks to Mr. Staffopoulos for doing a great job presenting information regarding City budgeting at the February 4, 2026, Beaches Watch meeting and asked Mr. Staffopoulos to forward his presentation to all Council Members.

#### Miscellaneous City Manager's Items

Mr. Staffopoulos provided the Council with an updated calendar of upcoming Briefing topics and dates and reminded Council of the Special Briefing scheduled for February 23, 2026. A conversation ensued and the consensus of the Council was to change the start time to 5:30 P.M. for the Special Council Briefing scheduled for February 23, 2026, regarding storm water rates.

#### Future Briefing Topics

Ms. Golding raised concerns regarding off-leash dogs on the beach and suggested additional public education or communication regarding leash requirements. It was the consensus of the Council for the City to do an information push via social media regarding the dog leash rules.

Ms. Hoffman proposed a future briefing topic to discuss modifying the current Extension of Premises permits in the Downtown Business District to allow additional Extension of Premises permits per year to accommodate sporting event watch parties, especially with EverBank Stadium going to reduced capacity for 2026, and no Jacksonville Jaguar home games for 2027. A conversation ensued and the consensus of the Council was to bring this topic back for further discussion at a future Council briefing.

Ms. Hoffman requested the Council to consider a resolution to be drafted to include language for the City to use locally based businesses for discretionary spending items, where practical. It was the consensus of the Council for staff to draft a resolution and bring it back to a Council briefing for discussion.

Ms. Hoffman requested a future briefing topic be added to review of the City's Fats, Oils, and Grease program as it applies to non-food service establishments. It was the consensus of the Council to bring this topic back for further discussion at a future Council briefing.

Council Member Bruce Wouters expressed concerns regarding cost calculations related to the recently approved golf course irrigation project and emphasized fiscal stewardship.

City Manager Staffopoulos requested Council members submit Town Hall ideas to him and provided an update regarding scheduling of a Council retreat.

The Briefing adjourned at 7:50 P.M.

Submitted by: Jodilynn Byrd  
Deputy City Clerk

Approved:

\_\_\_\_\_  
Christine H. Hoffman, MAYOR

Date: \_\_\_\_\_

**Minutes of Regular City Council Meeting  
held Tuesday, February 17, 2026 at 6:00 P.M.  
in the Council Chambers, 11 North 3<sup>rd</sup> Street,  
Jacksonville Beach, Florida**



**OPENING CEREMONIES: INVOCATION, FOLLOWED BY SALUTE TO THE FLAG**

Council Member Greg Sutton recognized the passing of former Council Member Rick Knight. Mr. Sutton then provided the invocation, followed by the Pledge of Allegiance.

**CALL TO ORDER:**

Mayor Hoffman called the meeting to order at 6:00 P.M.

**ROLL CALL:**

Mayor: Christine Hoffman

Council Members: Sandy Golding                      Bill Horn                      Dan Janson  
Greg Sutton    John Wagner                      Bruce Wouters

Also present were: City Manager Mike Staffopoulos, Beaches Energy Electrical Engineer and Project Supervisor Matthew Seeley, Director of Public Works Dennis Barron, City Attorney David Migut, and City Clerk Molly Alleger.

**APPROVAL OF MINUTES:**

Council Member Wouters requested for meeting minutes to include more details, particularly when votes are not unanimous. There was no other consensus from Council.

**Motion:** It was moved by Mr. Janson, seconded by Ms. Golding, and passed unanimously to approve the following minutes:

- Regular City Council Meeting held on January 20, 2026
- Joint City Council and Community Redevelopment Agency Workshop held on January 21, 2026\*
- Regular City Council Meeting held on February 2, 2026

\*The motion was made for the Joint Council and Community Redevelopment Agency Workshop on February 2, 2026 however the meeting date was correct on the agenda as January 21, 2026.

**APPROVAL OF THE AGENDA**

**Motion:** It was moved by Mr. Janson, seconded by Ms. Golding, to approve the agenda.

**Voice Vote:** In a voice vote, the motion passed unanimously.

**ANNOUNCEMENTS:**

Council Member Golding thanked Council Member Sutton for remarks honoring former Council Member Knight, reflected on his dedicated public service and responsiveness to residents, and extended condolences to his family. Ms. Golding provided legislative updates, noting House Joint Resolution 203 regarding homestead property taxes is scheduled for the Florida House of Representatives consideration, reported House Bill 103 passed with Representative Kiyon Michael voting against it, and urged residents to remain engaged on sovereign immunity proposals and to contact Senator Clay Yarborough regarding Senate action. Ms. Golding also announced the Seawalk Music Festival is taking place February 21, and February 22, 2026.

Council Member Horn announced the passing of Jacksonville Beach resident Dr. Sanjeet Grewal, a Mayo Clinic neurosurgeon and Director of Functional Neurosurgery, recognized for treating patients with Parkinson's disease and epilepsy.

Council Member Janson reported attending the grand opening of the Jacksonville Beach Farmers Market in Latham Plaza, noted a strong turnout and vibrant atmosphere, and encouraged residents to visit, highlighting the market as an important step in activating and enhancing the walkability of the downtown area.

Mayor Hoffman reported visiting the Jacksonville Beach Farmers Market and commended organizers and vendors for strong community engagement. Ms. Hoffman also advised Deck the Chairs will rebrand as Students in the Arts and expand programming and school outreach.

**COURTESY OF THE FLOOR TO VISITORS:**

- David Zuckerman, 1794 Apartment A Ocean Drive South, Jacksonville Beach, spoke about dog leash laws on the beach.

**CONSENT AGENDA:**

**Item A      Accept the Monthly Financial Reports for the Month of January 2026**

**Motion:** It was moved by Mr. Janson, seconded by Ms. Golding, to approve the consent agenda.

**Voice Vote:** In a voice vote, the motion passed unanimously.

**MAYOR AND CITY COUNCIL:** None

**CITY CLERK:** None

**CITY MANAGER/NEW BUSINESS:**

**Item A      1. Award/Reject Bid No. 2425-06 Overhead Distribution Transformers for Beaches Energy Services to Nexgen Power, Inc. (Primary), ULS Corporate, Inc. (Secondary), and Wesco (Tertiary); and**  
**2. Authorize the Mayor and City Manager to execute each contract as a result of this RFP award**

Beaches Energy Electrical Engineer and Project Supervisor Matthew Seeley introduced the item and provided background.

**Motion:** It was moved by Mr. Janson, seconded by Ms. Golding, to award Bid No. 2425-06 Overhead Distribution Transformers for Beaches Energy Services to Nexgen Power, Inc. (Primary), ULS Corporate, Inc. (Secondary), and Wesco (Tertiary).

**Discussion:** None.

**Roll Call Vote:** Ayes – Golding, Horn, Janson, Sutton, Wagner, Wouters, and Mayor Hoffman.

The motion passed unanimously.

**Motion:** It was moved by Mr. Janson, seconded by Ms. Golding, to authorize the Mayor and City Manager to execute each contract as a result of this RFP award.

**Discussion:** None.

**Roll Call Vote:** Ayes – Horn, Janson, Sutton, Wagner, Wouters, Golding, and Mayor Hoffman.

The motion passed unanimously.

- Item B**
- 1. Award/Reject Bid No.2526-01 to Callaway Contracting, Inc., for the 10th Street South Infrastructure Improvements, Phase II, for an amount not to exceed \$6,594,663; and**
  - 2. Award/Reject a Contract Administration Agreement to Four Waters Engineering for an amount not to exceed \$140,739; and**
  - 3. Authorize the Contract Inspection Management through the City's Department of Public Works for an amount not to exceed \$128,000; and**
  - 4. Authorize the Mayor and City Manager to negotiate and execute any contract as a result of this bid award**

Director of Public Works Dennis Barron introduced the item and provided background.

**Motion:** It was moved by Mr. Janson, seconded by Ms. Golding, to award Bid No.2526-01 to Callaway Contracting, Inc., for the 10th Street South Infrastructure Improvements, Phase II, for an amount not to exceed \$6,594,663.

**Discussion:** A discussion ensued about slip lining sewer lines, Phase II timeline, engineer estimates for the project budget, and contingency funds.

**Roll Call Vote:** Ayes – Janson, Sutton, Wagner, Wouters, Golding, Horn, and Mayor Hoffman.

The motion passed unanimously.

**Motion:** It was moved by Mr. Janson, seconded by Ms. Golding, award a Contract Administration Agreement to Four Waters Engineering for an amount not to exceed \$140,739.

**Discussion:** None.

**Roll Call Vote:** Ayes – Sutton, Wagner, Wouters, Golding, Horn, Janson, and Mayor Hoffman.

The motion passed unanimously.

**Motion:** It was moved by Mr. Janson, seconded by Ms. Golding, to authorize the Contract Inspection Management through the City's Department of Public Works for an amount not to exceed \$128,000.

**Discussion:** A discussion ensued about the part-time contract position for Public Works, contract budget, other engineering firms, cost-savings as a result of hiring a part-time position versus contracting out inspection management, and the communication plan.

**Roll Call Vote:** Ayes – Wagner, Wouters, Golding, Horn, Janson, Sutton, and Mayor Hoffman.

The motion passed unanimously.

**Motion:** It was moved by Mr. Janson, seconded by Ms. Golding, to authorize the Mayor and City Manager to negotiate and execute any contract as a result of this bid award.

**Discussion:** None.

**Roll Call Vote:** Ayes – Wouters, Golding, Horn, Janson, Sutton, Wagner, and Mayor Hoffman.

The motion passed unanimously.

**Item C      Approve/Disapprove the Brand Standards for Citywide Signage**

City Clerk Molly Alleger introduced the item and provided background.

**Motion:** It was moved by Mr. Janson, seconded by Ms. Golding, to approve the Brand Standards for Citywide Signage.

**Discussion:** A discussion ensued about overall cost for sign installation and standards.

**Roll Call Vote:** Ayes – Golding, Horn, Janson, Sutton, Wagner, Wouters, and Mayor Hoffman.

The motion passed unanimously.

**RESOLUTIONS:** None

**ORDINANCES:** None

**ADJOURNMENT:**

**Motion:** It was moved by Mr. Janson, seconded by Ms. Golding to adjourn.

**Voice Vote:** In a voice vote, the motion passed unanimously.

There being no further business, the meeting adjourned at 6:48 P.M.

Submitted by: Molly Alleger  
City Clerk

Approval:

\_\_\_\_\_  
Christine H. Hoffman, MAYOR

Date: \_\_\_\_\_



| CITY COUNCIL AGENDA ITEM |   |
|--------------------------|---|
| TO:                      | Michael J. Staffopoulos, City Manager   |
| FROM:                    | Ashlie Gossett, Chief Financial Officer   |
| DATE:                    | March 2, 2026   |
| SUBJECT:                 | Annual Comprehensive Financial Report and Community Redevelopment Agency Financial Statements for the Fiscal Year ending September 30, 2025 |

**BACKGROUND**

The City is required by state law and its Charter to have an annual audit of its financial records by an independent Certified Public Accountant. The independent auditing firm, Purvis Gray and Company, has completed the Fiscal Year 2025 audit and will present the audit results and financial highlights at the Council briefing preceding the regular meeting. The City once again received an unqualified audit opinion on its financial reports. In addition, the auditors found no major deficiencies in internal controls.

In advance of the meeting, the City Council was provided a copy of the City's Fiscal Year 2025 Annual Comprehensive Financial Report (ACFR). The ACFR was prepared at the conclusion of the audit, and includes the basic financial statements, management discussion and analysis, other financial and compliance reports, as well as reports by the independent auditor. The financial information for the Community Redevelopment Agency (CRA) is presented within the City's ACFR because the CRA is a dependent special district of the City. However, Florida Statutes also require separate audit reports for CRAs. Therefore, the City Council has also been provided with a copy of the Fiscal Year 2025 CRA Financial Statements and Independent Audit Report.

The Government Finance Officers' Association (GFOA) recently awarded a Certificate of Achievement Award for Excellence in Financial Reporting to the City for its Fiscal Year 2024 ACFR. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The City has received this award every year since Fiscal Year 1993 (32 years). Staff believes that the Fiscal Year 2025 ACFR continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

**FINANCIAL IMPACT**

None; for informational purposes only.

**REQUESTED ACTION**

Accept the Annual Comprehensive Financial Report and Community Redevelopment Agency Financial Statements for the Fiscal Year ending September 30, 2025

**ATTACHMENTS**

1. FY2025 Annual Comprehensive Financial Report ACFR
2. FY2025 CRA Financial Statements and Audit Report



City of Jacksonville Beach • 11 North Third Street • Jacksonville Beach, FL 32250

|               |               |
|---------------|---------------|
| AGENDA ITEM:  | A.            |
| MEETING DATE: | March 2, 2026 |

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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ANNUAL COMPREHENSIVE FINANCIAL REPORT  
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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.

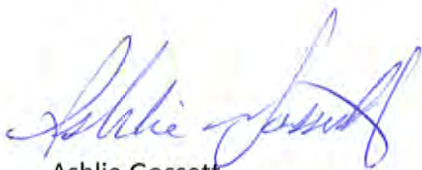
In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2024. This was the 31st consecutive year that the government has received this award. The annual budget for the fiscal year beginning October 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

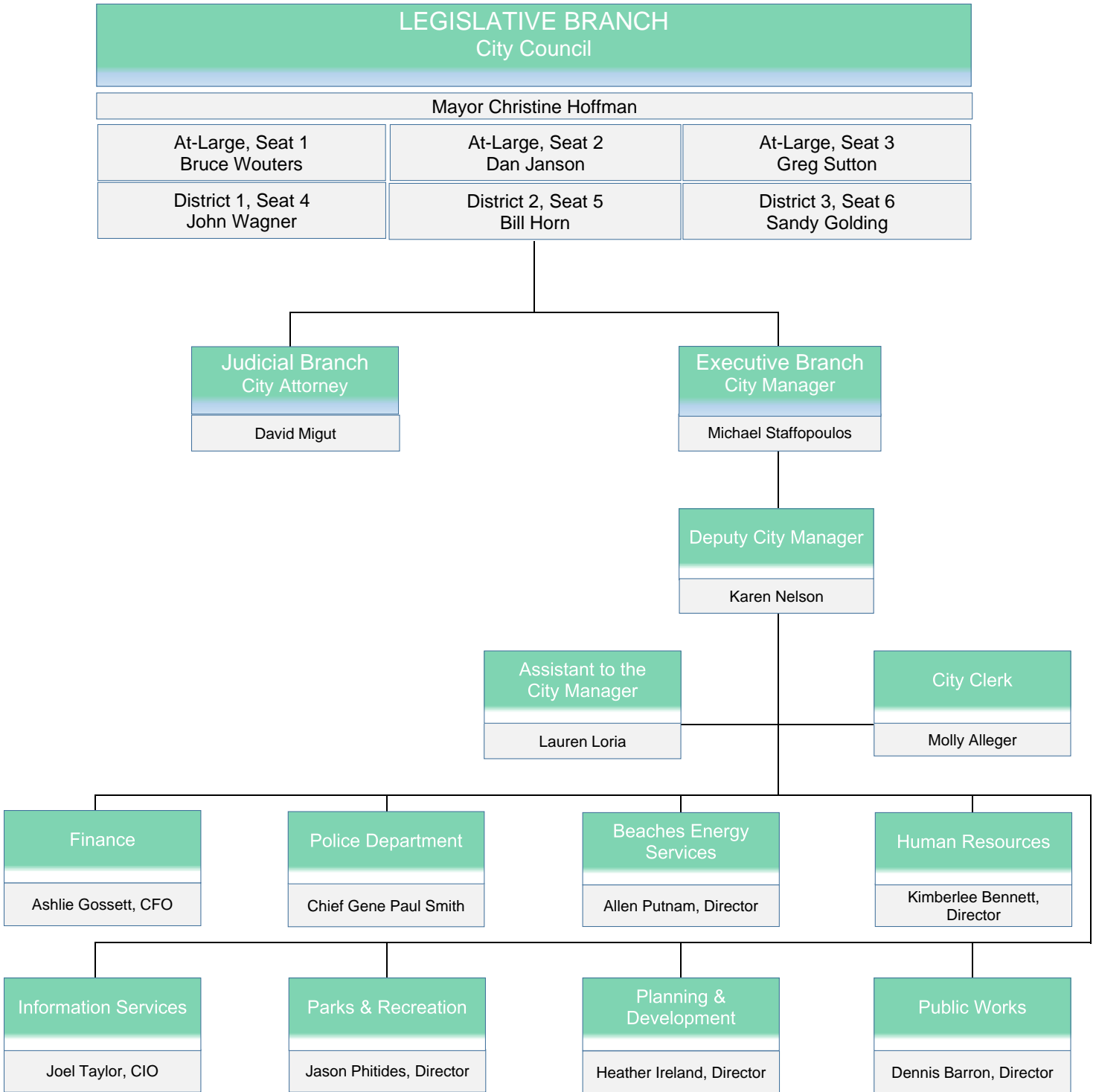
September 30, 2024

*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](http://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**

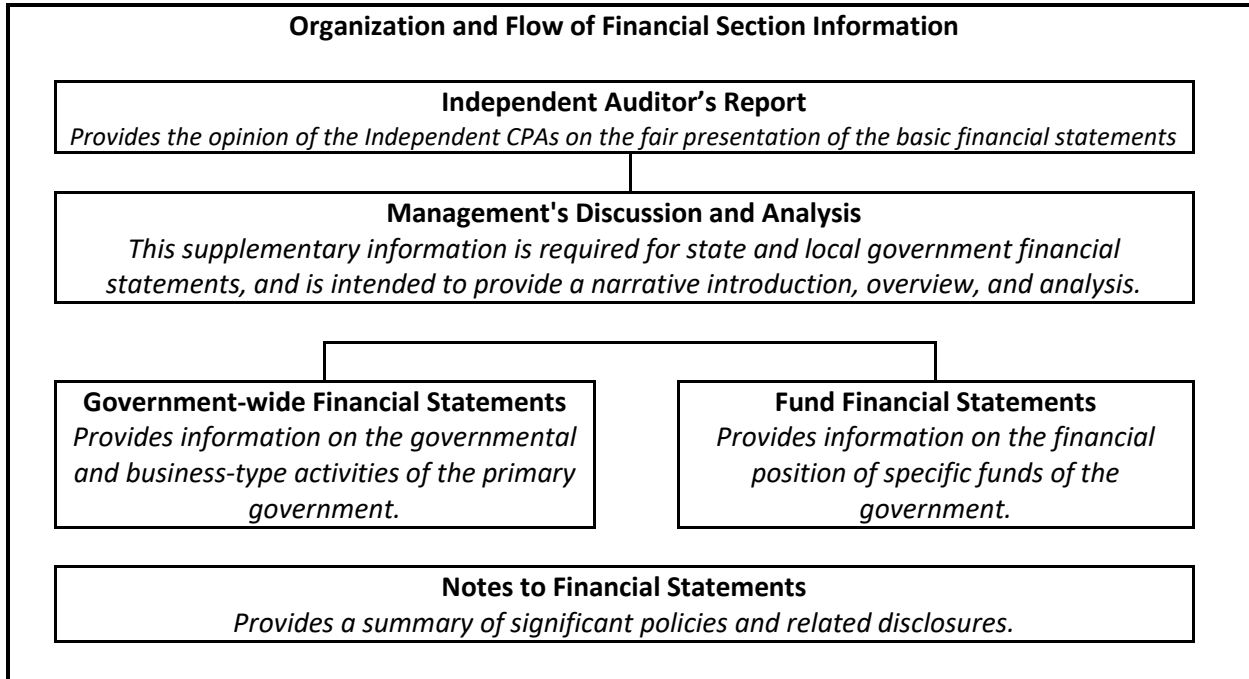
- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$602,445,181 (net position). Of this amount, \$177,246,799 (unrestricted net position) is available to meet the City's obligations to provide ongoing services to our 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 10<sup>th</sup> 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**

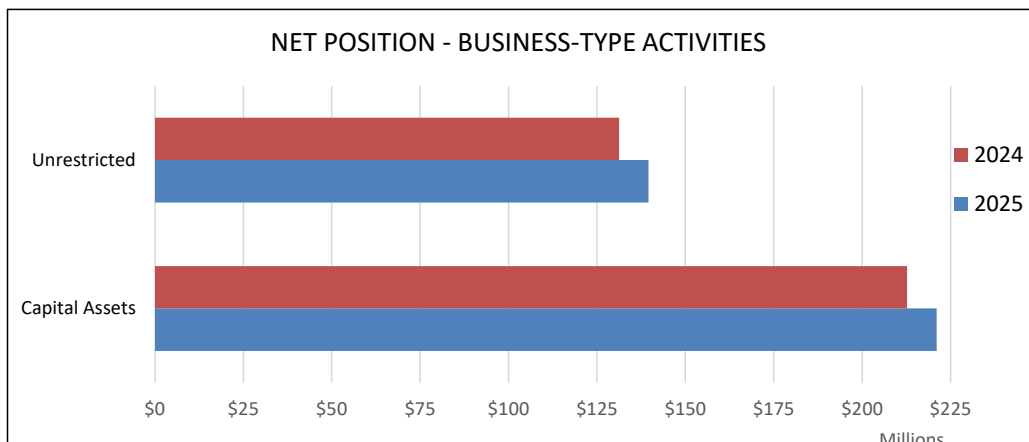
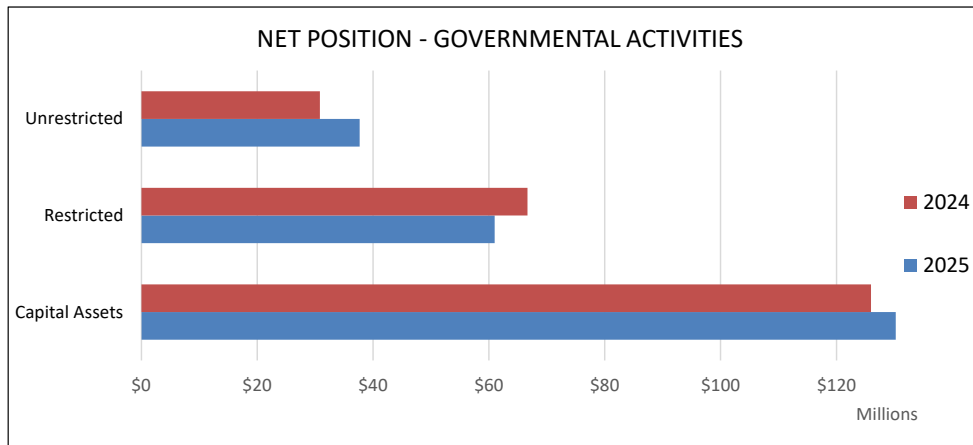
**Statement of Net Position.** Over time, changes in net position serve as a useful measure of the City's financial condition. During fiscal year 2025, the City's net position for governmental activities increased by \$18,391,351 or 8.2%. The increase in net position for business-type activities was \$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<br>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           |
| <b>Total Assets</b>                             | <b>264,034,185</b>                                      | <b>247,469,280</b>    | <b>412,059,824</b>       | <b>400,697,048</b>    | <b>676,094,009</b>    | <b>648,166,328</b>    |
| <b>Total Deferred Outflows<br/>of Resources</b> | <b>5,122,862</b>  | <b>8,552,817</b>      | <b>3,792,944</b>         | <b>5,014,594</b>      | <b>8,915,806</b>      | <b>13,567,411</b>     |
| 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            |
| <b>Total Liabilities</b>                        | <b>22,755,593</b>                                       | <b>30,336,124</b>     | <b>37,490,364</b>        | <b>42,260,678</b>     | <b>60,245,957</b>     | <b>72,596,802</b>     |
| <b>Total Deferred Inflows<br/>of Resources</b>  | <b>4,585,749</b>  | <b>2,261,619</b>      | <b>17,732,928</b>        | <b>19,472,176</b>     | <b>22,318,677</b>     | <b>21,733,795</b>     |
| <b>Net Position:</b>                            |   |                       |                          |                       |                       |                       |
| 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           |
| <b>Total Net Position</b>                       | <b>\$ 241,815,705</b>                                   | <b>\$ 223,424,354</b> | <b>\$ 360,629,476</b>    | <b>\$ 343,978,788</b> | <b>\$ 602,445,181</b> | <b>\$ 567,403,142</b> |

**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**

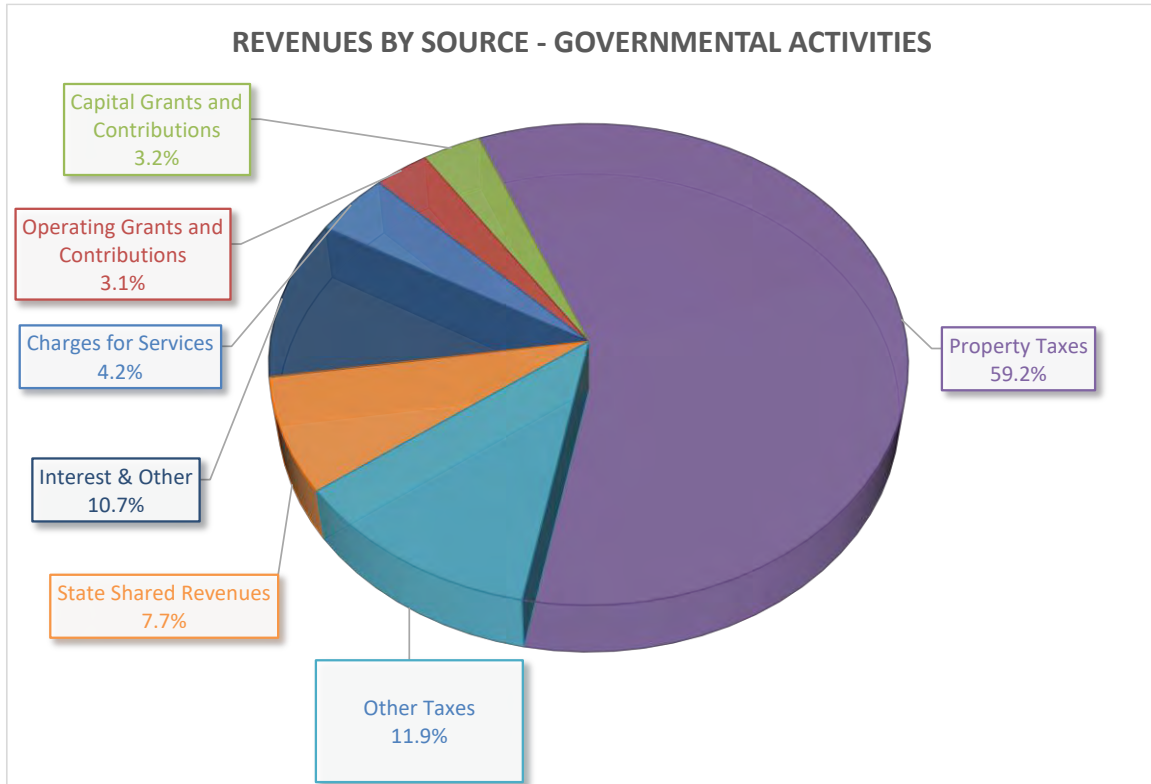
**Statement of Activities.** The following table illustrates the condensed statement of activities for the most recent fiscal year as compared to the prior year. The detailed statement of activities is presented on page 20 of this report.

|   | City of Jacksonville Beach<br>Changes in Net Position |                       |                          |                       |                       |                       |
|---|---|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|   | Governmental Activities                               |                       | Business-Type Activities |                       | Total                 |                       |
|   | 2025  | 2024                  | 2025                     | 2024                  | 2025                  | 2024                  |
| <b>Program Revenues</b>                 |   |                       |                          |                       |                       |                       |
| 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               |
| <b>Total Revenues</b>                   | <b>53,524,276</b>                                     | <b>54,204,400</b>     | <b>137,699,726</b>       | <b>130,497,909</b>    | <b>191,224,002</b>    | <b>184,702,309</b>    |
| <b>Program Expenses</b>                 |   |                       |                          |                       |                       |                       |
| 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             |
| <b>Total Expenses</b>                   | <b>39,349,017</b>                                     | <b>34,099,460</b>     | <b>116,832,946</b>       | <b>109,536,644</b>    | <b>156,181,963</b>    | <b>143,636,104</b>    |
| 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            |
| <b>Net Position - Beginning of Year</b> | <b>223,424,354</b>                                    | <b>212,563,339</b>    | <b>343,978,788</b>       | <b>313,773,598</b>    | <b>567,403,142</b>    | <b>526,336,937</b>    |
| <b>Net Position - End of Year</b>       | <b>\$ 241,815,705</b>                                 | <b>\$ 223,424,354</b> | <b>\$ 360,629,476</b>    | <b>\$ 343,978,788</b> | <b>\$ 602,445,181</b> | <b>\$ 567,403,142</b> |

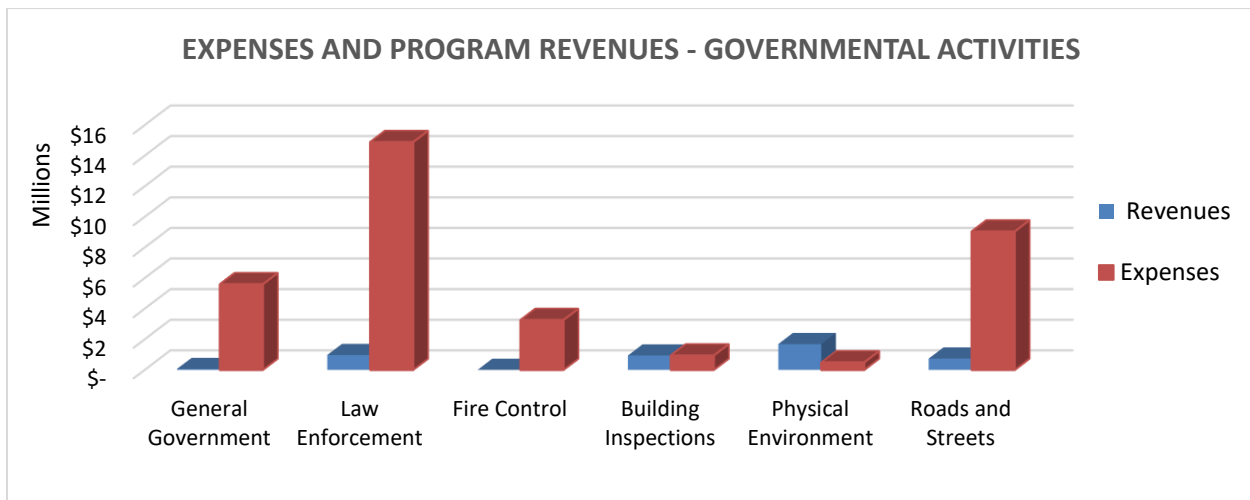
**Governmental activities.** Governmental activities for fiscal year 2025 increased the City's net position by \$14,175,259 (before transfers). For purposes of this discussion, interfund transfers from business-type funds to governmental funds are not included in revenues from activities.

**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.

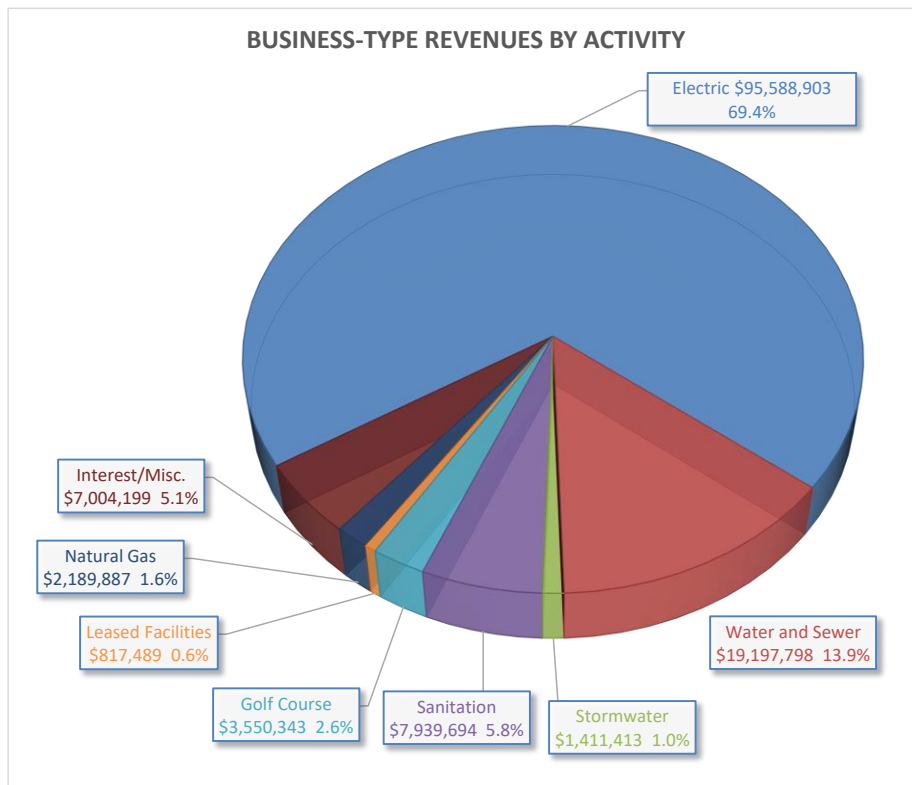


**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2025**  
**CITY OF JACKSONVILLE BEACH, FLORIDA**

Key Elements of Governmental Activities Revenues and Expenses:

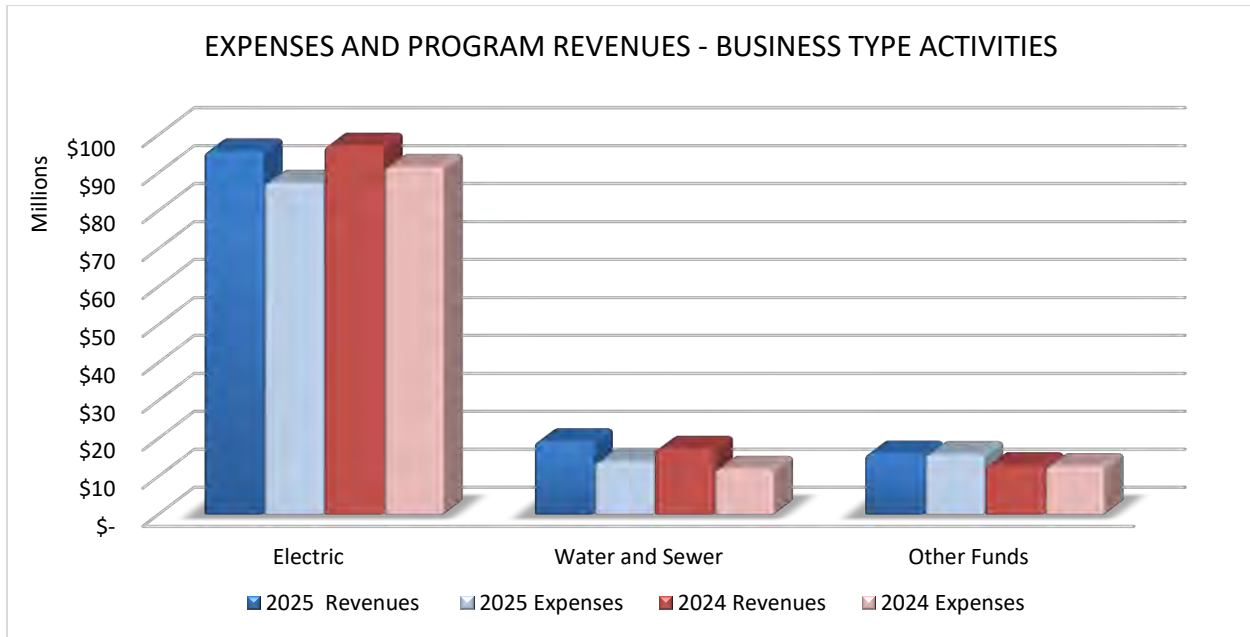
- Property taxes, which provided 59.2% of governmental revenues, increased by \$3,002,408 or 10.5% in fiscal year 2025 in line with rising taxable property values and new construction.
- Capital grants and contributions decreased by \$1,922,297 or 52.7%, due in large part to revenue recognition timing 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:**

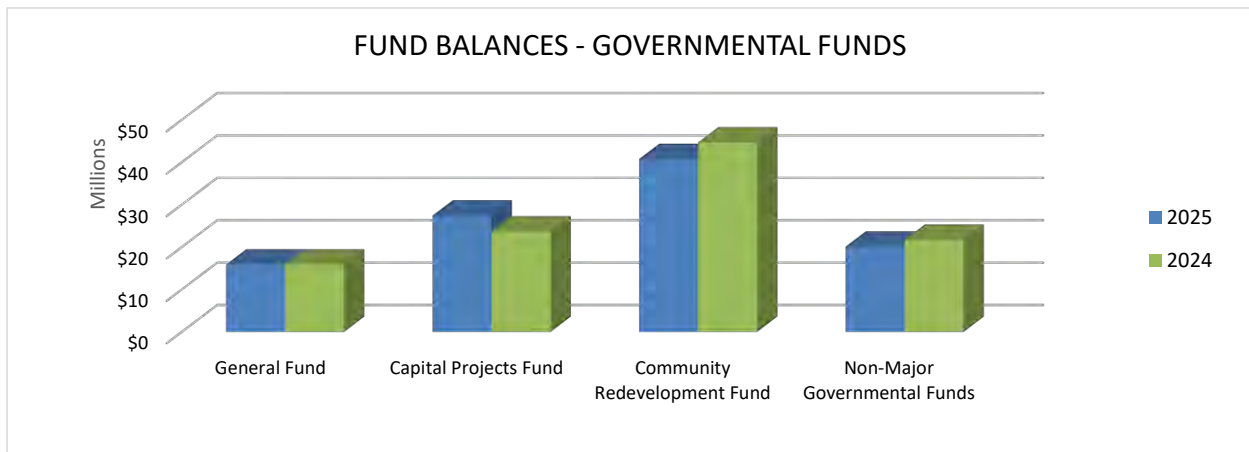
- Charges for services in the business-type activities increased by \$9,636,798 or 8% from the prior year. Of these program revenues, 69.4% comes from electric utility services and 13.9% from the water and sewer utility. Electric consumption was higher which increased overall revenues. Water and sewer 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 4<sup>th</sup> Ave South to 11<sup>th</sup> 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.

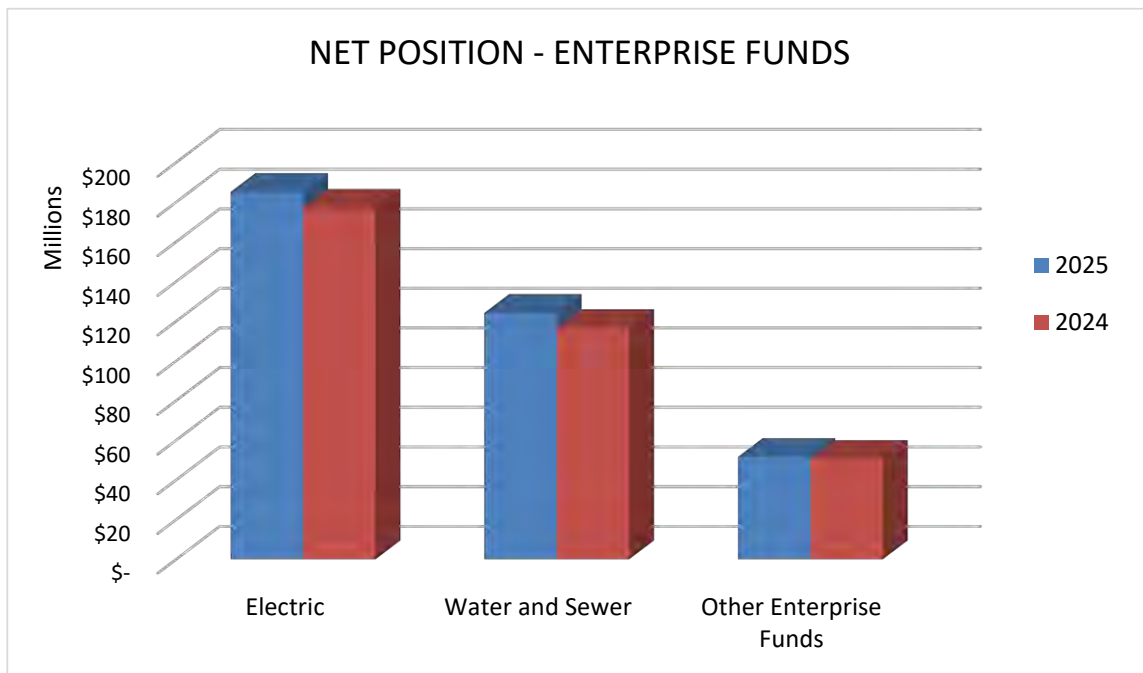
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2025**  
**CITY OF JACKSONVILLE BEACH, FLORIDA**

**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:

|                                   | <b>City of Jacksonville Beach</b> |                       |                                 |                       |                       |                       |
|-----------------------------------|-----------------------------------|-----------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
|                                   | <b>Capital Assets</b>             |                       |                                 |                       |                       |                       |
|                                   | <b>Governmental Activities</b>    |                       | <b>Business-Type Activities</b> |                       | <b>Total</b>          |                       |
|                                   | <b>2025</b>                       | <b>2024</b>           | <b>2025</b>                     | <b>2024</b>           | <b>2025</b>           | <b>2024</b>           |
| 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<br>Depreciation | (86,421,872)                      | (81,805,645)          | (239,371,138)                   | (227,765,160)         | (325,793,010)         | (309,570,805)         |
| <b>Capital Assets, Net</b>        | <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](http://www.jacksonvillebeach.org).



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

|   | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>          |
|---|------------------------------------|-------------------------------------|-----------------------|
| <b>Assets</b>                               |                                    |                                     |                       |
| 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           |
| <b>Total Assets</b>                         | <b>264,034,185</b>                 | <b>412,059,824</b>                  | <b>676,094,009</b>    |
| <b>Deferred Outflows of Resources</b>       |                                    |                                     |                       |
| Pension Related                             | 4,479,524                          | 3,333,417                           | 7,812,941             |
| OPEB Related                                | 643,338                            | 459,527                             | 1,102,865             |
| <b>Total Deferred Outflows of Resources</b> | <b>5,122,862</b>                   | <b>3,792,944</b>                    | <b>8,915,806</b>      |
| <b>Liabilities</b>                          |                                    |                                     |                       |
| 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            |
| <b>Total Liabilities</b>                    | <b>22,755,593</b>                  | <b>37,490,364</b>                   | <b>60,245,957</b>     |
| <b>Deferred Inflows of Resources</b>        |                                    |                                     |                       |
| 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            |
| <b>Total Deferred Inflows of Resources</b>  | <b>4,585,749</b>                   | <b>17,732,928</b>                   | <b>22,318,677</b>     |
| <b>Net Position</b>                         |                                    |                                     |                       |
| 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           |
| <b>Total Net Position</b>                   | <b>\$ 241,815,705</b>              | <b>\$ 360,629,476</b>               | <b>\$ 602,445,181</b> |

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                 |
| <b>Governmental Activities</b>        |                       |                       |                                    |                                  |   |                          |                       |
| 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)           |
| <b>Total Governmental Activities</b>  | <b>39,349,017</b>     | <b>2,267,424</b>      | <b>1,641,905</b>                   | <b>1,728,318</b>                 | <b>(33,711,370)</b>                               | <b>\$ -</b>              | <b>(33,711,370)</b>   |
| <b>Business-Type Activities</b>       |                       |                       |                                    |                                  |   |                          |                       |
| 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               |
| <b>Total Business-Type Activities</b> | <b>116,832,946</b>    | <b>129,751,789</b>    | <b>194,000</b>                     | <b>749,738</b>                   | <b>-</b>  | <b>13,862,581</b>        | <b>13,862,581</b>     |
| <b>Total Primary Government</b>       | <b>\$ 156,181,963</b> | <b>\$ 132,019,213</b> | <b>\$ 1,835,905</b>                | <b>\$ 2,478,056</b>              | <b>(33,711,370)</b>                               | <b>13,862,581</b>        | <b>(19,848,789)</b>   |
| <b>General Revenues</b>               |                       |                       |                                    |                                  |   |                          |                       |
| 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)              | -                     |
|                                       |                       |                       |                                    |                                  | <b>52,102,721</b>                                 | <b>2,788,107</b>         | <b>54,890,828</b>     |
|                                       |                       |                       |                                    |                                  | <b>18,391,351</b>                                 | <b>16,650,688</b>        | <b>35,042,039</b>     |
|                                       |                       |                       |                                    |                                  | <b>223,424,354</b>                                | <b>343,978,788</b>       | <b>567,403,142</b>    |
|                                       |                       |                       |                                    |                                  | <b>\$ 241,815,705</b>                             | <b>\$ 360,629,476</b>    | <b>\$ 602,445,181</b> |

See accompanying notes.

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

|  | General<br>Fund      | General<br>Capital<br>Projects<br>Fund | Community<br>Redevelopment<br>Funds | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|--|-------------------------------------|--------------------------------|--------------------------------|
| <b>Assets</b>  |                      |  |                                     |                                |                                |
| 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                          |
| <b>Total Assets</b>  | <b>17,479,019</b>    | <b>27,669,655</b>                      | <b>46,265,358</b>                   | <b>20,897,947</b>              | <b>112,311,979</b>             |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>       |                      |  |                                     |                                |                                |
| <b>Liabilities</b>   |                      |  |                                     |                                |                                |
| 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                        |
| <b>Total Liabilities</b>   | <b>1,053,084</b>     | <b>260,945</b>                         | <b>5,528,009</b>                    | <b>761,333</b>                 | <b>7,603,371</b>               |
| <b>Deferred Inflows of Resources</b>                                       |                      |  |                                     |                                |                                |
| Unavailable Revenues   | 573,553              | -                                      | -                                   | 63,163                         | 636,716                        |
| <b>Fund Balances</b>   |                      |  |                                     |                                |                                |
| 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/<br>Emergencies                                       | 5,996,010            | -                                      | -                                   | -                              | 5,996,010                      |
| Capital Projects   | -                    | 27,408,710                             | -                                   | -                              | 27,408,710                     |
| <b>Total Fund Balances</b>   | <b>15,852,382</b>    | <b>27,408,710</b>                      | <b>40,737,349</b>                   | <b>20,073,451</b>              | <b>104,071,892</b>             |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 17,479,019</b> | <b>\$ 27,669,655</b>                   | <b>\$ 46,265,358</b>                | <b>\$ 20,897,947</b>           | <b>\$ 112,311,979</b>          |

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<br>Fund      | General<br>Capital<br>Projects<br>Fund | Community<br>Redevelopment<br>Funds | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|--|-------------------------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>  |                      |  |                                     |                                |                                |
| 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                      |
| <b>Total Revenues</b>  | <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>              |
| <b>Expenditures</b>  |                      |  |                                     |                                |                                |
| 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                     |
| <b>(Total Expenditures)</b>  | <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>            |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <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>             |
| <b>Other Financing Sources (Uses)</b>                                |                      |  |                                     |                                |                                |
| Transfers in   | 4,329,992            | 6,099,920                              | -                                   | -                              | 10,429,912                     |
| Transfers (out)  | (5,654,452)          | -                                      | -                                   | (512,900)                      | (6,167,352)                    |
| <b>Total Other Financing Sources<br/>(Uses)</b>                      | <u>(1,324,460)</u>   | <u>6,099,920</u>                       | <u>-</u>                            | <u>(512,900)</u>               | <u>4,262,560</u>               |
| <b>Net Change in Fund Balances</b>                                   | 6,841                | 3,770,306                              | (3,904,002)                         | (1,602,288)                    | (1,729,143)                    |
| <b>Fund Balances,<br/>Beginning of Year</b>                          | <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>             |
| <b>Fund Balances, End of Year</b>                                    | <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 |
|--|--|---------|

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**

|   | <b>Business-Type Activities - Enterprise Funds</b> |                            |                        |                    | <b>Governmental<br/>Activities -<br/>Internal<br/>Service<br/>Funds</b> |
|---|--|----------------------------|------------------------|--------------------|---|
|   | <b>Electric</b>                                    | <b>Water and<br/>Sewer</b> | <b>Other<br/>Funds</b> | <b>Totals</b>      |   |
| <b>Assets</b>   |  |                            |                        |                    |   |
| 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         | -   |
| <b>Total Current Assets</b>   | <b>105,715,635</b>                                 | <b>60,881,205</b>          | <b>23,214,851</b>      | <b>189,811,691</b> | <b>8,522,654</b>  |
| 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)   |
| <b>Total Capital Assets, Net of Accumulated Depreciation and Amortization</b> | <b>122,772,547</b>                                 | <b>67,500,204</b>          | <b>31,045,392</b>      | <b>221,318,143</b> | <b>311,829</b>  |
| <b>Total Non-Current Assets</b>   | <b>122,772,547</b>                                 | <b>67,500,204</b>          | <b>31,975,382</b>      | <b>222,248,133</b> | <b>311,829</b>  |
| <b>Total Assets</b>   | <b>228,488,182</b>                                 | <b>128,381,409</b>         | <b>55,190,233</b>      | <b>412,059,824</b> | <b>8,834,483</b>  |
| <b>Deferred Outflows of Resources</b>   |  |                            |                        |                    |   |
| 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            | -   |
| <b>Total Deferred Outflows of Resources</b>                                   | <b>2,344,765</b>                                   | <b>1,070,502</b>           | <b>377,677</b>         | <b>3,792,944</b>   | <b>1,209,868</b>  |

See accompanying notes.

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

|  | <b>Business-Type Activities - Enterprise Funds</b> |                            |                        |                       | <b>Governmental<br/>Activities -<br/>Internal<br/>Service<br/>Funds</b> |
|--|--|----------------------------|------------------------|-----------------------|---|
|  | <b>Electric</b>                                    | <b>Water and<br/>Sewer</b> | <b>Other<br/>Funds</b> | <b>Totals</b>         |   |
| <b>Liabilities</b>                                     |  |                            |                        |                       |   |
| 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<br>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<br>Restricted Assets: |  |                            |                        |                       |   |
| Power Costs Recovered in Advance                       | 8,712,543  | -                          | 516,117                | 9,228,660             | -   |
| Customer Deposits                                      | 7,296,029  | -                          | -                      | 7,296,029             | -   |
| <b>Total Current Liabilities</b>                       | <b>23,710,287</b>                                  | <b>1,872,708</b>           | <b>1,794,323</b>       | <b>27,377,318</b>     | <b>752,036</b>  |
| 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             | -   |
| <b>Total Non-Current Liabilities</b>                   | <b>6,248,155</b>                                   | <b>2,821,510</b>           | <b>1,043,381</b>       | <b>10,113,046</b>     | <b>3,414,343</b>  |
| <b>Total Liabilities</b>                               | <b>29,958,442</b>                                  | <b>4,694,218</b>           | <b>2,837,704</b>       | <b>37,490,364</b>     | <b>4,166,379</b>  |
| <b>Deferred Inflows of Resources</b>                   |  |                            |                        |                       |   |
| 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            | -   |
| <b>Total Deferred Inflows of Resources</b>             | <b>15,803,784</b>                                  | <b>689,471</b>             | <b>1,239,673</b>       | <b>17,732,928</b>     | <b>755,982</b>  |
| <b>Net Position</b>                                    |  |                            |                        |                       |   |
| 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   |
| <b>Total Net Position</b>                              | <b>\$ 185,070,721</b>                              | <b>\$ 124,068,222</b>      | <b>\$ 51,490,533</b>   | <b>\$ 360,629,476</b> | <b>\$ 5,121,990</b>   |

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<br>Activities -<br>Internal<br>Service Funds |
|--|---|-----------------------|----------------------|-----------------------|---|
|  | Electric                                    | Water and<br>Sewer    | Other<br>Funds       | Totals                |   |
| <b>Operating Revenues</b>                            |   |                       |                      |                       |   |
| 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   |
| <b>Total Operating Revenues</b>                      | <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>   |
| <b>Operating Expenses</b>                            |   |                       |                      |                       |   |
| 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   |
| <b>(Total Operating Expenses)</b>                    | <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>                                       |
| <b>Operating Income</b>                              | <u>7,948,951</u>                            | <u>5,294,842</u>      | <u>202,795</u>       | <u>13,446,588</u>     | <u>1,269,406</u>  |
| <b>Non-Operating Revenues (Expenses)</b>             |   |                       |                      |                       |   |
| 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<br>Capital Assets         | (163,854)                                   | (208,330)             | (140,979)            | (513,163)             | -   |
| <b>Total Non-Operating Revenues<br/>(Expenses)</b>   | <u>3,576,018</u>                            | <u>2,358,403</u>      | <u>736,033</u>       | <u>6,670,454</u>      | <u>138,651</u>  |
| <b>Income Before Contributions<br/>and Transfers</b> | <u>11,524,969</u>                           | <u>7,653,245</u>      | <u>938,828</u>       | <u>20,117,042</u>     | <u>1,408,057</u>  |
| <b>Capital Contributions</b>                         |   |                       |                      |                       |   |
| Connection Fees                                      | 244,755                                     | 102,283               | 108,229              | 455,267               | -   |
| Developer Contributions                              | 294,471                                     | -                     | -                    | 294,471               | -   |
| <b>Total Capital Contributions</b>                   | <u>539,226</u>                              | <u>102,283</u>        | <u>108,229</u>       | <u>749,738</u>        | <u>-</u>  |
| <b>Transfers</b>                                     |   |                       |                      |                       |   |
| Transfers in   | 324,194                                     | -                     | 500,000              | 824,194               | 23,532  |
| Transfers (out)                                      | (4,372,796)                                 | (126,000)             | (541,490)            | (5,040,286)           | (70,000)  |
| <b>Total Transfers</b>                               | <u>(4,048,602)</u>                          | <u>(126,000)</u>      | <u>(41,490)</u>      | <u>(4,216,092)</u>    | <u>(46,468)</u>   |
| <b>Change in Net Position</b>                        | 8,015,593                                   | 7,629,528             | 1,005,567            | 16,650,688            | 1,361,589   |
| <b>Total Net Position, Beginning<br/>of Year</b>     | <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>  |
| <b>Total Net Position, End of Year</b>               | <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<br>Sewer   | Other<br>Funds       | Totals                | Activities -<br>Internal<br>Service Funds |
| <b>Cash Flows from Operating Activities</b>                                    |   |                      |                      |                       |   |
| 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                                   |
| <b>Net Cash Provided by (Used in) Operating Activities</b>                     | <b>12,687,692</b>                           | <b>8,373,190</b>     | <b>1,555,302</b>     | <b>22,616,184</b>     | <b>673,463</b>                            |
| <b>Cash Flows from Non-Capital Financing Activities</b>                        |   |                      |                      |                       |   |
| 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                | -   |
| <b>Net Cash (Used in) Provided by Non-Capital Financing Activities</b>         | <b>(4,048,602)</b>                          | <b>68,000</b>        | <b>(19,472)</b>      | <b>(4,000,074)</b>    | <b>(46,468)</b>                           |
| <b>Cash Flows from Capital and Related Financing Activities</b>                |   |                      |                      |                       |   |
| 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)                                   |
| <b>Net Cash (Used in) Provided by Capital and Related Financing Activities</b> | <b>(8,287,700)</b>                          | <b>(9,733,850)</b>   | <b>(2,073,490)</b>   | <b>(20,095,040)</b>   | <b>(93,729)</b>                           |
| <b>Cash Flows from Investing Activities</b>                                    |   |                      |                      |                       |   |
| Investment Earnings  | 3,739,872                                   | 2,372,733            | 869,576              | 6,982,181             | 144,048                                   |
| <b>Net Cash Provided by (Used in) Investing Activities</b>                     | <b>3,739,872</b>                            | <b>2,372,733</b>     | <b>869,576</b>       | <b>6,982,181</b>      | <b>144,048</b>                            |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                    | <b>4,091,262</b>                            | <b>1,080,073</b>     | <b>331,916</b>       | <b>5,503,251</b>      | <b>677,314</b>                            |
| <b>Cash and Cash Equivalents, Beginning of Year</b>                            | <b>85,034,874</b>                           | <b>57,564,857</b>    | <b>21,313,367</b>    | <b>163,913,098</b>    | <b>6,116,263</b>                          |
| <b>Cash and Cash Equivalents, End of Year</b>                                  | <b>\$ 89,126,136</b>                        | <b>\$ 58,644,930</b> | <b>\$ 21,645,283</b> | <b>\$ 169,416,349</b> | <b>\$ 6,793,577</b>                       |

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> |                             |                             |                              | <b>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</b> |
|--|--|-----------------------------|-----------------------------|------------------------------|---|
|  | <u>Electric</u>                                    | <u>Water and<br/>Sewer</u>  | <u>Other<br/>Funds</u>      | <u>Totals</u>                |   |
| <b><u>Included on the Accompanying Balance</u></b>   |  |                             |                             |                              |   |
| <b><u>Sheet Under the Following Captions</u></b>   |  |                             |                             |                              |   |
| <b>Current Assets</b>  |  |                             |                             |                              |   |
| 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                          | -   |
| <b>Restricted Assets</b>   |  |                             |                             |                              |   |
| Equity in Pooled Cash and Investments  | 30,341,704   | -                           | 516,117                     | 30,857,821                   | -   |
| <b>Total</b>   | <b><u>\$ 89,126,136</u></b>                        | <b><u>\$ 58,644,930</u></b> | <b><u>\$ 21,645,283</u></b> | <b><u>\$ 169,416,349</u></b> | <b><u>\$ 6,793,577</u></b>  |
| <b><u>Reconciliation of Operating Income (Loss)</u></b>  |  |                             |                             |                              |   |
| <b><u>to Net Cash Provided by (Used in)</u></b>  |  |                             |                             |                              |   |
| <b><u>Operating Activities</u></b>   |  |                             |                             |                              |   |
| Operating Income (Loss)  | \$ 7,948,951                                       | \$ 5,294,842                | \$ 202,795                  | \$ 13,446,588                | \$ 1,269,406  |
| Adjustments to Reconcile Operating<br>Income (Loss) to Net Cash Provided<br>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<br>in Advance   | (6,072,807)  | -                           | (407,751)                   | (6,480,558)                  | -   |
| Changes in Assets - Decrease (Increase)<br>and Liabilities - Increase (Decrease):                              |  |                             |                             |                              |   |
| Accounts Receivable  | 1,789,957  | (160,436)                   | (28,317)                    | 1,601,204                    | -   |
| Leases Receivable and Related<br>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<br>Accrued Liabilities  | 1,132,784  | 186,955                     | (199,207)                   | 1,120,532                    | (17,751)  |
| Estimated Liability for<br>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<br>Inflows and Outflows of Resources                                       | 61,977   | (63,551)                    | 14,471                      | 12,897                       | -   |
| Net Pension Liability and Related<br>Deferred Inflows and Outflows<br>of Resources                             | (229,609)  | (112,772)                   | (40,639)                    | (383,020)                    | (187,251)   |
| <b>Net Cash Provided by (Used in) Operating<br/>Activities</b>   | <b><u>\$ 12,687,692</u></b>                        | <b><u>\$ 8,373,190</u></b>  | <b><u>\$ 1,555,302</u></b>  | <b><u>\$ 22,616,184</u></b>  | <b><u>\$ 673,463</u></b>  |

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>        |
| <b>Total Assets</b>                  | <u><u>138,470,376</u></u> |

**Liabilities**

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

**Net Position**

|                         |                              |
|-------------------------|------------------------------|
| Restricted for Pensions | <u><u>\$ 138,452,170</u></u> |
|-------------------------|------------------------------|

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>         |
| <br>                       |    |                          |
| Investment Income:         |    |                          |
| Investment Earnings        |    | 12,093,141               |
| (Investment Expenses)      |    | (137,435)                |
| Net Investment Income      |    | <u>11,955,706</u>        |
| <br>                       |    |                          |
| <b>Total Additions</b>     |    | <u><u>19,293,985</u></u> |

**Deductions**

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

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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.

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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.

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- **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.

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**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”.

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- **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.

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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.

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(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.

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- **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.

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**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:

|                             |                                     |
|-----------------------------|-------------------------------------|
| <b>Lien Date</b>            | January 1, 2024                     |
| <b>Levy Date</b>            | October 1, 2024                     |
| <b>Installment Payments</b> |                                     |
| 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        |
| <b>Regular Payments</b>     |                                     |
| 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.

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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>             |
| <b>Total</b>                                 | <b><u>\$ 286,032,204</u></b> |

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>            |
| <b>Total</b>                                     | <b><u>\$ 286,032,204</u></b> |

**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:

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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            | -                     | -                   | -                   |
| <b>Total</b>                             |                   | <b>\$ 265,420,180</b> | <b>\$ 105,859,825</b> | <b>\$ 152,180,848</b> | <b>\$ 1,815,988</b> | <b>\$ 5,563,519</b> |

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             | -                   | -                   | -                    |
| <b>Total</b>                           | <b>\$ 134,604,514</b> | <b>\$ 100,570,176</b> | <b>\$ 3,829,367</b> | <b>\$ 7,457,826</b> | <b>\$ 22,747,145</b> |

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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

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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.

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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                                     | -   |
| <b>Total Investments by Fair Value Level</b>        | <b>174,370,236</b>    | <b>\$ 868,843</b>  | <b>\$ 173,501,393</b>                         | <b>\$ -</b>                               |
| <b>Investments Measured at Amortized Cost</b>       | <b>Amount</b>         |  |   |   |
| 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            |  |   |   |
| <b>Total Investments Measured at Amortized Cost</b> | <b>91,049,944</b>     |  |   |   |
| <b>Total Investments</b>                            | <b>\$ 265,420,180</b> |  |   |   |

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   | -   |
| <b>Total Investments Measured at Fair Value</b>          | <b>129,641,501</b>    | <b>\$ 95,604,308</b>   | <b>\$ 34,037,193</b>                                | <b>\$ -</b>                               |
| <b>Investments Measured at the Net Asset Value (NAV)</b> | <b>Amount</b>         | <b>Unfunded Commitments</b>                                    | <b>Redemption Frequency (if Currently Eligible)</b> | <b>Redemption Notice Period</b>           |
| Real Estate Fund   | \$ 4,963,013          | \$ -   | Quarterly   | 45 days                                   |
| <b>Total Investments</b>                                 | <b>\$ 134,604,514</b> |  |   |   |

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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:

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

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|  | Beginning<br>Balances | Increases            | Decreases        | Ending<br>Balance     |
|--|-----------------------|----------------------|------------------|-----------------------|
| <b>Governmental Activities</b>                     |                       |                      |                  |                       |
| 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>     |
| <b>Governmental Activities Capital Assets, Net</b> | <u>\$ 125,949,159</u> | <u>\$ 17,305,992</u> | <u>\$ -</u>      | <u>\$ 143,255,151</u> |

|   | Beginning<br>Balances | Increases            | Decreases             | Ending<br>Balance     |
|---|-----------------------|----------------------|-----------------------|-----------------------|
| <b>Business-Type Activities</b>                     |                       |                      |                       |                       |
| 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>    |
| <b>Business-Type Activities Capital Assets, Net</b> | <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:

|  |                     |
|--|---------------------|
| <b>Governmental Activities</b>                       |                     |
| 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              |
| <b>Total Depreciation and Amortization Expense –</b> |                     |
| <b>    Governmental Activities</b>                   | <u>\$ 5,122,780</u> |

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025  
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|   |                             |
|---|-----------------------------|
| <b>Business-Type Activities</b>   |                             |
| 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                     |
| <b>Total Depreciation and Amortization Expense –<br/>Business-Type Activities</b> | <b><u>\$ 11,949,137</u></b> |

**Note 6 - Long-Term Debt**

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

|   | <u>Balance<br/>September 30,<br/>2024</u> | <u>Additions</u>  | <u>Other<br/>Reductions</u> | <u>Balance<br/>September 30,<br/>2025</u> | <u>Due Within<br/>One Year</u> |
|---|---|-------------------|-----------------------------|---|--------------------------------|
| <b>Governmental Activities</b>              |   |                   |                             |   |                                |
| Accrued Compensated Absences                | \$ 4,303,543                              | \$ 459,411        | \$ -                        | \$ 4,762,954                              | \$ 952,590                     |
| Accrued Other Postemployment<br>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                         |
| <b>Total Governmental Activities</b>        | <u>21,912,707</u>                         | <u>600,061</u>    | <u>(7,764,744)</u>          | <u>14,748,024</u>                         | <u>1,561,639</u>               |
| <b>Business-Type Activities</b>             |   |                   |                             |   |                                |
| Accrued Compensated Absences                | 2,367,417                                 | 145,728           | -                           | 2,513,145                                 | 502,629                        |
| Accrued Other Postemployment<br>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                        |
| <b>Total Business-Type Activities</b>       | <u>13,647,248</u>                         | <u>345,367</u>    | <u>(3,209,797)</u>          | <u>10,782,818</u>                         | <u>669,772</u>                 |
| <b>Total Long-Term Obligations</b>          | <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:

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

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

| <b>CITY OF JACKSONVILLE BEACH GENERAL EMPLOYEES’ PENSION PLAN</b> |   |  |  |  |
|---|---|--|--|--|
| <b>Provision</b>  | <b>Employees with Less Than 5 Years of Service on November 25, 2013</b>                                     | <b>Employees with at Least 5 Years of Service but Less Than 10 Years of Service on November 25, 2013</b> | <b>Employees with 10 or More Years of Service on November 25, 2013</b>   | <b>Employees with 30 Years of Service or Age 60 with 5 Years of Service on November 25, 2013</b> |
| 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                             |

| <b>CITY OF JACKSONVILLE BEACH POLICE OFFICERS’ PENSION PLAN</b> |   |  |  |   |
|---|---|--|--|---|
| <b>Provision</b>  | <b>Employees with Less Than 5 Years of Service on June 23, 2014</b>   | <b>Employees with at Least 5 Years of Service but Less Than 10 Years of Service on June 23, 2014</b> | <b>Employees with 10 or More Years of Service on June 23, 2014</b>   | <b>Employees with 30 Years of Service; Age 52 with 25 Years of Service; Age 55 with 5 Years of Service on June 23, 2014</b> |
| 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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| <b>CITY OF JACKSONVILLE BEACH FIREFIGHTERS' PENSION PLAN</b> |   |  |  |  |   |
|--|---|--|--|--|---|
| <b>Provision</b>   | <b>Employees Hired After July 21, 2014</b>  | <b>Employees with Less Than 5 Years of Service on July 21, 2014</b>  | <b>Employees with at Least 5 Years of Service but Less Than 10 Years of Service on July 21, 2014</b> | <b>Employees with 10 or More Years of Service on July 21, 2014</b>   | <b>Employees with 30 Years of Service; Age 52 with 25 Years of Service; Age 55 with 5 Years of Service on July 21, 2014</b> |
| 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<br>Age 55 with 10 years of service; or<br>30 years of service regardless of age |  |  | Age 52 with 25 years of service; or<br>Age 55 with 5 years of service; or<br>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 <sup>nd</sup> 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:

| <b>Asset Class</b>       | <b>Target Allocation</b> |
|--------------------------|--------------------------|
| 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%                       |
| <b>Total</b>             | <b>100%</b>              |

**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<br/>Employees</u> | <u>Police<br/>Officers</u> | <u>Firefighters</u>  | <u>Totals</u>         |
|---|------------------------------|----------------------------|----------------------|-----------------------|
| <b>Assets</b>                               |                              |                            |                      |                       |
| 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             |
| <b>Total Investments</b>                    | <u>75,447,985</u>            | <u>36,019,774</u>          | <u>23,136,755</u>    | <u>134,604,514</u>    |
| <b>Total Assets</b>                         | <u>77,579,781</u>            | <u>37,067,469</u>          | <u>23,823,126</u>    | <u>138,470,376</u>    |
| <b>Liabilities</b>                          |                              |                            |                      |                       |
| Accounts Payable                            | 4,658                        | 5,508                      | 4,658                | 14,824                |
| Other Accrued Liabilities                   | 2,130                        | 756                        | 496                  | 3,382                 |
| <b>Total Liabilities</b>                    | <u>6,788</u>                 | <u>6,264</u>               | <u>5,154</u>         | <u>18,206</u>         |
| <b>Net Position Restricted for Pensions</b> | <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<br/>Employees</u> | <u>Police<br/>Officers</u> | <u>Firefighters</u>  | <u>Totals</u>         |
|--|------------------------------|----------------------------|----------------------|-----------------------|
| <b>Additions</b>                       |                              |                            |                      |                       |
| <b>Contributions</b>                   |                              |                            |                      |                       |
| 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               |
| <b>Total Contributions</b>             | <u>4,461,627</u>             | <u>1,690,250</u>           | <u>1,186,402</u>     | <u>7,338,279</u>      |
| <b>Investment Income</b>               |                              |                            |                      |                       |
| Investment Earnings                    | 6,817,006                    | 3,223,283                  | 2,052,852            | 12,093,141            |
| (Investment Expenses)                  | (77,459)                     | (36,592)                   | (23,384)             | (137,435)             |
| <b>Net Investment Income</b>           | <u>6,739,547</u>             | <u>3,186,691</u>           | <u>2,029,468</u>     | <u>11,955,706</u>     |
| <b>Total Additions</b>                 | <u>11,201,174</u>            | <u>4,876,941</u>           | <u>3,215,870</u>     | <u>19,293,985</u>     |
| <b>Deductions</b>                      |                              |                            |                      |                       |
| 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               |
| <b>(Total Deductions)</b>              | <u>(5,648,798)</u>           | <u>(1,909,641)</u>         | <u>(1,163,143)</u>   | <u>(8,721,582)</u>    |
| <b>Change in Net Position</b>          | 5,552,376                    | 2,967,300                  | 2,052,727            | 10,572,403            |
| <b>Net Position, Beginning of Year</b> | 72,020,617                   | 34,093,905                 | 21,765,245           | 127,879,767           |
| <b>Net Position, End of Year</b>       | <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)<br>Total Pension<br>Liability | (b)<br>Plan Fiduciary<br>Net Position | (a) - (b)<br>Net Pension<br>Liability |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| <b>Balance, Beginning of Year</b>                               | \$ 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<br>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<br>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)                           |
| <b>Balance, End of Year</b>                                     | <u>\$ 84,447,421</u>              | <u>\$ 72,020,617</u>                  | <u>\$ 12,426,804</u>                  |

*Police Officers' Pension Plan*

|   | (a)<br>Total Pension<br>Liability | (b)<br>Plan Fiduciary<br>Net Position | (a) - (b)<br>Net Pension<br>(Asset) Liability |
|---|-----------------------------------|---------------------------------------|---|
| <b>Balance, Beginning of Year</b>                               | \$ 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<br>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<br>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)                                   |
| <b>Balance, End of Year</b>                                     | <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<br/>Expected<br/>Rate of Return<br/>(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.

| <b>Sensitivity of Net Pension Liability to the<br/>Single Discount Rate Assumption</b> |                    |                |                      |                    |
|--|--------------------|----------------|----------------------|--------------------|
|  | <b>1% Decrease</b> | <b>Current</b> | <b>Discount Rate</b> | <b>1% Increase</b> |
|  | <b>6.50%</b>       | <b>7.50%</b>   | <b>8.50%</b>         |                    |
| <b>General Employees'</b>  |                    |                |                      |                    |
| <b>Pension Plan:</b>   | \$ 21,675,085      | \$ 12,426,804  |                      | \$ 4,592,773       |
| <b>Police Officers'</b>  |                    |                |                      |                    |
| <b>Pension Plan:</b>   | \$ 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>             |
| <b>Total</b>                    | <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**

|   | <b>General<br/>Employees'</b> | <b>Police<br/>Officers'</b> | <b>Total</b>               |
|---|-------------------------------|-----------------------------|----------------------------|
| Contributions Made After the Measurement Date         | \$ 2,839,477                  | \$ 1,103,240                | \$ 3,942,717               |
| Differences Between Expected and Actual<br>Experience | 3,271,351                     | 598,873                     | 3,870,224                  |
| <b>Total</b>  | <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**

|   | <b>General<br/>Employees'</b> | <b>Police<br/>Officers'</b> | <b>Total</b>               |
|---|-------------------------------|-----------------------------|----------------------------|
| Differences Between Expected and Actual<br>Experience                               | \$ 375,222                    | \$ 380,713                  | \$ 755,935                 |
| Net Difference Between Projected and Actual<br>Earnings on Pension Plan Investments | 3,100,213                     | 1,443,091                   | 4,543,304                  |
| Changes in Assumptions  | 241,815                       | 251,224                     | 493,039                    |
| <b>Total</b>  | <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                |
| <b>Total</b>                     | <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%  |
| <b>Total</b>                | <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.

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**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<br>September 30, 2025 | Remaining<br>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  
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**Encumbrances**

Significant encumbrances included in governmental fund balances are as follows:

| <u>Fund</u>                   | <u>Restricted<br/>Fund Balance</u> | <u>Assigned<br/>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                          | -                                |
| <b>Total</b>                  | <u>\$ 16,515,078</u>               | <u>\$ 6,650,999</u>              |

**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.

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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:

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

**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

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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>            |
| <b>Total Inflows of Resources from Leases</b> |    | <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><br><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>            |
| <b>Total</b>                               | <u><u>\$ 259,812</u></u> | <u><u>\$ 8,960</u></u> | <u><u>\$ 268,772</u></u> |

**NOTES TO FINANCIAL STATEMENTS**  
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**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<br>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            |
| <b>Total</b>                 | <b>\$ 101,555</b> | <b>\$ 8,594</b> | <b>\$ 110,149</b> |

**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        |
| <b>Total Plan Members</b>   | <b>316</b> |

**NOTES TO FINANCIAL STATEMENTS**  
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**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**

|  |                     |
|--|---------------------|
| <b>Total OPEB Liability, Beginning of Year</b>     | <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>      |
| <b>Total OPEB Liability, End of Year</b>           | <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<br/>Discount Rate</u> | <u>1% Increase</u> |
|-----------------------------|--------------------|----------------------------------|--------------------|
|                             | <u>2.81%</u>       | <u>3.81%</u>                     | <u>4.81%</u>       |
| <b>Total OPEB Liability</b> | \$ 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<br/>Healthcare Cost<br/>Trend Rate</u> | <u>1% Increase</u> |
|-----------------------------|--------------------|---|--------------------|
| <b>Total OPEB Liability</b> | \$ 2,404,966       | \$ 2,706,535                                      | \$ 3,072,131       |

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**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<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Benefits Paid after Measurement Date                  | \$ 163,992                                | \$ -                                     |
| Differences Between Expected and<br>Actual Experience | 352,133                                   | 262,585                                  |
| Changes in Assumptions and Other Inputs               | <u>586,740</u>                            | <u>991,679</u>                           |
| <b>Total</b>  | <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>       |
| <b>Total</b>                            | <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.   |

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**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<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|-----------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>          |                           |   |
| <b>Revenues</b>  |                         |                       |                           |   |
| 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   |
| <b>Total Revenues</b>  | <u>26,815,973</u>       | <u>27,089,890</u>     | <u>28,670,448</u>         | <u>1,580,558</u>  |
| <b>Expenditures</b>  |                         |                       |                           |   |
| 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   |
| <b>(Total Expenditures)</b>  | <u>(27,072,065)</u>     | <u>(28,442,082)</u>   | <u>(27,339,147)</u>       | <u>1,102,935</u>  |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>(256,092)</u>        | <u>(1,352,192)</u>    | <u>1,331,301</u>          | <u>2,683,493</u>  |
| <b>Other Financing Sources (Uses)</b>                                |                         |                       |                           |   |
| 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>  |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>256,092</u>          | <u>(1,323,360)</u>    | <u>(1,324,460)</u>        | <u>(1,100)</u>  |
| <b>Net Change in Fund Balance</b>                                    | <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<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|-----------------------------------|-------------------------|------------------------|---------------------------|---|
|                                   | <u>Original</u>         | <u>Final</u>           |                           |   |
| <b>Revenues</b>                   |                         |                        |                           |   |
| 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   |
| <b>Total Revenues</b>             | <u>14,292,857</u>       | <u>14,292,857</u>      | <u>16,279,017</u>         | <u>1,986,160</u>  |
| <b>Expenditures</b>               |                         |                        |                           |   |
| 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  |
| <b>(Total Expenditures)</b>       | <u>(13,416,981)</u>     | <u>(41,758,406)</u>    | <u>(20,183,019)</u>       | <u>21,575,387</u>   |
| <b>Net Change in Fund Balance</b> | <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                 |
| <b>Total Pension Liability</b>  |                      |                      |                      |                     |                      |                      |                      |                      |                      |                      |
| 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)            |
| <b>Net Change in Total Pension Liability</b>                                | <b>5,410,303</b>     | <b>1,361,365</b>     | <b>3,145,872</b>     | <b>325,514</b>      | <b>948,706</b>       | <b>1,120,512</b>     | <b>5,826,951</b>     | <b>4,001,742</b>     | <b>3,286,294</b>     | <b>448,212</b>       |
| <b>Total Pension Liability-Beginning</b>                                    | <b>79,037,118</b>    | <b>77,675,753</b>    | <b>74,529,881</b>    | <b>74,204,367</b>   | <b>73,255,661</b>    | <b>72,135,149</b>    | <b>66,308,198</b>    | <b>62,306,456</b>    | <b>59,020,162</b>    | <b>58,571,950</b>    |
| <b>Total Pension Liability-Ending (a)</b>                                   | <b>84,447,421</b>    | <b>79,037,118</b>    | <b>77,675,753</b>    | <b>74,529,881</b>   | <b>74,204,367</b>    | <b>73,255,661</b>    | <b>72,135,149</b>    | <b>66,308,198</b>    | <b>62,306,456</b>    | <b>59,020,162</b>    |
| <b>Plan Fiduciary Net Position</b>  |                      |                      |                      |                     |                      |                      |                      |                      |                      |                      |
| 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)             |
| <b>Net Change in Plan Fiduciary Net Position</b>                            | <b>11,598,854</b>    | <b>3,320,707</b>     | <b>(12,789,471)</b>  | <b>9,312,513</b>    | <b>3,476,386</b>     | <b>1,454,712</b>     | <b>2,875,061</b>     | <b>3,634,384</b>     | <b>1,835,610</b>     | <b>(2,333,953)</b>   |
| <b>Plan Fiduciary Net Position-Beginning</b>                                | <b>60,421,763</b>    | <b>57,101,056</b>    | <b>69,890,527</b>    | <b>60,578,014</b>   | <b>57,101,628</b>    | <b>55,646,916</b>    | <b>52,771,855</b>    | <b>49,137,471</b>    | <b>47,301,861</b>    | <b>49,635,814</b>    |
| <b>Plan Fiduciary Net Position-Ending (b)</b>                               | <b>72,020,617</b>    | <b>60,421,763</b>    | <b>57,101,056</b>    | <b>69,890,527</b>   | <b>60,578,014</b>    | <b>57,101,628</b>    | <b>55,646,916</b>    | <b>52,771,855</b>    | <b>49,137,471</b>    | <b>47,301,861</b>    |
| <b>Net Pension Liability-Ending (a) – (b)</b>                               | <b>\$ 12,426,804</b> | <b>\$ 18,615,355</b> | <b>\$ 20,574,697</b> | <b>\$ 4,639,354</b> | <b>\$ 13,626,353</b> | <b>\$ 16,154,033</b> | <b>\$ 16,488,233</b> | <b>\$ 13,536,343</b> | <b>\$ 13,168,985</b> | <b>\$ 11,718,301</b> |
| <b>Plan Fiduciary Net Position as Percentage of Total Pension Liability</b> | 85.28%               | 76.45%               | 73.51%               | 93.78%              | 81.64%               | 77.95%               | 77.14%               | 79.59%               | 78.86%               | 80.15%               |
| <b>Covered Payroll</b>  | \$ 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        |
| <b>Net Pension Liability as a Percentage of Covered Payroll</b>             | 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                |
| <b>Total Pension Liability</b>  |                   |                     |                     |                       |                     |                     |                     |                     |                     |                     |
| 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)            |
| <b>Net Change in Total Pension Liability</b>                                | <b>1,882,426</b>  | <b>1,080,155</b>    | <b>1,476,357</b>    | <b>265,096</b>        | <b>1,801,795</b>    | <b>509,171</b>      | <b>2,715,205</b>    | <b>1,405,922</b>    | <b>1,484,329</b>    | <b>889,971</b>      |
| <b>Total Pension Liability-Beginning</b>                                    | <b>32,406,761</b> | <b>31,326,606</b>   | <b>29,850,249</b>   | <b>29,585,153</b>     | <b>27,783,358</b>   | <b>27,274,187</b>   | <b>24,558,982</b>   | <b>23,153,060</b>   | <b>21,668,731</b>   | <b>20,778,760</b>   |
| <b>Total Pension Liability-Ending (a)</b>                                   | <b>34,289,187</b> | <b>32,406,761</b>   | <b>31,326,606</b>   | <b>29,850,249</b>     | <b>29,585,153</b>   | <b>27,783,358</b>   | <b>27,274,187</b>   | <b>24,558,982</b>   | <b>23,153,060</b>   | <b>21,668,731</b>   |
| <b>Plan Fiduciary Net Position</b>  |                   |                     |                     |                       |                     |                     |                     |                     |                     |                     |
| 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)            |
| <b>Net Change in Plan Fiduciary Net Position</b>                            | <b>5,922,639</b>  | <b>1,883,212</b>    | <b>(5,694,911)</b>  | <b>5,134,446</b>      | <b>2,347,347</b>    | <b>722,240</b>      | <b>1,730,591</b>    | <b>2,076,105</b>    | <b>1,220,470</b>    | <b>(565,537)</b>    |
| <b>Plan Fiduciary Net Position-Beginning</b>                                | <b>28,171,266</b> | <b>26,288,054</b>   | <b>31,982,965</b>   | <b>26,848,519</b>     | <b>24,501,172</b>   | <b>23,778,932</b>   | <b>22,048,341</b>   | <b>19,972,236</b>   | <b>18,751,766</b>   | <b>19,317,303</b>   |
| <b>Plan Fiduciary Net Position-Ending (b)</b>                               | <b>34,093,905</b> | <b>28,171,266</b>   | <b>26,288,054</b>   | <b>31,982,965</b>     | <b>26,848,519</b>   | <b>24,501,172</b>   | <b>23,778,932</b>   | <b>22,048,341</b>   | <b>19,972,236</b>   | <b>18,751,766</b>   |
| <b>Net Pension Liability-Ending (a) – (b)</b>                               | <b>\$ 195,282</b> | <b>\$ 4,235,495</b> | <b>\$ 5,038,552</b> | <b>\$ (2,132,716)</b> | <b>\$ 2,736,634</b> | <b>\$ 3,282,186</b> | <b>\$ 3,495,255</b> | <b>\$ 2,510,641</b> | <b>\$ 3,180,824</b> | <b>\$ 2,916,965</b> |
| <b>Plan Fiduciary Net Position as Percentage of Total Pension Liability</b> | 99.43%            | 86.93%              | 83.92%              | 107.14%               | 90.75%              | 88.19%              | 87.18%              | 89.78%              | 86.26%              | 86.54%              |
| <b>Covered Payroll</b>  | \$ 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        |
| <b>Net Pension Liability as a Percentage of Covered Payroll</b>             | 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**

| <b>September 30:</b>   | <b>2025</b>      | <b>2024</b>      | <b>2023</b>      | <b>2022</b>      | <b>2021</b>      | <b>2020</b>       | <b>2019</b>       | <b>2018</b>       | <b>2017</b>      | <b>2016</b>      |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|------------------|------------------|
| 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**

| <b>September 30:</b>   | <b>2025</b>  | <b>2024</b>  | <b>2023</b>  | <b>2022</b>  | <b>2021</b>  | <b>2020</b>  | <b>2019</b>  | <b>2018</b>  | <b>2017</b>  | <b>2016</b>  |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 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**

|  | <b>Annual Money-Weighted Rate of Return<br/>Net of Investment Expense</b> |                            |
|--|---|----------------------------|
| <b>Fiscal Year Ended September 30,</b> | <b>General<br/>Employees</b>  | <b>Police<br/>Officers</b> |
| 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           |
| <b>Total OPEB Liability</b>   |                     |                     |                     |                     |                     |                     |                     |                     |
| 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>     |
| <b>Total OPEB Liability - Beginning of Year</b>                               | <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>    |
| <b>Total OPEB Liability - End of Year</b>                                     | <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> |
| <b>Estimated Covered-Employee Payroll</b>                                     | \$ 23,466,127       | \$ 25,835,099       | \$ 17,213,754       | \$ 21,560,345       | \$ 17,562,406       | \$ 20,116,441       | \$ 17,880,928       | \$ 14,491,777       |
| <b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>       | 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<br>Development<br>Tax Fund | Court<br>Costs<br>Training<br>Fund | Local<br>Option<br>Gas Tax<br>Fund | Infrastructure<br>Surtax<br>Fund |
| <b>Assets</b>  |                                       |                                    |                                    |                                  |
| 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                          |
| <b>Total Assets</b>  | <u>4,719,912</u>                      | <u>13,864</u>                      | <u>5,073,982</u>                   | <u>9,447,038</u>                 |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>       |                                       |                                    |                                    |                                  |
| <b>Liabilities</b>   |                                       |                                    |                                    |                                  |
| Accounts Payable   | 29,504                                | -                                  | -                                  | 56,156                           |
| Other Accrued Liabilities  | -                                     | -                                  | 467                                | 85,338                           |
| Interfund Payables   | -                                     | -                                  | -                                  | -                                |
| Unearned Revenues  | -                                     | -                                  | -                                  | -                                |
| <b>Total Liabilities</b>   | <u>29,504</u>                         | <u>-</u>                           | <u>467</u>                         | <u>141,494</u>                   |
| <b>Deferred Inflows of Resources</b>                                       |                                       |                                    |                                    |                                  |
| Unavailable Revenues   | 63,163                                | -                                  | -                                  | -                                |
| <b>Fund Balances</b>   |                                       |                                    |                                    |                                  |
| 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   | -                                     | -                                  | -                                  | -                                |
| <b>Total Fund Balances</b>   | <u>4,627,245</u>                      | <u>13,864</u>                      | <u>5,073,515</u>                   | <u>9,305,544</u>                 |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <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<br>Development<br>Block Grant<br>Fund | Radio<br>Communications<br>Fund | J.A.G.<br>Grant<br>Fund | ARPA<br>Fund      | Opioid<br>Settlement<br>Fund |
| <b>Assets</b>  |   |                                 |                         |                   |                              |
| Equity in Pooled Cash and Investments                                      | \$ -  | \$ 46,261                       | \$ -                    | \$ 534,045        | \$ 488,316                   |
| Due from Other Governments   | 1,998   | -                               | 53,601                  | -                 | -                            |
| <b>Total Assets</b>  | <u>1,998</u>                                    | <u>46,261</u>                   | <u>53,601</u>           | <u>534,045</u>    | <u>488,316</u>               |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>       |   |                                 |                         |                   |                              |
| <b>Liabilities</b>   |   |                                 |                         |                   |                              |
| Accounts Payable   | -   | -                               | -                       | 125,359           | -                            |
| Other Accrued Liabilities  | -   | -                               | -                       | 205,556           | -                            |
| Interfund Payables   | 1,998   | -                               | 53,601                  | -                 | -                            |
| Unearned Revenues  | -   | -                               | -                       | 203,130           | -                            |
| <b>Total Liabilities</b>   | <u>1,998</u>                                    | <u>-</u>                        | <u>53,601</u>           | <u>534,045</u>    | <u>-</u>                     |
| <b>Deferred Inflows of Resources</b>                                       |   |                                 |                         |                   |                              |
| Unavailable Revenues   | -   | -                               | -                       | -                 | -                            |
| <b>Fund Balances</b>   |   |                                 |                         |                   |                              |
| Restricted for:  |   |                                 |                         |                   |                              |
| Tourism Expenditures   | -   | -                               | -                       | -                 | -                            |
| Transportation Improvements  | -   | -                               | -                       | -                 | -                            |
| Capital Projects   | -   | -                               | -                       | -                 | -                            |
| Law Enforcement  | -   | 46,261                          | -                       | -                 | -                            |
| Opioid Mitigation  | -   | -                               | -                       | -                 | 488,316                      |
| Committed for:   |   |                                 |                         |                   |                              |
| Tree Replacement   | -   | -                               | -                       | -                 | -                            |
| <b>Total Fund Balances</b>   | <u>-</u>  | <u>46,261</u>                   | <u>-</u>                | <u>-</u>          | <u>488,316</u>               |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <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<br>Projects Fund                          | Total<br>Non-Major<br>Governmental<br>Funds |
|--|----------------------------|-------------------------------------|---------------------------------------|---|---|
|  | Tree<br>Protection<br>Fund | Law<br>Enforcement<br>Trust<br>Fund | Equitable<br>Sharing<br>Trust<br>Fund | Infrastructure<br>Tax Capital<br>Projects<br>Fund |   |
| <b>Assets</b>  |                            |                                     |                                       |   |   |
| Equity in Pooled Cash and<br>Investments                                       | \$ 9,248                   | \$ 7,580                            | \$ 359,716                            | \$ 142,386  | \$ 20,374,801                               |
| Due from Other Governments   | -                          | -                                   | -                                     | -   | 523,146                                     |
| <b>Total Assets</b>  | 9,248                      | 7,580                               | 359,716                               | 142,386   | 20,897,947                                  |
| <b>Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b>       |                            |                                     |                                       |   |   |
| <b>Liabilities</b>   |                            |                                     |                                       |   |   |
| Accounts Payable   | -                          | 224                                 | -                                     | -   | 211,243                                     |
| Other Accrued Liabilities  | -                          | -                                   | -                                     | -   | 291,361                                     |
| Interfund Payables   | -                          | -                                   | -                                     | -   | 55,599                                      |
| Unearned Revenues  | -                          | -                                   | -                                     | -   | 203,130                                     |
| <b>Total Liabilities</b>   | -                          | 224                                 | -                                     | -   | 761,333                                     |
| <b>Deferred Inflows of Resources</b>   |                            |                                     |                                       |   |   |
| Unavailable Revenues   | -                          | -                                   | -                                     | -   | 63,163                                      |
| <b>Fund Balances</b>   |                            |                                     |                                       |   |   |
| 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                                       |
| <b>Total Fund Balances</b>   | 9,248                      | 7,356                               | 359,716                               | 142,386   | 20,073,451                                  |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | \$ 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<br>Development<br>Tax Fund | Court<br>Costs<br>Training<br>Fund | Local<br>Option<br>Gas Tax<br>Fund | Infrastructure<br>Surtax<br>Fund |
| <b>Revenues</b>  |                                       |                                    |                                    |                                  |
| 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                          |
| <b>Total Revenues</b>  | <u>1,079,233</u>                      | <u>10,300</u>                      | <u>1,466,237</u>                   | <u>2,492,885</u>                 |
| <b>Expenditures</b>  |                                       |                                    |                                    |                                  |
| 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                          |
| <b>(Total Expenditures)</b>  | <u>(323,684)</u>                      | <u>(7,886)</u>                     | <u>(205,755)</u>                   | <u>(6,013,410)</u>               |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>755,549</u>                        | <u>2,414</u>                       | <u>1,260,482</u>                   | <u>(3,520,525)</u>               |
| <b>Other Financing Sources (Uses)</b>                                |                                       |                                    |                                    |                                  |
| Transfers (out)  | -                                     | -                                  | (372,000)                          | -                                |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>-</u>                              | <u>-</u>                           | <u>(372,000)</u>                   | <u>-</u>                         |
| <b>Net Change in Fund Balance</b>                                    | 755,549                               | 2,414                              | 888,482                            | (3,520,525)                      |
| <b>Fund Balances, Beginning of Year</b>                              | <u>3,871,696</u>                      | <u>11,450</u>                      | <u>4,185,033</u>                   | <u>12,826,069</u>                |
| <b>Fund Balances, End of Year</b>                                    | <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<br>Development<br>Block Grant<br>Fund | Radio<br>Communications<br>Fund | J.A.G.<br>Grant<br>Fund | ARPA<br>Fund       | Opioid<br>Settlement<br>Fund |
| <b>Revenues</b>  |   |                                 |                         |                    |                              |
| Taxes  | \$ -  | \$ -                            | \$ -                    | \$ -               | \$ -                         |
| Intergovernmental  | 140,900   | -                               | 53,601                  | 1,474,717          | -                            |
| Fines and Forfeitures  | -   | 43,938                          | -                       | -                  | 168,565                      |
| Interest and Other Revenue   | -   | -                               | -                       | -                  | -                            |
| <b>Total Revenues</b>  | <u>140,900</u>                                  | <u>43,938</u>                   | <u>53,601</u>           | <u>1,474,717</u>   | <u>168,565</u>               |
| <b>Expenditures</b>  |   |                                 |                         |                    |                              |
| Current:   |   |                                 |                         |                    |                              |
| General Government   | -   | -                               | -                       | -                  | -                            |
| Public Safety  | -   | -                               | -                       | -                  | -                            |
| Physical Environment   | -   | -                               | -                       | -                  | -                            |
| Roads and Streets  | -   | -                               | -                       | -                  | -                            |
| Parks and Recreation   | -   | -                               | -                       | -                  | -                            |
| Capital Outlay   | -   | -                               | 53,601                  | 1,474,717          | -                            |
| <b>(Total Expenditures)</b>  | <u>-</u>  | <u>-</u>                        | <u>(53,601)</u>         | <u>(1,474,717)</u> | <u>-</u>                     |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>140,900</u>                                  | <u>43,938</u>                   | <u>-</u>                | <u>-</u>           | <u>168,565</u>               |
| <b>Other Financing Sources (Uses)</b>                                |   |                                 |                         |                    |                              |
| Transfers (out)  | (140,900)                                       | -                               | -                       | -                  | -                            |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>(140,900)</u>                                | <u>-</u>                        | <u>-</u>                | <u>-</u>           | <u>-</u>                     |
| <b>Net Change in Fund Balance</b>                                    | -   | 43,938                          | -                       | -                  | 168,565                      |
| <b>Fund Balances, Beginning of Year</b>                              | <u>-</u>  | <u>2,323</u>                    | <u>-</u>                | <u>-</u>           | <u>319,751</u>               |
| <b>Fund Balances, End of Year</b>                                    | <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<br>Projects Fund                          | Total<br>Non-Major<br>Governmental<br>Funds |
|--|----------------------------|-------------------------------------|---------------------------------------|---|---|
|  | Tree<br>Protection<br>Fund | Law<br>Enforcement<br>Trust<br>Fund | Equitable<br>Sharing<br>Trust<br>Fund | Infrastructure<br>Tax Capital<br>Projects<br>Fund |   |
| <b>Revenues</b>  |                            |                                     |                                       |   |   |
| 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                                     |
| <b>Total Revenues</b>  | <u>2,572</u>               | <u>479</u>                          | <u>165,242</u>                        | <u>-</u>  | <u>7,098,669</u>                            |
| <b>Expenditures</b>  |                            |                                     |                                       |   |   |
| 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                                   |
| <b>(Total Expenditures)</b>  | <u>(15)</u>                | <u>(10,432)</u>                     | <u>(560)</u>                          | <u>(97,997)</u>                                   | <u>(8,188,057)</u>                          |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>2,557</u>               | <u>(9,953)</u>                      | <u>164,682</u>                        | <u>(97,997)</u>                                   | <u>(1,089,388)</u>                          |
| <b>Other Financing Sources (Uses)</b>                                |                            |                                     |                                       |   |   |
| Transfers (out)  | -                          | -                                   | -                                     | -   | (512,900)                                   |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>-</u>                   | <u>-</u>                            | <u>-</u>                              | <u>-</u>  | <u>(512,900)</u>                            |
| <b>Net Change in Fund Balance</b>                                    | 2,557                      | (9,953)                             | 164,682                               | (97,997)  | (1,602,288)                                 |
| <b>Fund Balances, Beginning of Year</b>                              | <u>6,691</u>               | <u>17,309</u>                       | <u>195,034</u>                        | <u>240,383</u>                                    | <u>21,675,739</u>                           |
| <b>Fund Balances, End of Year</b>                                    | <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<br>Amounts | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------|-------------|-------------------|---|
|                                   | Original         | Final       |                   |   |
| <b>Revenues</b>                   |                  |             |                   |   |
| Taxes                             | \$ 785,000       | \$ 785,000  | \$ 892,293        | \$ 107,293  |
| Interest and Other Revenue        | 20,000           | 36,650      | 186,940           | 150,290   |
| <b>Total Revenues</b>             | 805,000          | 821,650     | 1,079,233         | 257,583   |
| <b>Expenditures</b>               |                  |             |                   |   |
| Current:                          |                  |             |                   |   |
| Parks and Recreation              | 167,173          | 183,823     | 152,772           | 31,051  |
| Capital Outlay                    | 500,000          | 720,685     | 170,912           | 549,773   |
| <b>(Total Expenditures)</b>       | (667,173)        | (904,508)   | (323,684)         | 580,824   |
| <b>Net Change in Fund Balance</b> | \$ 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<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|-----------------------------------|-------------------------|----------------|---------------------------|---|
|                                   | <u>Original</u>         | <u>Final</u>   |                           |   |
| <b>Revenues</b>                   |                         |                |                           |   |
| Fines and Forfeitures             | \$ 8,000                | \$ 8,000       | \$ 9,948                  | \$ 1,948  |
| Interest and Other Revenue        | 100                     | 100            | 352                       | 252   |
| <b>Total Revenues</b>             | <u>8,100</u>            | <u>8,100</u>   | <u>10,300</u>             | <u>2,200</u>  |
| <b>Expenditures</b>               |                         |                |                           |   |
| Current:                          |                         |                |                           |   |
| Public Safety                     | <u>8,100</u>            | <u>8,100</u>   | <u>7,886</u>              | <u>214</u>  |
| <b>(Total Expenditures)</b>       | <u>(8,100)</u>          | <u>(8,100)</u> | <u>(7,886)</u>            | <u>214</u>  |
| <b>Net Change in Fund Balance</b> | <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<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>Revenues</b>                                 |                         |                   |                           |   |
| Taxes   | \$ 1,378,500            | \$ 1,378,500      | \$ 1,276,505              | \$ (101,995)  |
| Interest and Other Revenue                      | 20,000                  | 20,000            | 189,732                   | 169,732   |
| <b>Total Revenues</b>                           | <u>1,398,500</u>        | <u>1,398,500</u>  | <u>1,466,237</u>          | <u>67,737</u>   |
| <b>Expenditures</b>                             |                         |                   |                           |   |
| Current:  |                         |                   |                           |   |
| Roads and Streets                               | 856,852                 | 874,871           | 205,755                   | 669,116   |
| <b>(Total Expenditures)</b>                     | <u>(856,852)</u>        | <u>(874,871)</u>  | <u>(205,755)</u>          | <u>669,116</u>  |
| <b>Excess of Revenues<br/>Over Expenditures</b> | 541,648                 | 523,629           | 1,260,482                 | 736,853   |
| <b>Other Financing Sources (Uses)</b>           |                         |                   |                           |   |
| Transfers (out)                                 | (372,000)               | (372,000)         | (372,000)                 | -   |
| <b>Net Change in Fund Balance</b>               | <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<br>Amounts | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------|-----------------|-------------------|---|
|                                   | Original         | Final           |                   |   |
| <b>Revenues</b>                   |                  |                 |                   |   |
| Taxes                             | \$ 2,065,170     | \$ 2,065,170    | \$ 2,006,723      | \$ (58,447)   |
| Interest and Other Revenue        | 35,801           | 35,801          | 486,162           | 450,361   |
| <b>Total Revenues</b>             | 2,100,971        | 2,100,971       | 2,492,885         | 391,914   |
| <b>Expenditures</b>               |                  |                 |                   |   |
| 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   |
| <b>(Total Expenditures)</b>       | (8,372,620)      | (16,710,553)    | (6,013,410)       | 10,697,143  |
| <b>Net Change in Fund Balance</b> | \$ (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<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>Revenues</b>  |                         |                  |                           |   |
| Intergovernmental  | \$ 142,000              | \$ 142,000       | \$ 140,900                | \$ (1,100)  |
| <b>Total Revenues</b>  | <u>142,000</u>          | <u>142,000</u>   | <u>140,900</u>            | <u>(1,100)</u>  |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | 142,000                 | 142,000          | 140,900                   | (1,100)   |
| <b>Other Financing Sources (Uses)</b>                                |                         |                  |                           |   |
| Transfers (out)  | <u>(142,000)</u>        | <u>(142,000)</u> | <u>(140,900)</u>          | <u>1,100</u>  |
| <b>Net Change in Fund Balance</b>                                    | <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<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|-----------------------------------|-------------------------|------------------|---------------------------|---|
|                                   | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>Revenues</b>                   |                         |                  |                           |   |
| Fines and Forfeitures             | \$ 20,000               | \$ 20,000        | \$ 43,938                 | \$ 23,938   |
| <b>Total Revenues</b>             | <u>20,000</u>           | <u>20,000</u>    | <u>43,938</u>             | <u>23,938</u>   |
| <b>Net Change in Fund Balance</b> | <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**

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

**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<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|-----------------------------------|-------------------------|-----------------------|---------------------------|---|
|                                   | <u>Original</u>         | <u>Final</u>          |                           |   |
| <b>Revenues</b>                   |                         |                       |                           |   |
| Intergovernmental                 | \$ -                    | \$ -                  | \$ 1,474,717              | \$ 1,474,717  |
| <b>Total Revenues</b>             | <u>-</u>                | <u>-</u>              | <u>1,474,717</u>          | <u>1,474,717</u>  |
| <b>Expenditures</b>               |                         |                       |                           |   |
| Capital Outlay                    | -                       | 2,061,973             | 1,474,717                 | 587,256   |
| <b>(Total Expenditures)</b>       | <u>-</u>                | <u>(2,061,973)</u>    | <u>(1,474,717)</u>        | <u>587,256</u>  |
| <b>Net Change in Fund Balance</b> | <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<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|-----------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>    |                           |   |
| <b>Revenues</b>                       |                         |                 |                           |   |
| Fines and Forfeitures                 | \$ -                    | \$ -            | \$ 168,565                | \$ 168,565  |
| <b>Total Revenues</b>                 | <u>-</u>                | <u>-</u>        | <u>168,565</u>            | <u>168,565</u>  |
| <br><b>Net Change in Fund Balance</b> | <br><u>\$ -</u>         | <br><u>\$ -</u> | <br><u>\$ 168,565</u>     | <br><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<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|-----------------------------------|-------------------------|-------------------|---------------------------|---|
|                                   | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>Revenues</b>                   |                         |                   |                           |   |
| Interest and Other Revenue        | \$ -                    | \$ -              | \$ 2,572                  | \$ 2,572  |
| <b>Total Revenues</b>             | <u>-</u>                | <u>-</u>          | <u>2,572</u>              | <u>2,572</u>  |
| <b>Expenditures</b>               |                         |                   |                           |   |
| Current:                          |                         |                   |                           |   |
| Physical Environment              | 6,400                   | 6,400             | 15                        | 6,385   |
| <b>(Total Expenditures)</b>       | <u>(6,400)</u>          | <u>(6,400)</u>    | <u>(15)</u>               | <u>6,385</u>  |
| <b>Net Change in Fund Balance</b> | <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<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|-----------------------------------|-------------------------|-------------------|---------------------------|---|
|                                   | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>Revenues</b>                   |                         |                   |                           |   |
| Fines and Forfeitures             | \$ 1,000                | \$ 1,000          | \$ -                      | \$ (1,000)  |
| Interest and Other Revenue        | 3,000                   | 3,000             | 479                       | (2,521)   |
| <b>Total Revenues</b>             | <u>4,000</u>            | <u>4,000</u>      | <u>479</u>                | <u>(3,521)</u>  |
| <b>Expenditures</b>               |                         |                   |                           |   |
| Current:                          |                         |                   |                           |   |
| Public Safety                     | 11,010                  | 11,010            | 10,432                    | 578   |
| <b>(Total Expenditures)</b>       | <u>(11,010)</u>         | <u>(11,010)</u>   | <u>(10,432)</u>           | <u>578</u>  |
| <b>Net Change in Fund Balance</b> | <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**

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

**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<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|-----------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>          |                           |   |
| <b>Revenues</b>  |                         |                       |                           |   |
| Intergovernmental  | \$ -                    | \$ 200,000            | \$ 200,000                | \$ -  |
| Interest and Other Revenues  | 100,000                 | 100,000               | 1,039,077                 | 939,077   |
| <b>Total Revenues</b>  | <u>100,000</u>          | <u>300,000</u>        | <u>1,239,077</u>          | <u>939,077</u>  |
| <b>Expenditures</b>  |                         |                       |                           |   |
| 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  |
| <b>(Total Expenditures)</b>  | <u>(7,811,828)</u>      | <u>(14,535,734)</u>   | <u>(3,568,691)</u>        | <u>10,967,043</u>   |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | (7,711,828)             | (14,235,734)          | (2,329,614)               | 11,906,120  |
| <b>Other Financing Sources (Uses)</b>                                |                         |                       |                           |   |
| Transfers in   | 4,544,000               | 6,099,920             | 6,099,920                 | -   |
| <b>Net Change in Fund Balance</b>                                    | <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<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|-------------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>            |                           |   |
| <b>Expenditures</b>                   |                         |                         |                           |   |
| Capital Outlay                        | \$ -                    | \$ 128,633              | \$ 97,997                 | \$ 30,636   |
| <b>(Total Expenditures)</b>           | <u>-</u>                | <u>(128,633)</u>        | <u>(97,997)</u>           | <u>30,636</u>   |
| <br><b>Net Change in Fund Balance</b> | <br><u>\$ -</u>         | <br><u>\$ (128,633)</u> | <br><u>\$ (97,997)</u>    | <br><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<br/>Course</u> | <u>Leased<br/>Facilities</u> | <u>Natural<br/>Gas</u> | <u>Totals</u>       |
|---|---------------------|-------------------|------------------------|------------------------------|------------------------|---------------------|
| <b>Assets</b>                               |                     |                   |                        |                              |                        |                     |
| 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             |
| <b>Total Current Assets</b>                 | <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           |
| <b>Total Capital Assets</b>                 | <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> |
| <b>Total Non-Current Assets</b>             | <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>   |
| <b>Total Assets</b>                         | <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>   |
| <b>Deferred Outflows of Resources</b>       |                     |                   |                        |                              |                        |                     |
| Pension Related                             | 83,013              | 58,449            | 177,396                | -                            | -                      | 318,858             |
| OPEB Related                                | 3,676               | -                 | 55,143                 | -                            | -                      | 58,819              |
| <b>Total Deferred Outflows of Resources</b> | <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>        |
|--|----------------------|---------------------|---------------------|--------------------------|---------------------|----------------------|
| <b>Liabilities</b>                         |                      |                     |                     |                          |                     |                      |
| 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              |
| <b>Total Current Liabilities</b>           | <b>191,204</b>       | <b>595,757</b>      | <b>381,599</b>      | <b>1,032</b>             | <b>624,731</b>      | <b>1,794,323</b>     |
| 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              |
| <b>Total Non-Current Liabilities</b>       | <b>139,936</b>       | <b>189,719</b>      | <b>713,726</b>      | <b>-</b>                 | <b>-</b>            | <b>1,043,381</b>     |
| <b>Total Liabilities</b>                   | <b>331,140</b>       | <b>785,476</b>      | <b>1,095,325</b>    | <b>1,032</b>             | <b>624,731</b>      | <b>2,837,704</b>     |
| <b>Deferred Inflows of Resources</b>       |                      |                     |                     |                          |                     |                      |
| Pension Related                            | 76,756               | 42,372              | 114,648             | -                        | -                   | 233,776              |
| OPEB Related                               | 4,181                | -                   | 62,713              | -                        | -                   | 66,894               |
| Lease Related                              | -                    | -                   | -                   | 939,003                  | -                   | 939,003              |
| <b>Total Deferred Inflows of Resources</b> | <b>80,937</b>        | <b>42,372</b>       | <b>177,361</b>      | <b>939,003</b>           | <b>-</b>            | <b>1,239,673</b>     |
| <b>Net Position</b>                        |                      |                     |                     |                          |                     |                      |
| 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           |
| <b>Total Net Position</b>                  | <b>\$ 29,372,254</b> | <b>\$ 3,303,576</b> | <b>\$ 8,151,571</b> | <b>\$ 1,753,191</b>      | <b>\$ 8,909,941</b> | <b>\$ 51,490,533</b> |

**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<br/>Course</u> | <u>Leased<br/>Facilities</u> | <u>Natural<br/>Gas</u> | <u>Totals</u>        |
|---|----------------------|---------------------|------------------------|------------------------------|------------------------|----------------------|
| <b>Operating Revenues</b>                               |                      |                     |                        |                              |                        |                      |
| Charges for Services                                    | \$ 1,411,413         | \$ 7,939,694        | \$ 3,549,796           | \$ -                         | \$ 2,081,658           | \$ 14,982,561        |
| Other   | -                    | -                   | 547                    | 817,489                      | -                      | 818,036              |
| <b>Total Operating Revenues</b>                         | <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>    |
| <b>Operating Expenses</b>                               |                      |                     |                        |                              |                        |                      |
| 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            |
| <b>(Total Operating Expenses)</b>                       | <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>  |
| <b>Operating Income (Loss)</b>                          | <u>(583,571)</u>     | <u>75,860</u>       | <u>496,356</u>         | <u>75,960</u>                | <u>138,190</u>         | <u>202,795</u>       |
| <b>Non-Operating Revenues (Expenses)</b>                |                      |                     |                        |                              |                        |                      |
| 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)            |
| <b>Total Non-Operating Revenues (Expense)</b>           | <u>190,327</u>       | <u>122,551</u>      | <u>195,388</u>         | <u>70,222</u>                | <u>157,545</u>         | <u>736,033</u>       |
| <b>Income (Loss) Before Contributions and Transfers</b> | <u>(393,244)</u>     | <u>198,411</u>      | <u>691,744</u>         | <u>146,182</u>               | <u>295,735</u>         | <u>938,828</u>       |
| <b>Capital Contributions</b>                            |                      |                     |                        |                              |                        |                      |
| Connection Fees   | -                    | -                   | -                      | -                            | 108,229                | 108,229              |
| <b>Total Capital Contributions</b>                      | <u>-</u>             | <u>-</u>            | <u>-</u>               | <u>-</u>                     | <u>108,229</u>         | <u>108,229</u>       |
| <b>Transfers</b>  |                      |                     |                        |                              |                        |                      |
| Transfers in  | -                    | -                   | 500,000                | -                            | -                      | 500,000              |
| Transfers (out)   | -                    | -                   | -                      | (90,000)                     | (451,490)              | (541,490)            |
| <b>Total Transfers</b>                                  | <u>-</u>             | <u>-</u>            | <u>500,000</u>         | <u>(90,000)</u>              | <u>(451,490)</u>       | <u>(41,490)</u>      |
| <b>Change in Net Position</b>                           | <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>     |
| <b>Total Net Position, Beginning of Year</b>            | <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>    |
| <b>Total Net Position, End of Year</b>                  | <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<br/>Course</u> | <u>Leased<br/>Facilities</u> | <u>Natural<br/>Gas</u> | <u>Totals</u>        |
|--|---------------------|---------------------|------------------------|------------------------------|------------------------|----------------------|
| <b>Cash Flows from Operating Activities</b>                                    |                     |                     |                        |                              |                        |                      |
| 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)          |
| <b>Net Cash Provided by (Used in) Operating Activities</b>                     | <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>     |
| <b>Cash Flows from Non-Capital Financing Activities</b>                        |                     |                     |                        |                              |                        |                      |
| Transfers in   | -                   | -                   | 500,000                | -                            | -                      | 500,000              |
| Interest from Leasing and SBITA Activities                                     | -                   | -                   | -                      | 22,018                       | -                      | 22,018               |
| Transfers (out)  | -                   | -                   | -                      | (90,000)                     | (451,490)              | (541,490)            |
| <b>Net Cash Provided by (Used in) Non-Capital Financing Activities</b>         | <u>-</u>            | <u>-</u>            | <u>500,000</u>         | <u>(67,982)</u>              | <u>(451,490)</u>       | <u>(19,472)</u>      |
| <b>Cash Flows from Capital and Related Financing Activities</b>                |                     |                     |                        |                              |                        |                      |
| 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)             |
| <b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b> | <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>   |
| <b>Cash Flows from Investing Activities</b>                                    |                     |                     |                        |                              |                        |                      |
| 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>       |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                    | (598,736)           | 65,220              | 1,406,466              | (20,217)                     | (520,817)              | 331,916              |
| <b>Cash and Cash Equivalents, Beginning of Year</b>                            | <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>    |
| <b>Cash and Cash Equivalents, End of Year</b>                                  | <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<br/>Course</u>     | <u>Leased<br/>Facilities</u> | <u>Natural<br/>Gas</u>     | <u>Totals</u>               |
|--|----------------------------|----------------------------|----------------------------|------------------------------|----------------------------|-----------------------------|
| <b><u>Included on the Accompanying Balance Sheet</u></b>   |                            |                            |                            |                              |                            |                             |
| <b><u>Under the Following Captions</u></b>   |                            |                            |                            |                              |                            |                             |
| <b>Current Assets</b>  |                            |                            |                            |                              |                            |                             |
| 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                     |
| <b>Total</b>   | <b><u>\$ 7,259,397</u></b> | <b><u>\$ 2,935,955</u></b> | <b><u>\$ 6,100,143</u></b> | <b><u>\$ 1,344,591</u></b>   | <b><u>\$ 4,005,197</u></b> | <b><u>\$ 21,645,283</u></b> |
| <b><u>Reconciliation of Operating Income (Loss) to Net</u></b>   |                            |                            |                            |                              |                            |                             |
| <b><u>Cash Provided by (Used in) Operating Activities</u></b>  |                            |                            |                            |                              |                            |                             |
| Operating Income (Loss)  | \$ (583,571)               | \$ 75,860                  | \$ 496,356                 | \$ 75,960                    | \$ 138,190                 | \$ 202,795                  |
| Adjustments to Reconcile Operating Income<br>(Loss) to Net Cash Provided by (Used in)<br>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)<br>and Liabilities - Increase (Decrease):                              |                            |                            |                            |                              |                            |                             |
| Accounts Receivable  | 3,455                      | 27,541                     | 2,961                      | (61,876)                     | (398)                      | (28,317)                    |
| Leases Receivable and Related Deferred<br>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<br>and Outflows of Resources                                       | (22,309)                   | -                          | 36,780                     | -                            | -                          | 14,471                      |
| Net Pension Liability and Related Deferred<br>Inflows and Outflows of Resources                                | (6,330)                    | (7,034)                    | (27,275)                   | -                            | -                          | (40,639)                    |
| <b>Net Cash Provided by (Used in) Operating Activities</b>   | <b><u>\$ 498,011</u></b>   | <b><u>\$ 157,669</u></b>   | <b><u>\$ 982,649</u></b>   | <b><u>\$ 11,061</u></b>      | <b><u>\$ (94,088)</u></b>  | <b><u>\$ 1,555,302</u></b>  |

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

|  | <u>Self-Insurance<br/>Funds</u> | <u>Other<br/>Internal<br/>Service<br/>Funds</u> | <u>Totals</u>       |
|--|---------------------------------|---|---------------------|
| <b>Assets</b>  |                                 |   |                     |
| 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           |
| <b>Total Current Assets</b>                                      | <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>  |
| <b>Total Capital Assets, Net of<br/>Accumulated Depreciation</b> | <u>79,654</u>                   | <u>232,175</u>                                  | <u>311,829</u>      |
| <b>Total Assets</b>  | <u>4,433,759</u>                | <u>4,400,724</u>                                | <u>8,834,483</u>    |
| <b>Deferred Outflows of Resources</b>                            |                                 |   |                     |
| Pension Related  | -                               | 1,209,868                                       | 1,209,868           |
| <b>Liabilities</b>   |                                 |   |                     |
| 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              |
| <b>Total Current Liabilities</b>                                 | <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           |
| <b>Total Non-Current Liabilities</b>                             | <u>-</u>                        | <u>3,414,343</u>                                | <u>3,414,343</u>    |
| <b>Total Liabilities</b>   | <u>32,011</u>                   | <u>4,134,368</u>                                | <u>4,166,379</u>    |
| <b>Deferred Inflows of Resources</b>                             |                                 |   |                     |
| Pension Related  | -                               | 755,982   | 755,982             |
| <b>Net Position</b>  |                                 |   |                     |
| Investment in Capital Assets                                     | 79,654                          | 130,620   | 210,274             |
| Unrestricted   | 4,322,094                       | 589,622   | 4,911,716           |
| <b>Total Net Position</b>  | <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**

|  | <b>Self-Insurance<br/>Funds</b> | <b>Other<br/>Internal<br/>Service<br/>Funds</b> | <b>Totals</b>       |
|--|---------------------------------|---|---------------------|
| <b>Operating Revenues</b>                    |                                 |   |                     |
| Charges for Services                         | \$ 5,230,877                    | \$ 13,452,955                                   | \$ 18,683,832       |
| Other Revenue                                | 158,658                         | 1,123   | 159,781             |
| <b>Total Operating Revenues</b>              | <u>5,389,535</u>                | <u>13,454,078</u>                               | <u>18,843,613</u>   |
| <b>Operating Expenses</b>                    |                                 |   |                     |
| 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           |
| <b>(Total Operating Expenses)</b>            | <u>(4,665,042)</u>              | <u>(12,909,165)</u>                             | <u>(17,574,207)</u> |
| <b>Operating Income (Loss)</b>               | <u>724,493</u>                  | <u>544,913</u>                                  | <u>1,269,406</u>    |
| <b>Non-Operating Income (Expense)</b>        |                                 |   |                     |
| Investment Earnings                          | 144,048                         | -   | 144,048             |
| Interest Expense on Leases and SBITAs        | -                               | (5,397)   | (5,397)             |
| <b>Total Non-Operating Income (Expense)</b>  | <u>144,048</u>                  | <u>(5,397)</u>                                  | <u>138,651</u>      |
| <b>Income Before Transfers</b>               | <u>868,541</u>                  | <u>539,516</u>                                  | <u>1,408,057</u>    |
| <b>Transfers</b>                             |                                 |   |                     |
| Transfers in                                 | -                               | 23,532  | 23,532              |
| Transfers (out)                              | -                               | (70,000)  | (70,000)            |
| <b>Total Transfers</b>                       | <u>-</u>                        | <u>(46,468)</u>                                 | <u>(46,468)</u>     |
| <b>Change in Net Position</b>                | 868,541                         | 493,048   | 1,361,589           |
| <b>Total Net Position, Beginning of Year</b> | <u>3,533,207</u>                | <u>227,194</u>                                  | <u>3,760,401</u>    |
| <b>Total Net Position, End of Year</b>       | <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<br>Funds | Other<br>Internal<br>Service Funds | Totals              |
|--|-------------------------|------------------------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>  |                         |                                    |                     |
| 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             |
| <b>Net Cash Provided (Used in) by Operating Activities</b>   | <u>121,459</u>          | <u>552,004</u>                     | <u>673,463</u>      |
| <b>Cash Flows from Non-Capital Financing Activities</b>  |                         |                                    |                     |
| Transfers in   | -                       | 23,532                             | 23,532              |
| Transfers (out)  | -                       | (70,000)                           | (70,000)            |
| <b>Total Cash Flows from Non-Capital Financing Activities</b>  | <u>-</u>                | <u>(46,468)</u>                    | <u>(46,468)</u>     |
| <b>Cash Flows from Capital and Related Financing Activities</b>  |                         |                                    |                     |
| 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)             |
| <b>Total Cash Flows from Non-Capital Financing Activities</b>  | <u>-</u>                | <u>(93,729)</u>                    | <u>(93,729)</u>     |
| <b>Cash Flows from Investing Activities</b>  |                         |                                    |                     |
| Interest Received on Investments   | 144,048                 | -                                  | 144,048             |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>  | 265,507                 | 411,807                            | 677,314             |
| <b>Cash and Cash Equivalents, Beginning of Year</b>  | 2,381,055               | 3,735,208                          | 6,116,263           |
| <b>Cash and Cash Equivalents, End of Year</b>  | <u>\$ 2,646,562</u>     | <u>\$ 4,147,015</u>                | <u>\$ 6,793,577</u> |
| <b><u>Included on the Accompanying Balance Sheet Under the Following Captions</u></b>                          |                         |                                    |                     |
| <b>Current Assets</b>  |                         |                                    |                     |
| Equity in Pooled Cash and Investments  | <u>\$ 2,646,562</u>     | <u>\$ 4,147,015</u>                | <u>\$ 6,793,577</u> |
| <b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b> |                         |                                    |                     |
| 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)           |
| <b>Net Cash Provided by (Used in) Operating Activities</b>   | <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<br/>Redevelopment<br/>District Fund</u> | <u>Southend<br/>Redevelopment<br/>District Fund</u> | <u>Totals</u>        |
|--|---|---|----------------------|
| <b>Assets</b>                              |   |   |                      |
| Equity in Pooled Cash and Investments      | \$ 28,046,120                                       | \$ 18,219,238                                       | \$ 46,265,358        |
| <b>Total Assets</b>                        | <u>28,046,120</u>                                   | <u>18,219,238</u>                                   | <u>46,265,358</u>    |
| <b>Liabilities and Fund Balances</b>       |   |   |                      |
| <b>Liabilities</b>                         |   |   |                      |
| 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            |
| <b>Total Liabilities</b>                   | <u>2,511,776</u>                                    | <u>3,016,233</u>                                    | <u>5,528,009</u>     |
| <b>Fund Balances</b>                       |   |   |                      |
| Restricted for:                            |   |   |                      |
| Redevelopment                              | 25,534,344  | 15,203,005  | 40,737,349           |
| <b>Total Fund Balances</b>                 | <u>25,534,344</u>                                   | <u>15,203,005</u>                                   | <u>40,737,349</u>    |
| <b>Total Liabilities and Fund Balances</b> | <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<br/>Redevelopment<br/>District Fund</u> | <u>Southend<br/>Redevelopment<br/>District Fund</u> | <u>Totals</u>        |
|---|---|---|----------------------|
| <b>Revenues</b>                         |   |   |                      |
| Taxes                                   | \$ 10,853,077                                       | \$ 3,220,956  | \$ 14,074,033        |
| Interest and Other Revenue              | 1,431,516   | 773,468   | 2,204,984            |
| <b>Total Revenues</b>                   | <u>12,284,593</u>                                   | <u>3,994,424</u>                                    | <u>16,279,017</u>    |
| <b>Expenditures</b>                     |   |   |                      |
| 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           |
| <b>(Total Expenditures)</b>             | <u>(17,580,985)</u>                                 | <u>(2,602,034)</u>                                  | <u>(20,183,019)</u>  |
| <b>Net Change in Fund Balances</b>      | (5,296,392)   | 1,392,390   | (3,904,002)          |
| <b>Fund Balances, Beginning of Year</b> | <u>30,830,736</u>                                   | <u>13,810,615</u>                                   | <u>44,641,351</u>    |
| <b>Fund Balances, End of Year</b>       | <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.

| <b>Contents</b>  | <b>Pages</b> |
|--|--------------|
| <b>Financial Trends Information</b><br>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.   | 108          |
| <b>Revenue Capacity Information</b><br>These schedules contain information to help the reader assess the City's local revenue source.  | 113          |
| <b>Debt Capacity Information</b><br>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          |
| <b>Demographic and Economic Information</b><br>These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.  | 122          |
| <b>Operating Information</b><br>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>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental Activities</b>                     |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| 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            |
| <b>Total Governmental Activities Net Position</b>  | <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>    |
| <b>Business-type Activities</b>                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| 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           |
| <b>Total Business-type Activities Net Position</b> | <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>    |
| <b>Primary Government</b>                          |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| 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           |
| <b>Total Primary Government Net Position</b>       | <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               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Expenses</b>                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 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              | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>Total Governmental Activities Expenses</b>  | <b>22,129,263</b>  | <b>24,789,905</b>  | <b>24,437,369</b>  | <b>27,668,945</b>  | <b>27,080,389</b>  | <b>26,491,473</b>  | <b>25,975,299</b>  | <b>31,455,834</b>  | <b>34,099,460</b>  | <b>39,349,017</b>  |
| 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          |
| <b>Total Business-Type Activities Expenses</b> | <b>90,535,739</b>  | <b>95,404,869</b>  | <b>94,276,448</b>  | <b>92,085,380</b>  | <b>90,597,696</b>  | <b>94,498,350</b>  | <b>117,530,495</b> | <b>116,090,839</b> | <b>109,536,644</b> | <b>116,832,946</b> |
| <b>Total Primary Government Expenses</b>       | <b>112,665,002</b> | <b>120,194,774</b> | <b>118,713,817</b> | <b>119,754,325</b> | <b>117,678,085</b> | <b>120,989,823</b> | <b>143,505,794</b> | <b>147,546,673</b> | <b>143,636,104</b> | <b>156,181,963</b> |
| <b>Program Revenues</b>                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 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          |
| <b>Total Governmental Activities</b>           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 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                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Program Revenues (Concluded)</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| 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          |
| <b>Total Primary Government Program Revenues</b>          | <b>105,484,679</b>   | <b>107,640,147</b>   | <b>110,435,369</b>   | <b>107,781,825</b>   | <b>109,080,160</b>   | <b>112,881,894</b>   | <b>143,135,486</b>   | <b>138,700,056</b>   | <b>127,578,314</b>   | <b>136,333,174</b>   |
| <b>Net (Expense) Revenue</b>                              |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| 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           |
| <b>Total Primary Government Net Expense</b>               | <b>(7,180,323)</b>   | <b>(12,554,627)</b>  | <b>(8,278,448)</b>   | <b>(11,972,500)</b>  | <b>(8,597,925)</b>   | <b>(8,107,929)</b>   | <b>(367,308)</b>     | <b>(8,846,617)</b>   | <b>(16,057,790)</b>  | <b>(19,848,789)</b>  |
| <b>General Revenues and Other Changes in Net Position</b> |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| 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            |
| <b>Total Primary Government</b>                           | <b>27,165,981</b>    | <b>27,323,744</b>    | <b>29,443,135</b>    | <b>33,725,937</b>    | <b>34,418,647</b>    | <b>31,249,653</b>    | <b>29,858,175</b>    | <b>43,344,095</b>    | <b>57,123,995</b>    | <b>54,890,828</b>    |
| <b>Change in Net Position</b>                             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| 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           |
| <b>Total Primary Government</b>                           | <b>\$ 19,985,658</b> | <b>\$ 14,769,117</b> | <b>\$ 21,164,687</b> | <b>\$ 21,753,437</b> | <b>\$ 25,820,722</b> | <b>\$ 23,141,724</b> | <b>\$ 29,490,867</b> | <b>\$ 34,497,478</b> | <b>\$ 41,066,205</b> | <b>\$ 35,042,039</b> |

**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>          |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| 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              | -                    | -                    |
| <b>Total General Fund</b>                 | <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> |
| <b>All Other Governmental Funds</b>       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| 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           |
| <b>Total All Other Governmental Funds</b> | <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                  |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|---------------------|-----------------------|
| <b>Revenues</b>   |                     |                     |                     |                     |                     |                      |                     |                      |                     |                       |
| 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             |
| <b>Total Revenues</b>                                   | <b>28,178,432</b>   | <b>29,278,767</b>   | <b>31,173,814</b>   | <b>32,043,468</b>   | <b>34,507,939</b>   | <b>33,794,297</b>    | <b>36,083,724</b>   | <b>50,591,841</b>    | <b>54,085,982</b>   | <b>53,287,211</b>     |
| <b>Expenditures</b>                                     |                     |                     |                     |                     |                     |                      |                     |                      |                     |                       |
| 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            |
| <b>(Total Expenditures)</b>                             | <b>(26,221,971)</b> | <b>(31,446,666)</b> | <b>(30,384,806)</b> | <b>(32,640,646)</b> | <b>(30,683,231)</b> | <b>(25,962,607)</b>  | <b>(33,256,024)</b> | <b>(42,409,450)</b>  | <b>(49,016,877)</b> | <b>(59,278,914)</b>   |
| <b>(Deficiency) of Revenues</b>                         |                     |                     |                     |                     |                     |                      |                     |                      |                     |                       |
| <b>(Under) Expenditures</b>                             | <b>1,956,461</b>    | <b>(2,167,899)</b>  | <b>789,008</b>      | <b>(597,178)</b>    | <b>3,824,708</b>    | <b>7,831,690</b>     | <b>2,827,700</b>    | <b>8,182,391</b>     | <b>5,069,105</b>    | <b>(5,991,703)</b>    |
| <b>Other Financing Sources (Uses)</b>                   |                     |                     |                     |                     |                     |                      |                     |                      |                     |                       |
| 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)           |
| <b>Total Other Financing Sources (Uses)</b>             | <b>4,155,369</b>    | <b>3,853,295</b>    | <b>3,816,229</b>    | <b>4,048,121</b>    | <b>4,282,520</b>    | <b>4,374,557</b>     | <b>6,072,193</b>    | <b>4,419,627</b>     | <b>4,176,973</b>    | <b>4,262,560</b>      |
| <b>Net Change in Fund Balance</b>                       | <b>\$ 6,111,830</b> | <b>\$ 1,685,396</b> | <b>\$ 4,605,237</b> | <b>\$ 3,450,943</b> | <b>\$ 8,107,228</b> | <b>\$ 12,206,247</b> | <b>\$ 8,899,893</b> | <b>\$ 12,602,018</b> | <b>\$ 9,246,078</b> | <b>\$ (1,729,143)</b> |
| <b>Debt Service as a % of Non-Capital Expenditures*</b> | 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<br>September 30, | Assessed Taxable Values |                      |                                 | Tax-Exempt<br>Property | Estimated<br>Actual Value (1) | Total Direct<br>Tax Rate (2) | Taxable Assessed<br>Value as a % of<br>Actual Value |
|------------------------------------|-------------------------|----------------------|---------------------------------|------------------------|-------------------------------|------------------------------|---|
|                                    | Real<br>Property        | Personal<br>Property | Total Taxable<br>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<br>September 30, | Direct Rates (1)              | Overlapping Rates            |                              |                 | Total<br>Millage Rate |                 |
|------------------------------|-------------------------------|------------------------------|------------------------------|-----------------|-----------------------|-----------------|
|                              | City of<br>Jacksonville Beach | Florida Inland<br>Navigation | Water Management<br>District | School District |                       | Duval<br>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%   |
| <b>Total</b>  | <u>\$ 348,004,473</u>   |      | <u>6.17%</u>                                    | <u>\$ 171,363,388</u>   |      | <u>6.07%</u>                                    |
| <b>Total Assessed Real Property Valuation from Schedule 5</b> | <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<br/>September 30,</u> | <u>Taxes Levied<br/>for Fiscal Year (1)</u> | <u>Collected Within the<br/>Fiscal Year of the Levy</u> |                               | <u>Collections<br/>in Subsequent<br/>Years</u> | <u>Total Collections To-Date</u> |                               |
|--------------------------------------|---|---|-------------------------------|--|----------------------------------|-------------------------------|
|                                      |   | <u>Amount Net<br/>of Discount (2)</u>                   | <u>Percentage<br/>of Levy</u> |  | <u>Amount</u>                    | <u>Percentage<br/>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**

| <b>Fiscal Year</b> | <b>Total Business-Type</b> | <b>Total Debt</b> | <b>Percentage of Personal Income (2)</b> | <b>Total Debt Per Capita (2)</b> |
|--------------------|----------------------------|-------------------|--|----------------------------------|
| 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**

| <b>Fiscal Year</b> | <b>Population (1)</b> | <b>Duval County Unemployment Rate (2)</b> | <b>Duval County Per Capita Income (3)</b> | <b>Personal Income</b> |
|--------------------|-----------------------|---|---|------------------------|
| 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**

| <b>Function/Program</b>  | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 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           |
| <b>Total</b>             | <b>474</b>  | <b>480</b>  | <b>477</b>  | <b>484</b>  | <b>488</b>  | <b>467</b>  | <b>473</b>  | <b>480</b>  | <b>480</b>  | <b>485</b>  |

**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**

| <b>Function/Program</b>     | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Police</b>               |             |             |             |             |             |             |             |             |             |             |             |
| 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       |
| <b>Fire</b>                 |             |             |             |             |             |             |             |             |             |             |             |
| 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       |
| <b>Other Public Works</b>   |             |             |             |             |             |             |             |             |             |             |             |
| Street Resurfacing (Miles)  | 7.36        | 0.00        | 1.57        | 1.17        | 2.82        | 1.07        | 4.33        | 0           | 1.05        | 1.49        | 21.9        |
| <b>Electric</b>             |             |             |             |             |             |             |             |             |             |             |             |
| 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       |
| <b>Water</b>                |             |             |             |             |             |             |             |             |             |             |             |
| 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       |
| <b>Wastewater</b>           |             |             |             |             |             |             |             |             |             |             |             |
| 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**

| <b>Function/Program</b>                  | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Police</b>                            |             |             |             |             |             |             |             |             |             |             |             |
| 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          |
| <b>Fire Stations</b>                     | 2           | 2           | 2           | 2           | 2           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Other Public Works</b>                |             |             |             |             |             |             |             |             |             |             |             |
| 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       |
| <b>Water</b>                             |             |             |             |             |             |             |             |             |             |             |             |
| 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         |
| <b>Wastewater</b>                        |             |             |             |             |             |             |             |             |             |             |             |
| 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           |
| <b>Parks and Recreation</b>              |             |             |             |             |             |             |             |             |             |             |             |
| 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<br/>Listing<br/>Number</u> | <u>Pass-Through<br/>Grantor's Number</u> | <u>Federal<br/>Award<br/>Amount</u> | <u>Federal<br/>Expenditures</u> |
|--|--|--|-------------------------------------|---------------------------------|
| <b>Federal Awards</b>  |  |  |                                     |                                 |
| <b>U.S. Department of Housing and Urban Development</b>          |  |  |                                     |                                 |
| <b>Passed Through City of Jacksonville</b>                       |  |  |                                     |                                 |
| Community Development Block Grant                                | 14.218                                   | 684085-25                                | \$ 140,900                          | \$ 140,900                      |
| <b>U.S. Department of Justice</b>                                |  |  |                                     |                                 |
| Bullet Proof Vest Partnership Program                            | 16.607                                   | N/A                                      | 11,250                              | 11,250                          |
| Equitable Sharing Program  | 16.922                                   | N/A                                      | 152,187                             | 560                             |
| <b>Passed Through Florida Department of Law Enforcement</b>      |  |  |                                     |                                 |
| 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                          |
| <b>Total U.S. Department of Justice</b>                          |  |  | <u>717,038</u>                      | <u>242,964</u>                  |
| <b>U.S. Department of Treasury</b>                               |  |  |                                     |                                 |
| <b>Passed Through Florida Department of Emergency Management</b> |  |  |                                     |                                 |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds     | COVID-19, 21.027                         | Y5134                                    | 11,834,170                          | 1,474,717                       |
| <b>Total Federal Awards</b>                                      |  |  | <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<br/>Current Year<br/>with<br/>Prior Year<br/>Awards</u> | <u>Carry<br/>Forward</u> |
|---------------------------|-------------------|-------------------|---|--------------------------|
| <b>CAPE</b>               |                   |                   |   |                          |
| Services                  | \$ 140,900        | \$ 140,900        | \$ -  | \$ -                     |
| <b>Total Expenditures</b> | <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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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  
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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:  | <b><u>Assistance Listing No.</u></b> |
| 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



# 2025

Jacksonville Beach

Community Redevelopment Agency

Financial Statements and

Independent Auditor's Report

September 30, 2025

**PURVIS GRAY**  
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR’S REPORT**

**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY  
(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

**SEPTEMBER 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the Jacksonville Beach Community Redevelopment Agency  
City of Jacksonville Beach, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the Jacksonville Beach Community Redevelopment Agency (the Agency), a component unit of the City of Jacksonville Beach, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of September 30, 2025, and the respective changes in financial position 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 Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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To the Jacksonville Beach Community Redevelopment Agency  
City of Jacksonville Beach, Florida

## INDEPENDENT AUDITOR'S REPORT

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

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

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

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

To the Jacksonville Beach Community Redevelopment Agency  
City of Jacksonville Beach, Florida

### INDEPENDENT AUDITOR'S REPORT

management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2026, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, 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 Agency'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 Agency's internal control over financial reporting and compliance.

*Purvis Gray*

February 12, 2026  
Tallahassee, Florida

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (the MD&A) of the Jacksonville Beach Community Redevelopment Agency (the Agency) is intended to provide an overview of the Agency's financial position and results of operations for the fiscal year ended September 30, 2025. The MD&A should be read in conjunction with the Agency's financial statements, including the accompanying notes, to enhance the understanding of the Agency's financial performance.

### Financial Highlights

- At September 30, 2025, restricted net position of \$40,737,349 is unspent tax increment financing revenues restricted for upcoming redevelopment projects.
- Fund balance decreased in the current year by \$3,904,002. Substantially all of this decrease is attributable to expenditures in excess of tax increment revenues due to the timing of the Agency's planned capital projects.
- \$2,898,860 in Southend Redevelopment District tax increment revenues was returned to the taxing authorities as part of the year-end fund balance appropriation.

### Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the Agency's basic financial statements, which have the following components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-Wide Financial Statements

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

The statement of net position presents information on all of the Agency's assets and liabilities with the difference between the two 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 Agency is improving or deteriorating.

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

The government-wide financial statements listed above distinguish functions of the Agency that are principally supported by ad-valorem taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their cost through user fees and charges. The governmental activities in the Agency are community redevelopment and public safety.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements include only the financial activities of the Agency. However, the Agency is considered a blended component unit of the City of Jacksonville Beach, Florida (the City), and as such, the financial information of the Agency is included in the City's Annual Comprehensive Financial Report in each fiscal year.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

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

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

Key elements of the reconciliation of these two statements are that the government-wide statement of activities reports the issuance of debt as a liability, the purchases of capital assets as assets which are then charged to expense over their useful lives (depreciated), and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental funds statements report the issuance of debt as another financing source of funds, the repayment of debt as an expenditure, the purchase of capital assets as an expenditure, and do not reflect changes in long-term liabilities.

The Agency maintains two governmental funds. Information is presented separately for the Downtown and Southend Redevelopment Districts in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance. In the City's Annual Comprehensive Financial Report, these two funds are referred to as the Downtown and Southend Redevelopment Trust funds.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Government-Wide Financial Analysis

The following table summarizes the statement of net position for the current and prior year:

#### SUMMARY SCHEDULE OF NET POSITION

|                                       | <b>2025</b>          | <b>2024</b>          |
|---------------------------------------|----------------------|----------------------|
| Current Assets                        | \$ 46,265,358        | \$ 48,784,243        |
| Capital Assets, Net                   | <u>7,250,921</u>     | <u>7,250,921</u>     |
| <b>Total Assets</b>                   | <u>53,516,279</u>    | <u>56,035,164</u>    |
| Current Liabilities                   | <u>5,528,009</u>     | <u>4,142,891</u>     |
| <b>Total Liabilities</b>              | <u>5,528,009</u>     | <u>4,142,891</u>     |
| <b>Net Position</b>                   |                      |                      |
| Investment in Capital Assets          | 7,250,921            | 7,250,921            |
| Restricted for Redevelopment Projects | <u>40,737,349</u>    | <u>44,641,352</u>    |
| <b>Total Net Position</b>             | <u>\$ 47,988,270</u> | <u>\$ 51,892,273</u> |

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Governmental activities decreased the Agency's net position by \$3,904,003 for the year ended September 30, 2025. This decrease is entirely attributable to the timing of large capital projects such as the Downtown infrastructure improvements from 4<sup>th</sup> to 11<sup>th</sup> Ave South (Projects 4 & 5).

The following table summarizes the changes in net position for the current and prior year:

#### SUMMARY OF CHANGES IN NET POSITION

|  | <b>2025</b>          | <b>2024</b>          |
|--|----------------------|----------------------|
| General Revenues:                      |                      |                      |
| Tax Increment Financing                | \$ 14,074,033        | \$ 12,503,318        |
| Investment and Other Income            | <u>2,204,983</u>     | <u>3,310,828</u>     |
| <b>Total Revenues</b>                  | <u>16,279,016</u>    | <u>15,814,146</u>    |
| Expenses:                              |                      |                      |
| Community Redevelopment                | 18,007,567           | 12,775,784           |
| Public Safety                          | 1,625,652            | 1,710,488            |
| Roads and Streets                      | <u>549,800</u>       | <u>-</u>             |
| <b>Total Expenses</b>                  | <u>20,183,019</u>    | <u>14,486,272</u>    |
| <b>Change in Net Position</b>          | (3,904,003)          | 1,327,874            |
| <b>Net Position, Beginning of Year</b> | <u>51,892,273</u>    | <u>50,564,399</u>    |
| <b>Net Position, End of Year</b>       | <u>\$ 47,988,270</u> | <u>\$ 51,892,273</u> |

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Community redevelopment expenses increased by \$5,231,783, largely due to the timing of capital projects.

### **Governmental Funds**

The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirement. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

The Agency maintains two Redevelopment trust funds, one for the Downtown District and another for the Southend District. At the end of the current year, a fund balance of \$40,737,349 was both restricted and appropriated to ongoing and future redevelopment projects.

The Agency is required to adopt an annual budget for the two funds prepared on a basis consistent with accounting principles generally accepted in the United States of America.

### **Capital Assets**

The Agency's investment in capital assets as of September 30, 2025, is \$7,250,921, which is strictly land held for future development projects. When the remaining development projects are completed, the land and resulting improvements will become property of the City.

### **Budgetary Highlights**

The Agency's governing board, the CRA, is authorized to transfer budget amounts. Revisions that alter the total expenditure must be approved by both the CRA and City Council. Legal level of control is maintained at the fund level. The difference between the original budget and the final amended amount was a net increase of \$27,448,620 for capital projects and a net increase of \$892,804 for other expenditures.

Actual revenues were higher than the final budgeted revenues by \$1,986,160, largely due to interest income on investments. Actual expenditures were under budget by \$21,575,386 with the timing of capital project expenditures.

### **Economic Factors and Future Developments**

Both districts have been a redevelopment success. Downtown taxable property values have grown from \$42.3 million in the 1984 base year to \$992.6 million in the most recent year and Southend taxable values have grown from \$6.5 million in the 1986 base year to \$524.4 million.

The Agency will continue to plan projects and infrastructure improvements that align with its redevelopment priorities for each district. Additionally, the City and Agency will continue to partner to encourage private sector development in the designated Downtown area.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Key FY2026 projects in the Downtown District are as follows:

- Complete dune walkover renovations.
- Complete the design and implementation of *Downtown Action Plan* items including public art, Latham Plaza master plan, pier parking lot, wayfinding signage, and lighting.

Key FY2026 projects in the Southend District are as follows:

- Design south stormwater basin improvements including channel stabilization, pipe cleaning/rehabilitation, and downstream silt removal (Phase 5).
- Continue construction of connectivity corridors.
- Construct passive park along South Beach Parkway at the intersection of Jacksonville Drive.

### Requests for Information

This financial report is designed to provide users with a general overview of the Agency's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, 11 North Third Street, Jacksonville Beach, Florida 32250.

Additional information can also be found on the City and Agency's website at [www.jacksonvillebeach.org](http://www.jacksonvillebeach.org).

## **FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2025**  
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

**Assets**

|                                       |                  |
|---------------------------------------|------------------|
| Equity in Pooled Cash and Investments | \$ 46,265,358    |
| Capital Assets                        | <u>7,250,921</u> |

|                     |                                 |
|---------------------|---------------------------------|
| <b>Total Assets</b> | <b><u><u>53,516,279</u></u></b> |
|---------------------|---------------------------------|

**Liabilities**

|                           |                  |
|---------------------------|------------------|
| Accounts Payable          | 1,420,288        |
| Other Accrued Liabilities | 1,208,861        |
| Due to Other Governments  | <u>2,898,860</u> |

|                          |                         |
|--------------------------|-------------------------|
| <b>Total Liabilities</b> | <b><u>5,528,009</u></b> |
|--------------------------|-------------------------|

**Net Position**

|                                       |                   |
|---------------------------------------|-------------------|
| Investment in Capital Assets          | 7,250,921         |
| Restricted for Redevelopment Projects | <u>40,737,349</u> |

|                           |                                    |
|---------------------------|------------------------------------|
| <b>Total Net Position</b> | <b><u><u>\$ 47,988,270</u></u></b> |
|---------------------------|------------------------------------|

See accompanying notes.

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**  
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

|  | <b>Expenses</b> | <b>Net Revenue<br/>(Expense) and<br/>Changes in<br/>Net Position</b> |
|--|-----------------|--|
| <b>Functions</b>                                       |                 | <b>Total<br/>Governmental<br/>Activities</b>                         |
| Governmental Activities:                               |                 |  |
| Community Redevelopment                                | \$ 2,004,282    | \$ (2,004,282)   |
| Public Safety  | 1,345,838       | (1,345,838)  |
| Roads and Streets                                      | 549,800         | (549,800)  |
| Capital Improvements Contributed to Primary Government | 16,283,099      | (16,283,099)   |
| Total Governmental Activities                          | 20,183,019      | (20,183,019)   |
| General Revenues:                                      |                 |  |
| Tax Increment Financing                                |                 | 14,074,033   |
| Investment and Other Income                            |                 | 2,204,983  |
| Total General Revenues                                 |                 | 16,279,016   |
| <b>Change in Net Position</b>                          |                 | (3,904,003)  |
| <b>Net Position, Beginning of Year</b>                 |                 | 51,892,273   |
| <b>Net Position, End of Year</b>                       |                 | \$ 47,988,270  |

See accompanying notes.

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2025**  
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

|  | <b>Downtown<br/>Redevelopment<br/>District</b> | <b>Southend<br/>Redevelopment<br/>District</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|--|--|---|
| <b>Assets</b>  |  |  |   |
| Equity in Pooled Cash and Investments  | \$ 28,046,120                                  | \$ 18,219,238                                  | \$ 46,265,358                           |
| <b>Total Assets</b>  | 28,046,120                                     | 18,219,238                                     | 46,265,358                              |
| <br><b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>  |  |  |   |
| <br><b>Liabilities</b>   |  |  |   |
| Accounts Payable   | 1,388,891                                      | 31,397   | 1,420,288                               |
| Other Accrued Liabilities  | 1,122,885                                      | 85,976   | 1,208,861                               |
| Due to Other Governmental Units  | -  | 2,898,860                                      | 2,898,860                               |
| <b>Total Liabilities</b>   | 2,511,776                                      | 3,016,233                                      | 5,528,009                               |
| <br><b>Fund Balance</b>  |  |  |   |
| Restricted for Redevelopment Projects  | 25,534,344                                     | 15,203,005                                     | 40,737,349                              |
| <b>Total Fund Balance</b>  | 25,534,344                                     | 15,203,005                                     | 40,737,349                              |
| <br><b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balance</b>  | \$ 28,046,120                                  | \$ 18,219,238                                  | \$ 46,265,358                           |
| <br><b><u>Reconciliation of the Governmental Fund Balance Sheet<br/>to the Statement of Net Position</u></b>                                 |  |  |   |
| Total Fund Balance - Governmental Funds  |  |  | \$ 40,737,349                           |
| Amounts Reported for Governmental Activities in the<br>Statement of Net Position are Different Because:                                      |  |  |   |
| Capital assets used in governmental activities are<br>not financial resources and, therefore, are<br>not reported in the governmental funds. |  |  | 7,250,921                               |
| <b>Net Position of Governmental Activities</b>   |  |  | \$ 47,988,270                           |

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**  
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

|  | <u>Downtown<br/>Redevelopment<br/>District</u> | <u>Southend<br/>Redevelopment<br/>District</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|--|--|---|
| <b>Revenues</b>                        |  |  |   |
| Tax Increment Financing                | \$ 10,853,077                                  | \$ 3,220,956                                   | \$ 14,074,033                           |
| Investment and Other Income            | 1,431,516                                      | 773,468  | 2,204,984                               |
| <b>Total Revenues</b>                  | <u>12,284,593</u>                              | <u>3,994,424</u>                               | <u>16,279,017</u>                       |
| <b>Expenditures</b>                    |  |  |   |
| Community Redevelopment:               |  |  |   |
| Personnel Services                     | 273,974  | 122,925  | 396,899                                 |
| Operating Expenses                     | 1,270,913                                      | 336,470  | 1,607,383                               |
| Public Safety:                         |  |  |   |
| Personnel Services                     | 1,146,803                                      | -  | 1,146,803                               |
| Operating Expenses                     | 199,035  | -  | 199,035                                 |
| Roads and Streets:                     |  |  |   |
| Operating Expenses                     | -  | 549,800  | 549,800                                 |
| Capital Outlay                         | 14,690,260                                     | 1,592,839                                      | 16,283,099                              |
| <b>(Total Expenditures)</b>            | <u>(17,580,985)</u>                            | <u>(2,602,034)</u>                             | <u>(20,183,019)</u>                     |
| <b>Net Change in Fund Balance</b>      | (5,296,392)                                    | 1,392,390                                      | (3,904,002)                             |
| <b>Fund Balance, Beginning of Year</b> | <u>30,830,736</u>                              | <u>13,810,615</u>                              | <u>44,641,351</u>                       |
| <b>Fund Balance, End of Year</b>       | <u>\$ 25,534,344</u>                           | <u>\$ 15,203,005</u>                           | <u>\$ 40,737,349</u>                    |

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

|                                   |                |
|-----------------------------------|----------------|
| <b>Net Change in Fund Balance</b> | \$ (3,904,002) |
|-----------------------------------|----------------|

Certain revenues were deferred on the balance sheet in the prior year and recognized in fund-level income in the current year because they were not measurable and available at prior year-end, but were not reflected in the current year statement of activities.

(1)

|  |                       |
|--|-----------------------|
| <b>Change in Net Position of Governmental Activities</b> | <u>\$ (3,904,003)</u> |
|--|-----------------------|

See accompanying notes.

## **NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**  
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

**Note 1 - Summary of Significant Accounting Policies**

**Financial Reporting Entity**

In March 1978, the five-member Jacksonville Beach Community Redevelopment Agency (the Agency) was established by the City of Jacksonville Beach, Florida (the City), by Ordinance No. 6950 as a public body organized pursuant to Part III of Chapter 163 of the Florida Statutes. The Agency's stated purpose is to intervene in the decline of the economic and physical character of the redevelopment area and transformation of the existing conditions into a functional and vibrant urban center. The governing body of the Agency is appointed by the City Council. There are two redevelopment trust funds established by the Agency, the Downtown Redevelopment District and the Southend Redevelopment District.

The Downtown Redevelopment District was established in 1984 with the original redevelopment plan being established in 1987. The plan was amended in 2007 to incorporate the Downtown Vision Plan, and in 2014 to create a Downtown Community Assisted Policing Effort (CAPE), in an effort to make downtown a safer and more inviting area. The most recent amendment to the downtown plan came via the adoption of the 2015 Downtown Action Plan, a collection of projects and programs to address community redevelopment concerns in the areas of public spaces, transportation, public safety, and overall quality of life in the downtown community redevelopment district. The redevelopment plan is set to expire in January of 2047.

In November 1985, the Southend Redevelopment District was designated for redevelopment. A plan for the redevelopment of the area was adopted and a tax increment trust fund was established in 1987. The redevelopment plan is set to expire in June of 2047.

The Agency is a blended component unit of the City. The Agency is treated as a blended component unit and included as part of the primary government for financial reporting purposes because the Agency provides its services entirely to the City. All assets constructed by the Agency on City-owned land automatically become assets of the City upon completion, and all assets constructed by the Agency on Agency-owned land, along with the underlying land, are deeded to the City upon completion. The Agency is presented in the financial statements of the City as a special revenue fund.

The following is a summary of the significant accounting policies applicable to the Agency:

The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements report information on all the governmental activities of the Agency. The government-wide focus is more on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level. Governmental activities are normally supported by taxes and intergovernmental revenues.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**  
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include operating and capital grants and contributions. In 2025, the Agency did not have any program revenues. Taxes and other items not included as program revenues are reported as general revenues.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources are generally included on their balance sheet. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 30 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recognized when due.

Tax increment financing revenue, when levied for and interest associated with the current fiscal period, are both considered to be measurable and have been recognized as revenues of the current fiscal year, if available.

Per Florida Statutes, Section 163.387, resources deposited into a redevelopment trust fund are restricted for community redevelopment activities pursuant to the approved redevelopment plan.

The Agency reports two special revenue funds which are considered major governmental funds. These funds are used to account for all financial resources received by the Agency. The Agency does not have any non-major funds.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**  
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

**Assets, Liabilities, and Net Position**

*Equity in Pooled Cash and Investments:* The Agency participates in the City's pooled cash and investment portfolio. Investment earnings are distributed monthly to the participating funds' relative percentage of investments.

*Capital Assets:* Capital assets include land titled to the Agency. The Agency pays for certain infrastructure improvements (roads, sidewalks, bridges, and other utility infrastructure) within the designated redevelopment area; however, these improvements are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements.

Capital assets titled to the Agency are reported in governmental activities in the government-wide financial statements. The Agency utilizes the City's capitalization policy and capitalizes assets with a cost in excess of \$5,000 and an estimated life greater than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized but are expensed as incurred.

*Nature and Purpose of Fund Balance:* Per Florida Statutes, Section 163.387, unspent tax increment financing revenues are restricted for future redevelopment projects pursuant to the approved community redevelopment plan and are reported as restricted fund balance in the financial statements. There are no other classifications of fund balance.

*Compensation Costs:* The Agency has no employees of its own. Instead, the Agency reimburses the City for the portion of salaries and benefits attributable to Agency activities based on the estimated time spent on those activities as projected during the annual budget process. Any long-term payroll and benefit liabilities such as compensated absences, other postemployment benefits, or pension liabilities are reported on the City's financial statements.

*Net Position:* The government-wide statements utilize a net position presentation. Net investment in capital assets is that portion of net position that relates to the Agency's capital assets reduced by accumulated depreciation. Restricted net position are unspent tax increment financing revenues that are restricted for future redevelopment projects.

*Use of Estimates:* The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2 - Deposits and Investments**

At year-end, the Agency's share of the City's pooled cash and investment balances was \$46,265,358. The City's bank deposits are held in qualified depositories pursuant to Chapter 280, Florida Statutes, *Florida Security for Public Deposits Act* (the Act). Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**  
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 25% to 200% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with an approved financial institution. The Public Depository Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. The Agency's bank balances were insured either by the Federal Deposit Insurance Corporation or collateralized in the bank's participation in the Act.

**Authorized Investments**

The Agency does not have a separate deposit and investment policy and it follows the deposit and investment policies of the City.

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.

**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 intended to be held until the funds are needed, at maturity.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**  
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

- **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.

More detailed information on the City’s investment portfolio can be obtained from the City’s Annual Comprehensive Financial Report, which can be found on the City’s website at [www.jacksonvillebeach.org](http://www.jacksonvillebeach.org).

**Note 3 - Capital Assets**

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

|                                       | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Disposals</u> | <u>Ending<br/>Balance</u> |
|---------------------------------------|------------------------------|------------------|------------------|---------------------------|
| Capital Assets Not Being Depreciated: |                              |                  |                  |                           |
| Land                                  | \$ 7,250,921                 | \$ -             | \$ -             | \$ 7,250,921              |

**Note 4 - Tax Increment Financing Revenue**

The Agency is primarily funded through tax-increment financing revenue. This revenue is computed by applying the operating tax for the City and the City of Jacksonville multiplied by the increased value of property in the Agency over the base property value minus 5%. The City and the City of Jacksonville are required to fund this amount annually without regard to tax collections or other obligations.

In accordance with Section, 163.387(7), Florida Statutes, at the end of each fiscal year, any funds remaining in the Tax Increment Trust Fund must be either appropriated to specific projects, used to reduce debt, or returned to the taxing authorities. The Southend District projected to end the fiscal year with a fund balance of \$18,103,224. Of that total, \$15,204,364 was appropriated to projects already underway or which were expected to start in the near-term. Because there is no outstanding debt in the Southend District, the remaining \$2,898,860 is being returned to taxing authorities—the City of Jacksonville Beach (\$963,329) and the City of Jacksonville (\$1,935,531). These amounts are included in Due to Other Governments on the Agency’s Balance Sheet and Statement of Net Position.

**Note 5 - Construction Commitments**

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

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**  
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

| Project  | Expended as of<br>September 30, 2025 | Remaining<br>Commitment |
|--|--------------------------------------|-------------------------|
| Downtown District:                               |                                      |                         |
| Central and South Basin Pump Station Impr        | \$ -                                 | \$ 1,624,949            |
| DT Water/Sewer, Roadway, & Drainage Improvements | 21,382,246                           | 8,017,950               |
| Dune Walkover Replacements                       | -                                    | 1,092,517               |
| Southend District:                               |                                      |                         |
| America Ave Drainage Impr                        | 1,535,570                            | 144,610                 |
| Central and South Basin Pump Station Impr        | -                                    | 994,780                 |
| <b>Total</b>                                     | <b>\$ 22,917,816</b>                 | <b>\$ 11,874,806</b>    |

**Note 6 - Risk Management**

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors, omissions, and natural disasters. The Agency is covered by the City's insurance plans. The City purchases commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage, Including Flood Damage
- General Liability
- Automobile Liability
- Commercial Crime
- Police Professional Liability
- Workers Compensation
- Health Insurance
- Pension Fiduciary
- Public Official
- Cyber Liability

**REQUIRED SUPPLEMENTARY INFORMATION**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY  
(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)  
DOWNTOWN REDEVELOPMENT DISTRICT**

|                                   | Budgeted Amounts    |                        | Actual<br>Amounts     | Variance with<br>Final Budget |
|-----------------------------------|---------------------|------------------------|-----------------------|-------------------------------|
|                                   | Original            | Final                  |                       |                               |
| <b>Revenues</b>                   |                     |                        |                       |                               |
| Tax Increment Financing           | \$ 10,904,018       | \$ 10,904,018          | \$ 10,853,077         | \$ (50,941)                   |
| Investment and Other Income       | 100,000             | 100,000                | 1,431,516             | 1,331,516                     |
| <b>Total Revenues</b>             | <u>11,004,018</u>   | <u>11,004,018</u>      | <u>12,284,593</u>     | <u>1,280,575</u>              |
| <b>Expenditures</b>               |                     |                        |                       |                               |
| Community Redevelopment:          |                     |                        |                       |                               |
| Personnel Services                | 325,602             | 325,602                | 273,974               | 51,628                        |
| Operating Expenses                | 1,231,720           | 1,571,053              | 1,270,913             | 300,140                       |
| Total Community Redevelopment     | <u>1,557,322</u>    | <u>1,896,655</u>       | <u>1,544,887</u>      | <u>351,768</u>                |
| Police:                           |                     |                        |                       |                               |
| Personnel Services                | 1,245,731           | 1,245,731              | 1,146,803             | 98,928                        |
| Operating Expenses                | 269,587             | 213,408                | 199,035               | 14,373                        |
| Total Police                      | <u>1,515,318</u>    | <u>1,459,139</u>       | <u>1,345,838</u>      | <u>113,301</u>                |
| Capital Outlay                    | <u>7,921,968</u>    | <u>32,299,309</u>      | <u>14,690,260</u>     | <u>17,609,049</u>             |
| <b>(Total Expenditures)</b>       | <u>(10,994,608)</u> | <u>(35,655,103)</u>    | <u>(17,580,985)</u>   | <u>18,074,118</u>             |
| <b>Net Change in Fund Balance</b> | <u>\$ 9,410</u>     | <u>\$ (24,651,085)</u> | <u>\$ (5,296,392)</u> | <u>\$ 19,354,693</u>          |

See note to required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY  
(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)  
SOUTHEND REDEVELOPMENT DISTRICT**

|                                   | Budgeted Amounts   |                       | Actual<br>Amounts   | Variance with<br>Final Budget |
|-----------------------------------|--------------------|-----------------------|---------------------|-------------------------------|
|                                   | Original           | Final                 |                     |                               |
| <b>Revenues</b>                   |                    |                       |                     |                               |
| Tax Increment Financing           | \$ 3,218,639       | \$ 3,218,639          | \$ 3,220,956        | \$ 2,317                      |
| Investment and Other Income       | 70,200             | 70,200                | 773,468             | 703,268                       |
| <b>Total Revenues</b>             | <u>3,288,839</u>   | <u>3,288,839</u>      | <u>3,994,424</u>    | <u>705,585</u>                |
| <b>Expenditures</b>               |                    |                       |                     |                               |
| Community Redevelopment:          |                    |                       |                     |                               |
| Personnel Services                | 127,372            | 127,372               | 122,925             | 4,447                         |
| Operating Expenses                | 395,001            | 399,871               | 336,470             | 63,401                        |
| Roads and Streets:                |                    |                       |                     |                               |
| Operating Expenses                | -                  | 604,780               | 549,800             | 54,980                        |
| Capital Outlay                    | 1,900,000          | 4,971,279             | 1,592,839           | 3,378,440                     |
| <b>(Total Expenditures)</b>       | <u>(2,422,373)</u> | <u>(6,103,302)</u>    | <u>(2,602,034)</u>  | <u>3,501,268</u>              |
| <b>Net Change in Fund Balance</b> | <u>\$ 866,466</u>  | <u>\$ (2,814,463)</u> | <u>\$ 1,392,390</u> | <u>\$ 4,206,853</u>           |

See note to required supplementary information.

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2025**  
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

**Note 1 - Budgetary Procedures and Budgetary Accounting**

The Jacksonville Beach Community Redevelopment Agency (the Agency) adheres to the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

Prior to September 30, the Agency Administrator submits, to the Community Redevelopment Agency, a proposed operating budget for the Trust Fund for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

The Agency budget is also included in the City's budget and is presented to the City Council for ratification prior to September 30.

Agency management is authorized to transfer budget amounts. Revisions that alter the total expenditures must be approved by the Community Redevelopment Agency. Legal level of budgetary control is maintained at the fund level. Budget amendments totaling \$24,660,496 in the Downtown Redevelopment District and \$3,680,929 in the Southend Redevelopment District were related to ongoing construction projects.

## **OTHER REPORTS**

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

To the Jacksonville Beach Community Redevelopment Agency  
City of 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 and each major fund of the Jacksonville Beach Community Redevelopment Agency (the Agency), a component unit of the City of Jacksonville Beach, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated February 12, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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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To the Community Jacksonville Beach Redevelopment Agency  
City of 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 Agency'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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Purvis Gray*

February 12, 2026  
Tallahassee, Florida

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

To the Jacksonville Beach Community Redevelopment Agency  
City of Jacksonville Beach, Florida

We have examined the Jacksonville Beach Community Redevelopment Agency's (the Agency) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2025. Management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements 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 Agency complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material 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 of the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the 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, City Council members, the Agency Board 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 12, 2026  
Tallahassee, Florida

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## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 163.387 (6) AND (7), FLORIDA STATUTES

To the Jacksonville Beach Community Redevelopment Agency  
City of Jacksonville Beach, Florida

We have examined the Jacksonville Beach Community Redevelopment Agency's (the Agency) compliance with Section 163.387 (6) and (7), Florida Statutes, as of and for the year ended September 30, 2025. Management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements 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 Agency complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material 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 of the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the 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, City Council members, the Agency Board 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 12, 2026  
Tallahassee, Florida

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## MANAGEMENT LETTER

To the Jacksonville Beach Community Redevelopment Agency  
City of Jacksonville Beach, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Jacksonville Beach Community Redevelopment Agency (the Agency), a component unit 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 12, 2026.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Reports 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, which are dated February 12, 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 findings or recommendations made in the preceding annual 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. This is disclosed in Note 1 of the financial statements.

### **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 Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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To the Jacksonville Beach Community Redevelopment Agency  
City of Jacksonville Beach, Florida

## MANAGEMENT LETTER

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 Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and 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 Agency 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 Agency's geographical boundaries during the fiscal year under audit. The Agency 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 Unit**

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

### **Specific Information (Unaudited)**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the Agency reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0. As disclosed in Note 1 of the financial statements, the Agency has no employees but receives administrative, engineering, and project management support from City staff.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year as 1.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0. As described in Note 1 of the financial statements, the Agency reimburses the City for support provided by City employees. During the fiscal year, the Agency reimbursed the City for payroll and related benefits totaling \$1,543,703 for work performed by City employees on behalf of the Agency.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$1,032,564.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1, of the fiscal year being reported, together with the total expenditures for such project. See attached schedule in Appendix A.

To the Jacksonville Beach Community Redevelopment Agency  
City of Jacksonville Beach, Florida

### MANAGEMENT LETTER

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes as \$5,411,516.

#### **Additional Matters**

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

#### **Purpose of this Letter**

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

*Purvis Gray*

February 12, 2026  
Tallahassee, Florida

## APPENDIX A

Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, of the fiscal year being reported, together with the total expenditures for such projects was as follows:

| District | Project Description  | Budget Source                    | Project Budgeted Cost | Total Expenditures in Year |
|----------|--|----------------------------------|-----------------------|----------------------------|
| Downtown | Pier Parking Lot   | FY25 CIP Plan, internal mod      | \$ 1,037,066          | \$ 1,037,066               |
| Downtown | Latham Plaza Master Plan Phase 1   | FY25 CIP Plan                    | \$ 2,000,000          | \$ -                       |
| Downtown | Infrastructure Improvements Phase 3C: 12th Ave S culverts                | FY25 CIP Plan; bid award 2425-07 | \$ 4,190,501          | \$ -                       |
| Downtown | Dune Walkovers (Non-ADA) Construction                                    | Res 2026-01                      | \$ 1,144,511          | \$ -                       |
| Downtown | Central and South Basin Pump Station Improvements                        | Res 2025-01                      | \$ 1,624,950          | \$ -                       |
| Southend | Central and South Basin Pump Station Improvements                        | Res 2025-02                      | \$ 994,780            | \$ -                       |
| Southend | America Ave Drainage Improvements  | Res 2025-02                      | \$ 1,670,216          | \$ 1,544,184               |
| Southend | Street Resurfacing S. Burling Way, Isabella Blvd., Marsh Landing Parkway | Res 2025-02                      | \$ 604,780            | \$ 549,800                 |
| Southend | Passive Park Construction  | FY25 CIP Plan                    | \$ 900,000            | \$ 21,500                  |
| Southend | Design and Construct Connectivity Corridors                              | FY25 CIP Plan                    | \$ 500,000            | \$ -                       |
| Southend | South Beach Park Sidewalk & Parking on Ponce de Leon St.                 | FY25 CIP Plan                    | \$ 250,000            | \$ 9,949                   |

# PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

[purvisgray.com](http://purvisgray.com)



| CITY COUNCIL AGENDA ITEM |   |
|--------------------------|---|
| TO:                      | Honorable Mayor and City Council  |
| FROM:                    | Michael J. Staffopoulos, City Manager   |
| DATE:                    | March 2, 2026   |
| SUBJECT:                 | Authorize Council Member Dan Janson to represent the City of Jacksonville Beach on the Board of Trustees for the Florida Municipal Investment Trust (FMIvT) |

**BACKGROUND**

The Florida Municipal Investment Trust (FMIvT) is a local government investment pool whose membership consists of local government entities. The FMIvT Board of Trustees oversees the FMIvT’s operations, and the Florida League of Cities serves as its Administrator.

The election of Trustees requires a formal nomination process and nominations must come from participating municipalities of the Trust, which includes the City of Jacksonville Beach. Council Member Dan Janson is currently a member of the FMIvT Board of Trustees and is eligible for renomination. He is willing to serve as long as the City Council approves this action.

To qualify as a Trustee, a nominee at the time of appointment and throughout their tenure must be an elected municipal official from a municipality participating in the Trust. Trustee vacancies are filled by the Trust’s current Board of Trustees, by majority vote, from the nominees offered by participating municipalities. A nominee may be appointed to fill either a current unexpired term or a full three-year term. Trustees are limited to serving two consecutive three-year terms. Service in an unexpired term is not counted.

The Trust typically meets four times a year, once each quarter; however, special meetings may be scheduled as needed. Trustees are reimbursed for travel, meal, and accommodation expenses incurred in attending Trust meetings and also receive a meeting fee.

A Trustee must relinquish their office or may be removed when they no longer serve as an elected official of the member from which they were selected or when the municipality from which they were selected ceases to participate as a member of the Trust.

**FINANCIAL IMPACT**

None. All travel is reimbursed through the Florida League of Cities.

**REQUESTED ACTION**

Authorize Council Member Dan Janson to represent the City of Jacksonville Beach on the Board of Trustees for the Florida Municipal Investment Trust (FMIvT)

**ATTACHMENTS**



| CITY COUNCIL AGENDA ITEM |   |
|--------------------------|---|
| TO:                      | Michael J. Staffopoulos, City Manager   |
| FROM:                    | Jason Phitides, Director of Parks and Recreation  |
| DATE:                    | March 2, 2026   |
| SUBJECT:                 | Purchase of the Eagle Club Systems Point-of-Sale Software and an Agreement with CardConnect, LLC, for Credit Card Payment Processing Services at Jacksonville Beach Golf Club |

**BACKGROUND**

The Jacksonville Beach Golf Club currently requires a modern, integrated point-of-sale (POS) system to support daily operations, improve transaction efficiency, and enhance customer service. Eagle Club Systems provides a comprehensive all-in-one system designed to manage tee times, pro shop sales, reporting, and inventory, specifically for golf operations.

In conjunction with the POS software, secure and reliable merchant processing services are necessary to support credit and debit card transactions. CardConnect, LLC, offers merchant processing services that are compatible with Eagle Club Systems and meet industry standards for payment security and compliance. CardConnect, LLC, also provides a discounted fee specifically for government entities.

Implementation of the Eagle Club Systems POS software will enhance service delivery and support efficient financial management. The integration with CardConnect, LLC, will ensure efficient, secure, and compliant processing of electronic payments.

**FINANCIAL IMPACT**

Funding for the Eagle Club Systems POS software and associated credit card processing fees are included in the FY 2026 Budget. No adjustments are required.

**REQUESTED ACTION**

1. Approve/Disapprove the purchase of Eagle Club Systems Point-of-Sale Software for Jacksonville Beach Golf Club; and
2. Approve/Disapprove an Agreement with CardConnect, LLC, for credit card payment processing services at Jacksonville Beach Golf Club

**ATTACHMENTS**

1. Eagle Club Systems Estimate
2. Eagle Club Systems Agreement - City of Jacksonville Beach
3. CardConnect, LLC, Agreement
4. Card Fees Comparison

# Estimate

Eagle Club Systems  
204 37th Ave North #101  
St. Petersburg FL 33704



Tony Street  
Jax Beach Golf Club  
605 Penman Rd S  
Jacksonville Beach FL 32250

Eagle Club Systems  
(727) 433-8707  
t.arnold@eagleclubsystems.com

**Estimate#:** EST5367  
**Issued:** 2/6/2026  
**Valid Until:** 3/18/2026

**Estimate Total:**  
**\$9,860.00**

| Item Description   | Price      | Quantity | Total      |
|--|------------|----------|------------|
| <b>Software License Fee</b>  |            |          |            |
| Annual Fee for the golf course<br>Tee Sheet, POS, Inventory, Billing, Online Booking, Email Marketing Tool   | \$3,900.00 | 1.00     | \$3,900.00 |
| <b>Training and Setup for Golf Course</b>  |            |          |            |
| **Not set price, only estimations**<br>Flight, Rental Car, Lodging and Food.<br>One Time Fee. Not Annual.  | \$1,500.00 | 1.00     | \$1,500.00 |
| <b>Software License Fee</b>  |            |          |            |
| Annual Fee for Tennis Center<br>Less as I do not think they will need all the modules that the golf course will need.                                    | \$1,500.00 | 1.00     | \$1,500.00 |
| <b>Annual Website Hosting</b>  |            |          |            |
| Annual Fee for support/ maintenance of website.  | \$360.00   | 1.00     | \$360.00   |
| <b>Website Design</b>  |            |          |            |
| Complete new build of website (optional)   | \$1,500.00 | 1.00     | \$1,500.00 |
| <b>Website Transfer</b>  |            |          |            |
| If we can get access to the existing website, we can help transfer that over to ECS. Will also be able to add users, events, edit rates, etc. (optional) | \$500.00   | 1.00     | \$500.00   |
| <b>USB Thermal Receipt Printer</b>   |            |          |            |
| Optional   | \$200.00   | 3.00     | \$600.00   |

**Notes:**

Proposal good for 30 days from date of issue

**Subtotal** \$9,860.00

**Total** \$9,860.00

---

**Estimate Total** **\$9,860.00**

## Customer Agreement Form

Today's Date

### Course Information:

---

---

Facility Contact Name

---

Legal Business Name

---

Name of Company

---

Address

#### Course Type:

- Private
- Semi-Private
- Public
- Restaurant
- Simulator

#### Number of Holes

- 9 Holes
- 18 Holes
- 27 Holes
- Simulator

## Eagle Club Systems Customer Agreement Form

| Module List   | Monthly                                    | Annually<br>(10% Discount)       | Tax % | w/ Tax Total |
|---|--|----------------------------------|-------|--------------|
| 1. Reservation System,<br>Online Booking Engine,<br>Customer Database           |  | Included                         |       |              |
| 2. POS, Inventory, Billing  |  | Included                         |       |              |
| 3. Email Marketing Tool   |  | Included                         |       |              |
| 4. Website Hosting<br>and Maintenance   |  | Included                         |       |              |
| 5.  |  |                                  |       |              |
| 6.  |  |                                  |       |              |
| 7.  |  |                                  |       |              |
| <b><u>Total</u></b>   |  | \$4,260/year                     |       |              |
| <b>One Time Fees</b>  |  |                                  |       |              |
| Credit Card Devices   | \$549 ea.                                  |                                  |       |              |
| Hardware  | TBD  |                                  |       |              |
| Mobile App  |  |                                  |       |              |
| Data Plans/ Hotspots  |  |                                  |       |              |
| Setup and Implementation  | Free Remote Setup<br>or<br>At Cost On Site |                                  |       |              |
| Website Consultation and Design   |  |                                  |       |              |
| Total   | TBD  |                                  |       |              |
| <b><u>Payment Due Before Go Live</u></b><br>(50% due within 2 weeks of signing) |  | \$2,130 due<br>before going live |       |              |

## FORM OF PAYMENT

Throughout the term of this agreement, the company agrees to use Eagle Club Systems booking portal on their website as the sole provider for online tee time reservations. Additionally, any time where there are tee times available to the public, the Course agrees to ensure those times are available online for purchase through Eagle Club Systems booking portal.

Customer agrees to pay the Total Annual or Monthly Price Due in US Dollars, based on the Payment and Pricing identified above, by one of the following methods:

Credit Card on File – A Credit Card Authorization form must be completed. Customer shall be charged a processing fee of 3% for any fees settled via credit card. Customer shall be liable for any and all fees (annual fees, late payment fees, etc.) associated with the credit card. Customer's card on file will be billed on the dates and schedule specified in this Agreement.

ACH Draft- Setup ACH for monthly withdrawals. Customer shall be liable for any and all fees (annual fees, late payment fees, etc.) associated with the bank account. Customer's account on file will be billed on the dates and schedule specified in the ACH draft authorization form.

(Only applicable if paying annually)  
Mail a check to  
Eagle Club Systems, LLC  
204 37<sup>th</sup> Ave N. # 101. St. Petersburg, FL 33704

## SOFTWARE AS A SERVICE AGREEMENT

This Software as a Service Agreement (the "Agreement") effective as of 01/01/2026 (the "Effective Date") is made and entered into by and between \_\_\_\_\_ with its principal place of business located at \_\_\_\_\_ (hereinafter the "Customer"), and Eagle Club Systems, LLC, a Florida limited liability company, with a registered address located at 204 37th Ave. N. PO Box 101. St. Pete, FL 33704 ("Eagle Club Systems"). Customer and Eagle Club Systems may be referred to individually as a "Party" and collectively as the "Parties."

**WHEREAS**, Customer wishes to purchase and utilize services and the system (the "System") provided by Eagle Club Systems.

**WHEREAS**, Eagle Club Systems provides technology services to Customers and Restaurants to enable Reservations and related products and services provided by the "Customer" and facilitates payment to the "Customer" for the purchases with a permitted Payment Method ("Payment Transactions").

**NOW, THEREFORE**, in consideration of the mutual promises contained herein and the agreements set forth below, the receipt and sufficiency of which consideration is hereby acknowledged, the Customer and Eagle Club Systems agree as follows

### SECTION 1. DESCRIPTION OF SERVICES

1. Upon implementation of the System, Eagle Club Systems will provide Customer with access to its System and the selected services (the "Services") as described on page 2 of this Agreement.

2. System will be installed by 01/01/2026

Eagle Club Systems hereby grants Customer a limited, non-transferable, and non-exclusive license to remotely access and use the System solely during the Term (as defined herein) of the Agreement. Except for this limited usage right during the Term, nothing in this Agreement grants Customer any rights, title or interest in the System, Services, or any deliverables provided by Eagle Club Systems. Eagle Club Systems reserves the right to make changes and updates to the functionality and/or documentation of the System from time to time.

## SECTION 2. Eagle Club Systems ACCOUNT

1. Eagle Club Systems may conduct an installation and training session of the System. During this time, Eagle Club Systems and Customer will work together to customize Customer's account for the System. This includes, but is not limited to the following:
  - a. Customizing Customer's account with Eagle Club Systems;
  - b. Customizing Customer's administrative environment for all related personnel and products;
  - c. Customizing Customer's products, including the cost and retail pricing for each product Customer offers; and
  - d. All other steps required for the operation of the System.
2. Customer's account will facilitate Customer's use of the System and will allow Customer to receive current reservations, sales related information, and other information pertaining to Customer's relationship with Eagle Club Systems.
3. Eagle Club Systems is not and will not be liable for any loss or damage arising from Customer's failure to manage and maintain its account. Each Customer is solely responsible and liable for marketing, selling, pricing, packaging, and provision of any products or services offered through the Services in compliance with all applicable laws, regulations, and rules or industry standards ("Applicable Law"). Eagle Club Systems makes no representation or warranty regarding whether a Customer holds any applicable permit, license, registration, or other credential for its business; whether representations by a Customer are true or accurate; or whether a Customer complies with Applicable Law, and Eagle Club Systems is not responsible for the quality of the products or services provided by the Customer.

## SECTION 3. SYSTEM PARTICIPATION

1. **Customer Offerings.** To participate in the System, Customer must supply the content and images to describe and illustrate the Customer and its service offerings ("Customer Offerings"), by completing and submitting, or authorizing an agent to complete and submit, the information to Eagle Club Systems. Customer Offerings include, but are not limited to, tee time pricing, pricing on retail items, and pricing on food and beverage. Customer is responsible and liable for all Customer Offerings and terms, and for Eagle Club Systems's or any purchaser's use or reliance on any of the foregoing.
2. **Promotion of Company.** Eagle Club Systems reserves the right to market the customer offerings to the customer customers. (aka, Eagle Club Systems can do your marketing for you and to your customers, we are NOT marketing to your customers for our own gain unlike other companies....) Eagle Club Systems will be responsible for creating and designing the email that will promote and market the Golf Course and the Golf Course Offerings by sending marketing emails to Golf Course customers. The Customer acknowledges and agrees that it will, at all times, be in compliance with the CAN- SPAM Act. This includes, but not limited to, promptly honoring any opt-out/unsubscribe requests received from a customer. Eagle Club Systems does not warrant or guarantee the use of the System will result in any particular amount of revenue or profit to the Customer.
3. **Responsibility for Customer Offering.** Customer represents that all services provided by the Customer for customers booking through the System will be consistent with prevailing industry standards for similar Customers in the area. Customer will be responsible for all customer service with respect to the Customer Offerings. Eagle Club Systems shall have no liability for the nature, completeness, or accuracy of information provided by Customer about the Customer Offerings or the fulfillment of the Customer Offerings.
4. **Processing of Sale.** All sales transactions for the Customer will be processed through the System. Customer agrees that the System will be the exclusive reservation and retail system used by the Customer, and that all golf related commercial activities, including the reservation of calendar for tee times, will be booked through the System during the Term of this Agreement. Credit Card Processing Rate will be determined by merchant application.
5. **License to Customer's Content.** During the Term of this Agreement, Customer hereby grants Eagle Club Systems a non-exclusive, worldwide, transferable, irrevocable, and sub-licensable license to use, copy, distribute, display, and perform any of Customer's content concerning the Customer and the Customer Offerings (including any trademarks, trade names, logos or copyrighted material of Customer to be included in any advertising of the Customer or Customer Offerings) in any and all media or formats in connection with Eagle Club Systems fulfillment of its rights and obligations under this Agreement, including the promotion of the Customer and Customer Offerings
6. **Press Release.** Eagle Club Systems may, in its sole discretion, include Customer and the Customer in any press release regarding the Customer Offerings described herein or otherwise identify Customer as one of its Customer clients. Any press release Customer may want to issue which includes Eagle Club Systems must be pre-approved in writing by Eagle Club Systems prior to release.
7. **PCI Compliance.** Eagle Club Systems is and will remain PCI compliant for the life of the product. The annual PCI compliance

certification (SAQ) is the sole responsibility of the Customer.

#### SECTION 4. PAYMENT TERMS

- 1. Additional Fees.** If an ACH Electronic Funds Transfer debit request is not successful; Customer will be subject to a \$15 transaction fee for each occurrence. Additionally, any aged balance beyond 30 days will be subject to a monthly late fee equal to 15% of the balance owed.
- 2. Currency.** All payments hereunder shall be in US Dollars (USD) and made by check, credit card, debit card, or ACH electronic transfer. Credit and debit card payments are subject to a processing fee as indicated in this Agreement.
- 3. Customer Products Pricing.** All prices for the Customer Offerings shall be established by the Customer. Any price changes to the Customer Offerings shall become effective once loaded into the System.
- 4. Customer Sales and Payment Processing.** Eagle Club Systems will be responsible for processing all credit and debit card payments from Customer's customers. Customer's name will be displayed on the customer's statement as the sales agent.
- 5. Payments to Customer.** The third-party payment card processor will process all credit and debit card activities for the Customer. The third-party payment card processor will remit proceeds via Automated Clearing House (the "ACH") to Customer account within two business days. All processing fees are withdrawn once a month.
- 6. Taxes.** Taxes related to customer offerings; customer shall be solely responsible for any taxes, levies, duties and/or similar governmental assessments (collectively, "Taxes") of any nature assessable by any jurisdiction whatsoever in connection with the purchase and/or use of Customer Offerings. Customer agrees to hold Eagle Club Systems harmless of any liability with respect to any such taxes Related to Eagle Club Systems Services:  
If the collection and remittance of Taxes to governmental bodies is applicable on Eagle Club Systems Services, Customer agrees to pay Eagle Club Systems the amounts to be collected and remitted. Information on assessed and remitted taxes concerning Customer's Eagle Club Systems Services will be provided to Customer by Eagle Club Systems. Please note that any Taxes collected may be subject to change based on applicable government laws and/or regulations.
- 7. Hardware.** During the Term of this Agreement, or any renewal thereof, Eagle Club Systems agrees to replace, at no additional cost to Customer, any hardware provided under this Agreement that is deemed defective or inoperable, in Eagle Club Systems's sole opinion. Customer will be responsible for cost of the replacement of any hardware that is damaged by Customer or any of its employees, agents or subcontractors.

#### SECTION 5. TERM AND TERMINATION

- 1. Term.** This Agreement is effective as of the Effective Date set forth above and will remain in effect until 1 Year. After the Initial Term and until terminated with 30 days' advance notice by either Party, as provided herein, this Agreement shall be automatically extended for successive one (1) year periods, unless renegotiated prior to end of the Term.
- 2. Termination for Convenience.** Either Party may terminate this agreement at any time, with or without further obligation, except for any outstanding and undisputed payments due to a Party, by providing the other Party with ninety (90) days advance written notice.
- 3. Termination by Breach of Agreement.** In the event either Party breaches any of the material terms or conditions of this Agreement, and such breach is not cured within thirty (30) days after receipt of written notice specifying the nature of the breach, the non-breaching Party may terminate this Agreement without any further delay or obligation hereunder.
- 4. Effects of Termination.** If either Party terminates this Agreement per the provisions of section 5.2 or 5.3, Customer shall i) forfeit any and all pre-paid expenses and fees; Eagle Club Systems shall have the right to debit via ACH, or charge for any and all outstanding payments due to Eagle Club Systems; to include Early Termination Fees outlined in section 5.5.
- 5. Early Termination Fee.** If Customer terminates this Agreement per the provisions of section 5.2, Customer shall pay Eagle Club Systems within fifteen (15) days from the date of termination, an early termination fee of fifty percent (50%) of the remaining balance set forth in this Agreement. If Customer terminates this Agreement for any reason prior to the Installation Date, within ninety (90) days from the Installation Date, or never goes live with Eagle Club Systems due to Customer personal decision, Customer shall pay Eagle Club Systems an additional flat fee of eight hundred dollars (\$800) as reimbursement to Eagle Club Systems for setup expenses.
- 6. Equipment Return.** Upon termination of this Agreement for any reason Customer will, within fifteen (15) days from the date of termination, return all equipment leased to Customer by Eagle Club Systems. If leased equipment is not returned, or is damaged upon receipt, Eagle Club Systems shall have the right to debit via ACH, or charge CC on file, the full replacement value for the leased equipment.

**SECTION 8. DATA SECURITY**

1. **Data Security Practices.** Customer agrees to use security technologies and techniques in accordance with industry best practices, including those relating to the prevention and detection of unauthorized use and access of systems and networks. A “Security Breach” is any act or omission that results in: (i) the unauthorized access or use of confidential information; or (ii) a breach of the physical, technical, administrative or organizational safeguards put in place by the either Party, that relate to the protection of the security, confidentiality, or integrity of confidential information. In the event of a Security Breach, Customer shall provide Eagle Club Systems with the name and contact information for a Customer employee or position which shall serve as Eagle Club Systems’s primary contact and shall be available to assist Eagle Club Systems twenty-four (24) hours per day, seven (7) days per week as a contact in resolving obligations associated with a Security Breach. To the extent permitted by law and law enforcement authorities, Customer shall notify Eagle Club Systems of a Security Breach as soon as practicable by phone and in writing, but no later than twenty-four (24) hours after Customer becomes aware of it. Immediately following Customer’s notification to Eagle Club Systems of a Security Breach, the Parties shall coordinate with each other to investigate the Security Breach.
  
2. **Data Protection Regulations.** Customer shall, at all times, maintain policies, practices and procedures sufficient to comply with data protection regulations such as the EU General Data Protection Regulation, or the California Consumer Privacy Act (to take effect on January 1, 2020). In the event Customer is found to be in violation of such data protection regulations or similar laws, Customer shall indemnify and hold harmless Eagle Club Systems from any claims, demands, or liability arising from Customer’s breach or violation of the same.
  
3. **Modification of Terms.** Eagle Club Systems reserves the right to modify any portion of these Terms of Service at any time in its sole discretion by notifying you of any changes by electronic mail, posting of the updated Terms of Service on its Website, or delivering an alert through the Application. The changes will become effective, and shall be deemed accepted by you, upon the effective date stated or initial posting/delivery date (if none is stated) and shall be effective on a going-forward basis. If you do not agree to these Terms of Service or any updated version of the Terms of Service, your sole and exclusive remedy is to terminate your use of the Services.
  
4. **Miscellaneous.** Any action, claim, or dispute related to these Terms of Service will be governed by the laws of Florida, excluding its conflicts of law provisions, and controlling U.S. federal law. The Uniform Computer Information Transactions Act will not apply to these Terms of Service. If any provision of these Terms of Service Agreement is found to be invalid by any court having competent jurisdiction, the invalidity of such provision will not affect the validity of the remaining provisions of these Terms of Service, which will remain in full force and effect. Failure of Eagle Club Systems to act on or enforce any provision of these Terms of Service will not be construed as a waiver of that provision or any other provision herein. No waiver will be effective against Eagle Club Systems unless made in writing, and no such waiver will be construed as a waiver in any other or subsequent instance. Except as expressly agreed by Eagle Club Systems and Customer, these Terms of Service constitute the entire agreement between you and Eagle Club Systems with respect to the subject matter hereof, and supersedes all previous or contemporaneous agreements, whether written or oral, between you and Eagle Club Systems with respect to the subject matter. The section headings are provided merely for convenience and will not be given any legal import. These Terms of Service will inure to the benefit of our successors and assigns. You may not assign these Terms of Service without our prior written consent. Any information submitted or provided by you to the Services might be publicly accessible. Important and private information should be protected by you.

**IN WITNESS WHEREOF**, the Parties have agreed to the terms of this Agreement as of the Effective Date.

Company Name: Eagle Club Systems, LLC  
 \_\_\_\_\_  
 Date 11/14/2025  
 \_\_\_\_\_  
 Signature Tyler A. Arnold, PGA  
 \_\_\_\_\_  
 Printed Name Tyler A. Arnold, PGA  
 \_\_\_\_\_  
 Title President  
 \_\_\_\_\_

Company Name:  
 \_\_\_\_\_  
 Date  
 \_\_\_\_\_  
 Signature  
 \_\_\_\_\_  
 Printed Name  
 \_\_\_\_\_  
 Title  
 \_\_\_\_\_



Merchant  
Services

Program  
Terms and  
Conditions  
(Program Guide)

|  |
|--|
| <b>PROCESSOR INFORMATION:</b><br>Name: <u>CardConnect, LLC a business unit of First Data Merchant Services, LLC</u><br>Address: <u>1000 Continental Drive, Suite 300, King of Prussia, PA 19046</u><br>URL: <u>www.cardconnect.com</u> Customer Service #: <u>1-877-828-0720</u> |
|--|

**Please read this entire Agreement. It describes the terms on which we will provide Merchant Processing Services to you. This summary provides answers to commonly asked questions about your Agreement.**

1. **Your Discount Rates and other fees** are calculated based on transactions qualifying for certain program pricing and interchange rates levied by the applicable Card Organization. Transactions that fail to qualify for these rates will be charged an additional fee. Interchange and program pricing levied by the Card Organization is subject to change, (see Section 6 of the General Terms & Conditions).

2. **We may debit your bank account** (also referred to as your Settlement Account) for amounts owed to us.

3. **You are liable for Chargebacks and there are many reasons why a Chargeback may occur.** When they occur we will debit your Settlement Account. See Section 8 of the General Terms & Conditions.

4. **If you wish to dispute any charge or funding**, you must notify us within 60 days of the date of the statement on which the charge or funding appears.

5. **This Agreement limits our liability to you.** See Section 10 of the General Terms & Conditions for further details.

6. **We have assumed certain risks** by agreeing to provide you with the Services. Accordingly, we may take certain actions to mitigate our risk, including termination of this Agreement, and holding monies otherwise payable to you (see Sections 16 and 17 of the General Terms & Conditions).

7. **By executing this Agreement with us** you authorize us and our Affiliates to obtain and share financial and credit information regarding your business and the signers and guarantors of this Agreement until all your obligations to us and our Affiliates are satisfied.

8. **For questions regarding** your Merchant Processing Application and Agreement, please contact Customer Service at 1-877-828-0720.

#### Information about Bank:

Your Bank, who is a Visa and Mastercard Member Bank, is Wells Fargo Bank, N.A. (Bank)  
PO Box 6079, Concord, CA 94524  
Attn: Merchant Services (407) 237-6727

b) Bank is the entity approved to extend acceptance of Visa and Mastercard products directly to you and will be a party to the sections of this Agreement listed in Section 2.2.

c) Bank works with Processor to provide the Services to you with respect to Visa Cards and to Mastercard Cards.

d) Bank shall, either directly or through Processor, advise you of pertinent Card Organization Rules with which you must comply.

e) Bank is responsible for and must provide settlement funds to you and will be responsible for all funds held in a reserve.

#### Your Responsibilities:

a) You must comply in full at all times with this Agreement (including the Your Payments Acceptance Guide), all Card Organization Rules and all Cardholder and customer data security and storage requirements.

b) You may view and download the Your Payments Acceptance Guide at \_\_\_\_\_.

c) You may view and download the Interchange Qualification Matrix and American Express OptBlue® Guide at \_\_\_\_\_.

d) You may download the Visa and Mastercard rules at: <https://usa.visa.com/dam/VCOM/download/about-visa/visa-rules-public.pdf>  
[www.mastercard.us/content/dam/mccom/global/documents/mastercard-rules.pdf](http://www.mastercard.us/content/dam/mccom/global/documents/mastercard-rules.pdf).

e) For your account to stay operational, you must keep fraud and Chargeback levels below Card Organization thresholds.

f) Please retain a signed copy of your Agreement.

**Print Merchant's Business Legal Name:** \_\_\_\_\_

**By signing below, you:**

- (i) **Confirm that you have received and read the Application, General Terms & Conditions [Version CCNGov2210 SMB/CMM], including this Confirmation Page, Interchange Rate Schedule, and any addenda, amendments, replacement or renewal agreement(s); and**
- (ii) **Agree to all terms in this Agreement in your capacity as a person authorized to sign on behalf of the business set out in the Application.**

**NO SALES REPRESENTATIVE IS AUTHORIZED TO ACCEPT OR AGREE TO ANY ALTERATIONS TO THIS AGREEMENT.**

**Business Principal:**

X \_\_\_\_\_  
**Signature:**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Date**

**Please Print Name of Signer**

**PROCESSOR INFORMATION:** Name: CardConnect, LLC a business unit of First Data Merchant Services, LLC  
 Address: 1000 Continental Drive, Suite 300, King of Prussia, PA 19046  
 URL: www.cardconnect.com Customer Service #: 1-877-828-0720

**Please read this entire Agreement. It describes the terms on which we will provide Merchant Processing Services to you. This summary provides answers to commonly asked questions about your Agreement.**

- Your Discount Rates and other fees** are calculated based on transactions qualifying for certain program pricing and interchange rates levied by the applicable Card Organization. Transactions that fail to qualify for these rates will be charged an additional fee. Interchange and program pricing levied by the Card Organization is subject to change, (see Section 6 of the General Terms & Conditions).
- We may debit your bank account** (also referred to as your Settlement Account) for amounts owed to us.
- You are liable for Chargebacks and there are many reasons why a Chargeback may occur.** When they occur we will debit your Settlement Account. See Section 8 of the General Terms & Conditions.
- If you wish to dispute any charge or funding**, you must notify us within 60 days of the date of the statement on which the charge or funding appears.
- This Agreement limits our liability to you.** See Section 10 of the General Terms & Conditions for further details.
- We have assumed certain risks** by agreeing to provide you with the Services. Accordingly, we may take certain actions to mitigate our risk, including termination of this Agreement, and holding monies otherwise payable to you (see Sections 16 and 17 of the General Terms & Conditions).
- By executing this Agreement with us** you authorize us and our Affiliates to obtain and share financial and credit information regarding your business and the signers and guarantors of this Agreement until all your obligations to us and our Affiliates are satisfied.
- For questions regarding** your Merchant Processing Application and Agreement, please contact Customer Service at 1-877-828-0720.

#### Information about Bank:

Your Bank, who is a Visa and Mastercard Member Bank, is Wells Fargo Bank, N.A. (Bank)  
 PO Box 6079, Concord, CA 94524  
 Attn: Merchant Services (407) 237-6727

- Bank is the entity approved to extend acceptance of Visa and Mastercard products directly to you and will be a party to the sections of this Agreement listed in Section 2.2.
- Bank works with Processor to provide the Services to you with respect to Visa Cards and to Mastercard Cards.
- Bank shall, either directly or through Processor, advise you of pertinent Card Organization Rules with which you must comply.
- Bank is responsible for and must provide settlement funds to you and will be responsible for all funds held in a reserve.

#### Your Responsibilities:

- You must comply in full at all times with this Agreement (including the Your Payments Acceptance Guide), all Card Organization Rules and all Cardholder and customer data security and storage requirements.
- You may view and download the Your Payments Acceptance Guide at \_\_\_\_\_.
- You may view and download the Interchange Qualification Matrix and American Express OptBlue® Guide at \_\_\_\_\_.
- You may download the Visa and Mastercard rules at:  
<https://usa.visa.com/dam/VCOM/download/about-visa/visa-rules-public.pdf>  
[www.mastercard.us/content/dam/mccom/global/documents/mastercard-rules.pdf](http://www.mastercard.us/content/dam/mccom/global/documents/mastercard-rules.pdf).
- For your account to stay operational, you must keep fraud and Chargeback levels below Card Organization thresholds.
- Please retain a signed copy of your Agreement.

**Print Merchant's Business Legal Name:** \_\_\_\_\_

**By signing below, you:**

- Confirm that you have received and read the Application, General Terms & Conditions [Version CCNGov2210 SMB/CMM], including this Confirmation Page, Interchange Rate Schedule, and any addenda, amendments, replacement or renewal agreement(s); and**
- Agree to all terms in this Agreement in your capacity as a person authorized to sign on behalf of the business set out in the Application.**

**NO SALES REPRESENTATIVE IS AUTHORIZED TO ACCEPT OR AGREE TO ANY ALTERATIONS TO THIS AGREEMENT.**

**Business Principal:**

**X** \_\_\_\_\_  
**Signature:**

\_\_\_\_\_ **Title**

\_\_\_\_\_ **Date**

**Please Print Name of Signer**

## 1. Your Payment Acceptance Guide and Card

### Organization Rules

1.1 The General Terms & Conditions (General Terms), together with your Application, the Interchange Rate Schedule and the Your Payments Acceptance Guide constitute the agreement for Card Transaction acceptance and other related Services (this Agreement).

1.2 You agree to comply with the Your Payments Acceptance Guide and, either the Card Organization Rules relevant to you, as they may change over time. The Your Payments Acceptance Guide is available at [www.businesstrack.com](http://www.businesstrack.com).

1.3 If there are any inconsistencies between the General Terms and the Your Payments Acceptance Guide, or the Card Organization Rules, the General Terms will govern.

1.4 You may not alter this Agreement.

### 2. Services and Non-Bank Services

2.1 Your Application will identify the Services you will receive. Certain Services referred to in this Agreement may not be available to you.

2.2 Subject to Card Organization Rules, Services may be performed by us, our Affiliates, our agents, or other third parties we may designate. References to “we” “our” and “us” shall be deemed to be references to Bank and Processor except for the purposes of Sections 2.1, 2.3, 2.4, 6.9, 11.2, 11.5, 11.6, 11.7, 13.1, 20, 24, 32 and 36. Bank shall not be a party to the aforementioned Sections nor shall Bank have any responsibility or liability pursuant to such Sections. Third Party Services, including any apps available in an application marketplace or voice or data services you purchase directly from a third party provider, are not governed by this Agreement and we are not responsible for providing, maintaining, servicing or supporting such services. If you decide to use Third Party Services, you will be responsible for reviewing and understanding the terms and conditions associated with Third Party Services.

Any third party content downloaded or otherwise obtained through the use of the Services is downloaded at your own risk. WE WILL NOT BE RESPONSIBLE FOR ANY ACTIONS OR ANY FAILURES TO ACT OF ANY THIRD PARTY, AND WE EXPRESSLY DISCLAIM ANY LIABILITY RELATED TO ALL THIRD PARTY SERVICES. WE DO NOT WARRANT, ENDORSE, GUARANTEE, OR ASSUME RESPONSIBILITY FOR ANY THIRD PARTY SERVICE OR PRODUCT ADVERTISED OR OFFERED

THROUGH THE SERVICES OR ANY HYPERLINKED WEBSITE OR SERVICE, OR FEATURED IN ANY BANNER OR OTHER ADVERTISING, AND WE WILL NOT BE A PARTY TO OR IN ANY WAY MONITOR ANY TRANSACTION BETWEEN YOU AND PROVIDERS OF THIRD PARTY SERVICES OR PRODUCTS.

2.3 If you do not qualify for our full service program but have otherwise been approved for accepting American Express or WEX, your American Express and WEX transactions will be processed through and funded by American Express or WEX (as applicable). American Express and WEX will provide you their own agreements governing those transactions. You agree that (a) we are not responsible and assume no liability for any such transactions; and (b) American Express and WEX may charge additional fees for the services they provide.

2.4 Rather than accepting all categories of card, you have the option to elect to accept only certain categories of card (Limited Acceptance). If you wish to offer Limited Acceptance, you must complete the Limited Acceptance Form and agree to be bound by the additional terms and conditions set out in that document.

### 3. Access and Use of Services

3.1 Except as specified in the Your Payments Acceptance Guide, or otherwise agreed in writing, the Services shall be for your internal business use in the United States only.

3.2 You shall not and shall not permit any third party to: (a) access or attempt to access any Service that is not intended to be available to you; (b) access or use (in any format) the Services (or any part) through any time-sharing service, service bureau, network, consortium, or other means; (c) without our advanced written consent, use, ship or access Services (or any part) outside or from outside of the United States; (d) perform or attempt to perform any actions that would interfere with the proper working of any Service, prevent access to or use of any Service by other users, or in our reasonable judgment, impose a large load on our infrastructure, network capability or bandwidth; or (e) use the Services (or any part) except as permitted in this Agreement.

3.3 You may use the eligible TransArmor services and portals only to scan IP addresses, URLs and domain names owned by and registered to you.

3.4 We have the right to rely on user names, password and other sign on.

#### 4. Settlement

4.1 As part of the Services, we will process transaction data received from you and facilitate the transfer of funds for your Card sales to your Settlement Account.

4.2 We may debit your Settlement Account for any amounts owed to us, including any amounts paid to you in error. We may also offset any amounts owed to us or our Affiliates related to activity in other accounts maintained in your name or which you, any of your principals, guarantors or authorized signors guarantee.

4.3 You are responsible for providing us with accurate information regarding your Settlement Account. If you change the Settlement Account in which you receive the proceeds of your transactions, you must notify us immediately. If you accept payment types other than Visa, Mastercard, American Express, Discover Network and PayPal (such as TeleCheck Services), you are also responsible for contacting the Card Organizations or companies governing those Cards to notify them of this change. We shall not be liable for delays in receipt of funds or errors in debit and credit entries caused by you or any other Person, including any delays or errors resulting from errors in Settlement Account information you provide.

4.4 If a Default occurs you agree we may without notice change processing or payment terms and/or suspend credits or other payments of any amounts due or which become due to you.

4.5 Your right to receive any amounts due or to become due from us is expressly subject and subordinate to Chargeback, setoff, lien, and our rights to withhold settlement funds under this Agreement without regard to whether such Chargeback, setoff, lien, and the withholding of settlement fund rights are being applied to claims that are liquidated, unliquidated, fixed, contingent, matured or unmatured.

4.6 If you undertake Global ePricing (GeP) Transactions, you acknowledge that: (a) Settlement by us of GeP Transactions shall be made in the Local Currency on the basis of the Transaction Price of the GeP Sales Transaction under the process defined by the Card Organizations; (b) you shall be subject to any and all Foreign currency exchange rate exposure in connection with all GeP Transactions; and (c) you are solely responsible for all aspects of the GeP Transaction (other than the performance of GeP Services), including obtaining the Cardholder's agreement to a GeP Transaction, and complying with all Card Organization Rules applicable to you. Dynamic Currency Conversion as defined by Card Organization Rules is not permitted nor provided as part of the GeP Services.

#### 5. Exclusivity

5.1 You will use us as your exclusive provider of all Services during the term of this Agreement.

#### 6. Fees; Adjustments; Collection of Amounts Due

6.1 You will be charged, and agree to pay us, all fees set out on your Fee Schedule or elsewhere in this Agreement.

6.2 The fees specified on your Fee Schedule are based on the assumption that your transactions will qualify at the Anticipated Interchange and Program Pricing Levels associated with your account. If a transaction fails to qualify at the Anticipated Interchange Program Pricing Levels, you will be charged a Non-Qualified Fee, plus a Non-Qualified Surcharge for each such non-qualifying transaction.

6.3 If you accept a Card or transaction other than the type anticipated for your account, we will charge you our then-current transaction fee(s) for the Card and transaction and you will be responsible for the transaction to the same extent as you would be if it was of a Card type elected and approved.

If your fees are not paid through our automatic debiting process, and we are required to pursue collection efforts, you will reimburse us for our costs in an amount of not less than \$100.00.

6.4 The fees specified on your Fee Schedule are based on (a) estimated annual volume and average transaction size for all Services provided under this Agreement; and (b) your method of doing business. If the actual volume or average transaction size are not as expected or if you significantly alter your method of doing business, we may adjust our fees without prior notice to you. It is your responsibility to notify us of any such changes to your business.

6.5 We may adjust our fees to reflect new or increased fees, taxes or assessments imposed by any Card Organization or other Persons related to the Services. It is your responsibility to pay all such adjusted fees effective from the date specified in our notice to you.

6.6 Any Account Minimum Fee set out in your Application will be charged monthly (beginning in the calendar month after your Application is approved) for each location and will be calculated as the Account Minimum Fee set forth in your Application less the "Discount Fees" and "Other Payment Fees" that you incur for that month and location. The Account Minimum Fee shall never be less than zero.

6.7 An equipment rental fee will be charged each month for each piece of equipment rented from us, plus tax as applicable. You will also be charged for shipping and supplies.

6.8 An Authorization fee will be charged for each Authorization requested, whether the response is approved or declined. If you are being charged a combined fee for both Authorization and Capture we may charge this fee on the communication of all instructions that you transmit to us from your point of sale device or other systems to our computer systems, whether the communications are for Authorization requests or any other capture of information whether or not related to any individual transaction.

6.9 A fee will be charged for each Address Verification Service (AVS) request submitted, whether or not we are able to provide a response to the request.

6.10 Clients opting out of the TransArmor Solution will be charged a Compliance Fee. The Compliance Fee covers our costs for systems maintenance and upgrades, mandatory IRS reporting, as well as costs associated with our required tracking and reporting of your PCI compliance. We will provide a monthly vulnerability "scan," if required, of up to 5 IP addresses. Additional required scans are your responsibility. Payment of the Compliance Fee does not discharge your responsibility to maintain PCI DSS compliance at all times.

6.11 You will be charged a monthly Non-Receipt of PCI Validation fee unless, within 60 days from the date this Agreement is submitted with your signature and on an annual basis after that:

- a) you obtain any quarterly or other periodic PCI-approved vulnerability scans that the Card Organization Rules require you to obtain (for example, if you accept Internet transactions);
- b) you remediate vulnerabilities identified by your scans in ways that enable you to comply with the Card Organization Rules and applicable standards (including the PCI DSS); and
- c) you confirm that you are following certain data security protocols by (i) completing an online self-assessment questionnaire, which we will make available to you, regarding your systems and payments acceptance practices (SAQ), or (ii) using PCI-approved methods, providing us with other written evidence of your PCI DSS compliance.

If you materially change the systems you use to accept payments and you wish to avoid paying the monthly Non-Receipt of PCI Validation fee, you will need to promptly complete a new SAQ or (using PCI-approved methods) promptly provide us with other written evidence of your PCI DSS compliance.

6.12 If you believe any adjustments should be made to your Settlement Account, you must notify us in writing within 60 days after any debit or credit is or should have been effected.

If you notify us after 60 days, you agree we have no obligation to investigate or effect any adjustments. Any voluntary efforts by us to assist you in investigating such matters do not obligate us to continue such investigation or to conduct any future investigation.

6.13 If you fail to pay any amounts due within 30 days of the due date set out in our merchant statement or other communication with you, then we may, in our sole discretion, charge you interest, for such time that the amount and all accrued interest remain outstanding at the lesser of 12% APR or the maximum rate permitted by applicable law

## **7. Electronic Funding Authorization**

7.1 All payments to you shall be made through the automated clearing house system (ACH) and shall normally be electronically transmitted directly to the Settlement Account you have designated or any successor account designated to receive provisional funding of your transactions pursuant to this Agreement. You agree that any Settlement Account designated by you will be an account primarily used for business purposes. We cannot guarantee the timeframe in which payment may be credited by your financial institution.

7.2 You agree to be bound by the operating rules of the ACH and you authorize us to (a) access information from the Settlement Account; (b) initiate credit and/or debit entries by wire or ACH transfer; (c) instruct your financial institution to (i) block or to initiate, if necessary, reversing entries and adjustments for any original entries made to the Settlement Account; and (ii) provide such access and to credit and/or debit or to block the Settlement Account.

7.3 If we cannot process an ACH payment, we may (a) charge you the applicable fee set out in the Pricing Schedule; and (b) suspend all subsequent funding until a new electronic funding agreement is signed by you or you notify us that ACH payments can be processed.

7.4 Any funds pertaining to the Card transactions contemplated by this Agreement now or hereafter in our possession may be commingled with other funds of ours, or, in the case of any funds held pursuant to the foregoing paragraphs, with any other funds of other customers of ours. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, we are hereby authorized by you at any time and from time to time, without notice or demand to you or to any other Person (any such notice and demand being hereby expressly waived), to set off, recoup and to appropriate and to apply any and all such funds against and on account of your obligations to us and our respective Affiliates under this Agreement and any other agreement with us our respective Affiliates for any related equipment or related services

(including any check services), whether such obligations are liquidated, unliquidated, fixed, contingent, matured or unmatured.

## 8. Chargebacks, Fines and Penalties

8.1 Cardholders and Issuers are authorized by Card Organization Rules and by law to reverse and Chargeback transactions that you submit to us. Further details are set out in the Your Payments Acceptance Guide and in the Card Organization Rules.

8.2 You are obligated to reimburse us (and authorize us to debit your Settlement Account) for (a) all refunds, credits, Chargebacks and adjustments relating to transactions that you submit for processing; and (b) any fees, fines, assessments, obligations or other charges a Card Organization imposes on us in relation to your acts or omissions or the acts or omissions of your agents or those acting on your behalf.

8.3 Refunds, Credits, returns and Chargebacks for GeP Transactions shall be treated as independent transactions with a Transaction Rate as determined by the Card Organization.

## 9. Your Representations and Warranties

9.1 By submitting a transaction to us, you represent and warrant that the transaction:

- a) is genuine and arises from a genuine sale or service that you directly sold or provided as described on your Application. (The submission of Authorization requests and/or Card transaction by you for Card sales or cash advances transacted by another business is considered laundering or factoring and is prohibited);
- b) represents the correct amount of the goods or services purchased by the Cardholder from your business as identified on your Application;
- c) is not subject to any dispute, set-off or counterclaim;
- d) to your knowledge is not the result of fraud and has been authorized by the Cardholder
- e) does not violate the law of any applicable jurisdiction, including the jurisdiction where you are located, where the Cardholder is located, or where we are located
- f) except for any delayed delivery or advance deposit Card transactions expressly authorized under this Agreement, included your simultaneous delivery of the goods or services to the Cardholder; and

g) complies with this Agreement and Card Organization Rules.

9.2 You further represent and warrant, as of the date of this Agreement and at the time of submission of each transaction, that:

- a) you are validly existing, in good standing and free to enter into this Agreement;
- b) you have not changed the nature of your business or practices in a way not previously disclosed to us;
- c) each statement made on the Application or other information provided to us in support of this Agreement is true, accurate and complete and you have maintained and updated this information to keep it true, accurate, current and complete;
- d) you have not filed a bankruptcy petition not previously disclosed to us;
- e) you will not process any credit transactions that do not correspond to a previous transaction on the original sales draft;
- f) you will not at any time during the term of this Agreement or until all amounts have been paid in full under this Agreement, grant or pledge any security interest or lien of any type in any Reserve Account, Settlement Account or in any of the transaction proceeds to any Person without our consent; and
- g) where you provide FNS, SNAP or WIC Benefits (as described in the Your Payments Acceptance Guide), you are an FNS authorized merchant and are not disqualified or withdrawn from redeeming food stamp coupons or otherwise disqualified or withdrawn by FNS.

## 10. Limitations on Liability; Exclusion of Consequential Damages

10.1 THIS AGREEMENT IS A SERVICE AGREEMENT. USE OF THE SERVICES, SOFTWARE OR ANY EQUIPMENT (INCLUDING ANY SERVICES, SOFTWARE OR EQUIPMENT PROVIDED BY OR THROUGH A THIRD PARTY) IS AT YOUR OWN RISK AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW THE SERVICES, EQUIPMENT AND ANY SOFTWARE IS PROVIDED "AS IS" AND WE DISCLAIM ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, MADE TO YOU OR ANY OTHER PERSON, INCLUDING ANY WARRANTIES REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THAT SERVICES, EQUIPMENT OR ANY SOFTWARE WILL OPERATE UNINTERRUPTED OR ERROR FREE OR THAT THE SERVICES, EQUIPMENT OR SOFTWARE ARE SECURE, FREE OF

VIRUSES OR OTHER HARMFUL COMPONENTS, OR DO NOT INFRINGE THE RIGHTS OF ANY PERSON.

10.2 IN NO EVENT SHALL WE OR OUR AFFILIATES OR ANY OF OUR OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR SUBCONTRACTORS, BE LIABLE UNDER ANY THEORY OF TORT, CONTRACT, STRICT LIABILITY OR OTHER LEGAL THEORY FOR LOST PROFITS, LOST REVENUES, LOST BUSINESS OPPORTUNITIES, EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EACH OF WHICH IS EXCLUDED BY AGREEMENT OF THE PARTIES, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER ANY PERSON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10.3 NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY (INCLUDING SECTION 26):

a) OUR CUMULATIVE LIABILITY FOR ALL LOSSES, CLAIMS, SUITS, CONTROVERSIES, BREACHES OR DAMAGES FOR ANY CAUSE WHATSOEVER (INCLUDING THOSE ARISING OUT OF OR RELATED TO THIS AGREEMENT AND ANY INDEMNITIES), REGARDLESS OF THE FORM OF ACTION OR LEGAL THEORY, SHALL NOT EXCEED, (I) \$50,000; OR (II) THE AMOUNT OF FEES RECEIVED BY US UNDER THIS AGREEMENT FOR SERVICES PERFORMED IN THE IMMEDIATELY PRECEDING 12 MONTHS, WHICHEVER IS LESS;

b) ANY LIABILITY THAT WE MAY HAVE TO YOU FOR ANY DELAY IN FUNDING TRANSACTIONS WILL BE LIMITED TO INTEREST COMPUTED FROM THE DATE THAT YOU SUBMIT THE TRANSACTION TO THE DATE THAT WE FUND THE TRANSACTION AT THE RATE OF THE FEDERAL FUNDS AS SET BY THE FEDERAL RESERVE BANK OF NEW YORK, NEW YORK, LESS ONE PERCENT (1%); AND

c) OUR LIABILITY ARISING OUT OF OR IN ANY WAY CONNECTED WITH ANY EQUIPMENT OR SOFTWARE SHALL NOT EXCEED THE PURCHASE PRICE OR PRIOR TWELVE MONTH'S RENT OR FEES, AS APPLICABLE, PAID TO US FOR THE PARTICULAR EQUIPMENT OR SOFTWARE INVOLVED.

## **11. Communications with Customers through the Services**

11.1 You shall provide and obtain any disclosures and consents related to the E-SIGN Act that may be required in connection with your communications and agreements with your customers through the Services.

11.2 If you are able to discern any information about a particular entity or individual from the information available through Insights or any other Service, either alone or with other information in your possession, you agree that the information may be subject to certain privacy, marketing,

insider trading, or other applicable laws and you shall limit your use and disclosure of that information in accordance with all applicable laws.

11.3 With respect to each customer who desires to receive marketing material, transaction receipts or other communications from you via text message or email, such customer must give the appropriate consent in writing; you are NOT permitted to add or modify a customer's consent indication on behalf of the Customer.

11.4 You (or your agents acting on your behalf) shall only send marketing materials or other communications to a customer's provided phone number, street address, and/or email address if the customer has specifically consented in writing executed by the customer.

11.5 If you offer any loyalty program to customers through the Services or otherwise, you are solely responsible for any and all offerings made available to customers in connection with your loyalty program (each, an Offer). The Offer and all of the related information, including branding (trademarks and logos) and images (collectively, the Content) are provided and determined by you. You are solely responsible for ensuring the accuracy of the Offer and Content.

11.6 By providing Content to us as part of our Services, you grant us the right and license to use, modify (e.g. for formatting and display purposes), publicly perform, publicly display, reproduce and distribute such Content on and through the Services, including any Software we make available to you. This license includes the right for us to make Content available to other users who may access and use your Content.

11.7 You are solely responsible for (a) fulfilling the terms of your Offers and determining the criteria for your customers to earn and redeem perks, rewards, stamps, credits or incentives (Rewards); and (b) honoring Rewards for eligible customers who earn those Rewards and you agree not to withdraw or terminate any Offer after it has been made publicly available to your customers without offering a reasonable alternative method for customers to redeem any Rewards related to the Offer.

11.8 You are solely liable for, and we shall have no liability in relation to, any costs or expenses (including refunds) associated with your Offers or Rewards or your failure to issue, accept, fulfill or redeem any Rewards

## **12. Confidentiality**

12.1 You shall safeguard all confidential information we supply or otherwise make accessible to you (including the terms of this Agreement) using a reasonable degree of care. You shall only use our confidential information for the

purposes of this Agreement and shall not disclose our confidential information to any person, except as we may agree in advance and in writing. We acknowledge that you may be subject to public records laws for the State in which you are located and any non-exempt public records, which may include our confidential information, are subject to inspection and copying upon request by the public. If a Public Records request is made for our confidential information, you will provide us 10 days' prior notice of your intent to disclose the records so that we may seek a protective order or take other court action. If no such action is filed, you may disclose the records. At our request you shall return to us or destroy all of our confidential information in your possession or control.

12.2 You agree that breach of the restrictions on use or disclosure of our confidential information would result in immediate and irreparable harm to us, and money damages would be inadequate to compensate for that harm. We shall be entitled to equitable relief, in addition to all other available remedies, to redress any breach.

12.3 You may submit comments or ideas about our Services, including about how to improve our Services. By submitting any idea, you agree that: (a) we expressly disclaim any confidentiality obligations or use restrictions, express or implied, with respect to any idea; (b) your submission will be non-confidential; and (c) we are free to use and disclose any idea on an unrestricted basis without notifying or compensating you. You release us from all liability and obligations that may arise from our receipt, review, use or disclosure of any portion of any idea.

### **13. Use of Data**

13.1 You agree we may use Transaction Data for the purpose of providing additional products and services to you, other merchants, or third parties. This includes using Cardholder information, dates, transaction details, and other Transaction Data to provide you with analytics products and services as well as collecting using Transaction Data aggregated with other merchants' transaction data to provide you, other merchants, third parties with analytic products and services.

13.2 In the course of providing Services, we may collect information relating to activities on your network, including network configuration, TCP/ IP packet headers and contents, log files, malicious codes, and Trojan horses. We retain the right to use this information or aggregations of this information, in addition to the Transaction Data described above, for any reasonable purpose.

13.3 You agree that we may obtain relevant information from any applicable telecommunications provider you utilize, as necessary to investigate any allegation of fraud, suspected

fraud or other actual or alleged wrongful act by you in connection with the Services.

### **14. Intellectual Property Rights**

14.1 All right, title, and interest in and to all confidential information and intellectual property related to the Services (including the Marks, all Software, the content of any materials, web screens, layouts, processing techniques, procedures, algorithms, and methods and any updates, changes, alterations, or modifications to or derivative works from such intellectual property), owned, developed or licensed by us prior to, during the term of, or after this Agreement, or employed by us in connection with the Services, shall be and remain, as among the Parties, our or our affiliates', our vendors' or our licensors' (as applicable) sole and exclusive property and all right, title and interest associated with the Services, Equipment and Software not expressly granted by us in this Agreement are deemed withheld.

You may not use our Marks in any manner, including in any advertisements, displays, or press releases, without our prior written consent.

14.2 You may not, nor may you permit any third party to do any of the following: (a) decompile, disassemble, reverse engineer, or otherwise attempt to reconstruct or discover by any means any source code, underlying ideas or algorithms of the Service, Software or Equipment (or any part), except to the extent that such restriction is expressly prohibited by law; (b) modify, translate, or alter in any manner, the Service, Software or Equipment (or any part) or the Marks; (c) create derivative works of or based on the Service (or any part), Software or the Marks; (d) except for backup and archival purposes, directly or indirectly copy the Service or any Software (or any part); (e) republish, upload, post, transmit, disclose, or distribute (in any format) the Service or Software (or any part) except as permitted in this Agreement; or (f) remove, relocate, or otherwise alter any proprietary rights notices from the Service, Software or documentation (or any part) or the Marks.

14.3 If we provide you with copies of or access to any Software or documentation, unless otherwise expressly stated in writing, that Software and documentation is provided on a personal, non-exclusive, non-transferable, non-assignable, revocable limited license for the period of your subscription to the applicable Service and solely for you to access and use the Software and documentation to receive the relevant Services for its intended purpose on systems owned or licensed by you. Software can only be used with certain computer operating systems and it is your responsibility to ensure that you have the appropriate hardware and software to use the Software.

14.4 You shall not take any action inconsistent with the stated title and ownership in this Section 14. You will not file any action, in any forum that challenges the ownership of any part of the Service or any Software, materials or documentation. Failure to comply with this provision will constitute a material breach of this Agreement. We have the right to immediately terminate your access to and use of the Service in the event of a challenge by you.

14.5 If you are acquiring any Services on behalf of any part of the United States Government (Government): (a) any use, duplication, or disclosure by the Government is subject to the restrictions set forth in subparagraphs (a) through (d) of the Commercial Computer Software-Restricted Rights clause of FAR 52.227-19 when applicable, or in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, and in similar clauses in the NASA FAR Supplement; and (b) we are the contractor/manufacturer, with the address set forth in this Agreement.

## 15. Assignment

15.1 Any transfer or assignment of this Agreement by you, without our prior written consent (such consent not to be unreasonably withheld by us), by operation of law or otherwise, is voidable by us and, in such event we may: (a) suspend Services at any time and without notice, (b) hold you and your guarantors liable for all obligations incurred by such purchaser or transferee, and (c) offset funding and obligations incurred on your accounts without regard to whether such funding or obligations relate to activities of you or of such purchaser or transferee.

15.2 If you make an assignment (or provide a security interest) of receivables covered by this Agreement, then we may, at our option, elect to: (a) refuse to acknowledge such assignment unless accompanied by an authorization to both initiate debits or credits to the bank account of the assignee; (b) terminate this Agreement immediately; or (c) charge for any transfers that we are called upon to make manually to fulfill such an assignment at the rate of \$100 per transfer.

15.3 Processor may not assign or transfer this Agreement to any other Person without your prior written consent (such consent not to be unreasonably withheld by you). Subject to Card Organization Rules, Bank may assign or transfer this Agreement and its rights, duties and obligations hereunder, in whole or in part, to any Person, whether in connection with a change in sponsorship, as set forth in the preceding paragraph, or otherwise, without notice to you or your consent. In addition, another Visa and Mastercard member may be substituted for Bank under whose sponsorship this Agreement is performed with respect to Visa and Mastercard transactions. Upon such substitution, such other Visa and Mastercard member shall be responsible for all

obligations required of Bank, including full responsibility for its Card program and such other obligations as may be expressly required by applicable Card Organization Rules.

15.4 If this Agreement is assigned with our permission or by operation of law, the restriction against assignment shall continue to apply to the assignee, who will not be authorized to further assign this Agreement except as described in this Section.

## 16. Terms; Events of Default

16.1 This Agreement becomes effective only when approved by our Credit Department. We reserve the right to immediately suspend or terminate your account and this Agreement if you fail to meet our credit policies even if your account has been activated to submit transactions prior to your approval by our Credit Department.

16.2 The initial term of this Agreement is three years from the date of your approval by our Credit Department (the Initial Term). After the Initial Term, subject to Section 16.3, this Agreement shall automatically extend for additional period of one year each (each an Extended Term).

16.3 A party may give written notice to the other party, not later than 30 days before the end of the Initial Term or the relevant Extended Term, to terminate this Agreement at the end of the Initial Term or the relevant Extended Term, as the case may be. Should you fail to notify us in writing that you wish to terminate this Agreement under this Section

16.3 you agree that you will continue to be charged certain fees pursuant to this Agreement even if you are not using your account. If you have an equipment lease, termination of this Agreement does not terminate that equipment lease.

16.4 We may terminate this Agreement or suspend any or all of the Services immediately and without notice in the following circumstances (each, a Default):

a) a material adverse change in your business, financial condition, or business prospects;

b) any assignment or transfer of voting control of you or your parent or sale of all or a substantial portion of your assets;

c) irregular Card sales by you, excessive Chargebacks, noncompliance with any applicable data security standards, as determined by Servicers, or any Card Organization, or any other Person, or an actual or suspected data security breach, or any other circumstances which, in our sole discretion, may increase our exposure for your Chargebacks or otherwise present a financial or security risk to us;

d) you breach any of your representations, warranties or covenants in this Agreement or you default in any material respect in the performance or observance of this Agreement or in any agreement with any of our respective Affiliates, including the establishment or maintenance of funds in a Reserve Account or any failure to notify us of any change to the information in your merchant profile;

e) your actions come under investigation by any Card Organization resulting in the Card Organization directing us to terminate or suspend our Services or Agreement with you; or

f) you violate any applicable law or Card Organization Rule or we reasonably believe that termination of this Agreement or suspension of Services is necessary to comply with any law, including the rules and regulations promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury.

16.5 We may suspend or terminate this Agreement or our provision of one or more Services to you without penalty if: (a) the Service is generally discontinued; (b) our arrangement with the Card Organization or third party vendor in relation to the Service expires or terminates; (c) we are directed to end the service to you by any Card Organization; (d) we are prevented from providing the Service by any law, regulation, requirement, ruling or notice issued in any form whatsoever by judicial or governmental authority; or (e) we are for any other reason no longer able to provide the Service.

16.6 We may also suspend Services to: (a) prevent damages to, or degradation of, our or a third party vendor or network's network integrity that may be caused by a third party; (b) comply with any law, regulation, court order or other governmental request which requires immediate action; or (c) otherwise protect us or a third party vendor from potential legal liability. To the extent commercially reasonable, we shall give notice to you before suspending any Services in these circumstances. If not commercially reasonable to give prior notice, we shall give notice to you as soon as commercially practicable thereafter. Availability of Services may vary due to events beyond the control of us or our third party vendors. In the event of a suspension of a Service under this Section, we or the applicable third party vendor shall promptly restore the Services after the event giving rise to the suspension has been resolved.

16.7 Subject to Section 16.8, you can terminate this Agreement if we notify you of an increase to your fees or add new fees and you notify us that you are terminating this Agreement within 30 days of our notice. If you do not notify us in the required period, you are deemed to have accepted the fee changes.

16.8 Your right to terminate under Section 16.7 does not apply to increases in rates or any other charges or new fees imposed on us by third parties (including the Card Organizations) which we pass on to you in accordance with Section 6.5 or where we adjust your fees in accordance with Section 6.4. Any termination in these circumstances shall be considered a breach of this Agreement

16.9 The expiration or termination of this Agreement shall not affect the obligations and rights of the parties pursuant to provisions of this Agreement which by their terms are intended to survive, including Sections 8, 10, 12, 14, 17, 19, 26 and 27. After expiration or termination of this Agreement or your subscription to a particular Service for any reason: (a) your right and license to access and use the Software and documentation associated with the Service shall immediately cease and, within five (5) days after such event, you shall either return to us or destroy all Software and documentation provided to you by us and shall so certify to us in writing; and (b) you shall continue to bear total responsibility for all transactions you have submitted to us and all Chargebacks, fees, Card Organization fines imposed on us as a result of your acts or omissions, credits and adjustments resulting from Card transactions processed pursuant to this Agreement, and all other amounts then due or which may become due under this Agreement. On termination due to a Default, all amounts owing to us shall be immediately due and payable.

16.10 If you file for protection under the U.S. bankruptcy code or any other laws relating to bankruptcy, insolvency, assignment for the benefit of creditors or similar laws, and you continue to use our Services, it is your responsibility to open new accounts to distinguish pre and post filing obligations. You acknowledge that as long as you utilize the accounts you established prior to such filing, we will not be able to systematically segregate your post-filing transactions or prevent set-off of the pre-existing obligations. In that event, you will be responsible for submitting an accounting record supporting any adjustments that you may claim.

16.11 The Card Organizations maintain merchant lists such as the Member Alert To Control High-risk (Merchants) (MATCH) who have had their merchant agreements or card acceptance rights terminated for cause. If this Agreement is terminated for cause, you

(a) agree that we may report your business name and the names and other information regarding your principals to the Card Organizations for inclusion on such list(s); and (b) waive and hold us harmless from and against any and all claims which you may have as a result of such reporting.

## 17. Reserve

17.1 You agree that in addition to any other rights we have under this Agreement, we may establish a Reserve consisting of cash or other assets that we will hold to satisfy your obligations or potential obligations under this Agreement or any other agreement with us or our Affiliates.

17.2 The amount of the Reserve shall be set by us in our sole discretion based upon your processing history and the potential risk of loss to us, as we may determine.

17.3 The Reserve shall be fully funded upon three days' notice to you or immediately in instances of suspected fraud or a Default.

17.4 The Reserve may be funded by all or any combination of: (a) one or more debits to your Settlement Account or any other accounts held by Bank or any of its Affiliates, at any financial institution maintained in your name or in the name of any of your principals, or any of your guarantors, or if any of same are authorized signers on such account; (b) any payments otherwise due to you from us or our Affiliates; or (c) any other collateral that you agree to provide and we agree to accept in our mutual discretion.

17.5 If this Agreement is terminated by any party, an immediate Reserve may be established without notice in the manner provided above. In these circumstances, the Reserve will be held by us for 10 months after termination of this Agreement or for such longer period of time as is consistent with resolution of all liability from your Card acceptance including Chargebacks, fines, fees or obligations of any other kind.

17.6 Any funds we hold in Reserve represent general payment obligations to you which do not become due until all potential contingent liabilities arising from your Card transactions have expired or lapsed. We may set-off any obligations that you owe to us before returning the balance of the Reserve. Unless specifically required by law, you shall not be entitled to interest on any funds held by us in the Reserve, and we shall be entitled to accrued interest in such funds.

17.6 If any funds we hold in Reserve are not sufficient to cover the Chargebacks, adjustments, fees and other charges and amounts due from you, or if the funds in Reserve have been released, you agree to promptly pay us such sums upon request.

## 18. Account Information

18.1 You are solely responsible for: (a) ensuring the accuracy of all information and data regarding your business that you provide to us or our service providers in connection with the

Services, including any menus loaded onto a Device; (b) verifying that all information and data loaded onto a Device by us or our service providers at your request are accurate prior to your business use of such Device; and (c) immediately notifying us should any information you have provided to us become inaccurate or misleading. We and our service providers disclaim any and all liability arising out of any inaccuracies with respect to such information or data.

18.2 Upon request, you will provide us and our Affiliates quarterly financial statements within 45 days of the end of each fiscal quarter and annual audited financial statements within 90 days of the end of each fiscal year. Any financial statements provided must be prepared in accordance with generally accepted accounting principles. You will also provide other information concerning your business and your compliance with the terms and provisions of this Agreement as we may reasonably request.

18.3 You authorize us and our Affiliates to obtain from third parties financial and credit information relating to you in connection with our determination whether to accept this Agreement and our continuing evaluation of your financial and credit status. We may also access and use information which you have provided to us for any other reason.

18.4 Upon request, you shall provide to us and our Affiliates or our representatives or regulators (as well as those of the Card Organizations) reasonable access to your facilities and records for the purpose of performing any inspection (including of Equipment) and copying of books and records deemed appropriate. You shall pay the costs incurred by us or our Affiliates for such inspection, including costs incurred for airfare and hotel accommodation.

18.5 You authorize us to share information provided by you in your Application or otherwise with other relevant organizations, including those involved in the provision of the Services.

## 19. Audit Rights

19.1 Upon notice to you, we may audit your usage, records and security, your customer's payment processing information, and the Services to ensure that (a) you are using the Services in full compliance with this Agreement; (b) all applicable fees have been paid; and; (c) you are in full compliance with all applicable laws, regulations and rules (including Card Organization Rules). Any such audit shall be conducted during regular business hours at your offices and shall not interfere unreasonably with your business.

19.2 You shall cooperate fully with any investigation or audit we or any Card Organization may undertake in relation to data security and you authorize us to share the details of any

questionnaire or compliance report with the Card Organizations

## **20. Software Updates and Maintenance**

20.1 We may perform maintenance on Software or Services which may result in service interruptions, delays, or errors. We will not be liable for any such interruptions, delays, errors, or bugs. You agree that we may contact you in order to assist you with the Software or Services and obtain information needed to identify and fix any errors.

20.2 We may, at our discretion, release enhancements, improvements or other updates to any Software. If we notify you of any such update, you shall integrate and install such update into your systems within thirty (30) days of your receipt of such notice. You acknowledge that failure to install any updates in a timely fashion may impair the functionality of the Software or Services. We shall have no liability for your failure to properly install the most current version of any Software or any update, and we shall have no obligation to provide support or services for any outdated versions.

20.3 You acknowledge and understand that certain Software can automatically install, download, and/or deploy updated and/or new components, which may include a new version of the Software itself. You shall not, in any event or in any manner, impede the update process. You agree to assume full responsibility and indemnify us for all damages and losses, of any nature, for all adverse results or third party claims arising from your impeding the update process.

20.4 We and our Wireless Vendor(s) reserve the right to make changes in the configuration of Wireless Services, Wireless Networks, Wireless Equipment, Wireless Software, rules of operation, accessibility periods, identification procedures, type and location of equipment, allocation and quantity of resources utilized, programming languages, administrative and operational algorithms and designation of the control center serving you at the particular address.

20.5 The default version and functionality of Clover software applications that are accessible at the time you acquire a Clover Device may vary.

## **21. Accessing Services via wireless services, the Internet or third parties**

21.1 You may access certain of our Services through a Device using a wired (ethernet) or wireless (WiFi or cellular) connection to the internet. You are solely responsible for the payment of any fees that may be imposed by your internet/data provider. Your use of any Services accessed wirelessly or through the internet is subject to: (a) the terms of any agreements you have with your internet/data

provider; and (b) availability, transmission range and uptime of the services and any wireless equipment.

21.2 You agree that we shall not be liable to you for any claims, damages, losses, obligations, costs or expenses or other liability arising directly or indirectly from or otherwise concerning (a) any termination, suspension, delay or disruption of service (including billing for a service) by the internet, any common carrier or any third party service provider; (b) any failure, disruption or malfunction of any of the Services, the Internet, or any communications network, facility or equipment beyond our or a third party's reasonable control, whether or not attributable to one or more common carriers; (c) your failed attempts to access any Services or to complete transactions via any of the Services; or (d) any failure to transmit, obtain or collect data or for human, machine or software errors or faulty or erroneous input by you.

21.3 We may alter which Devices and browsers are approved as compatible with particular Services in our discretion.

21.4 If a Service relies on online connectivity to provide up-to-date data, you assume all risk, responsibility and liability associated with any transaction that you choose to conduct while the Service is offline.

## **22. Service Integration**

22.1 Unless otherwise agreed in writing, you have the sole responsibility to select and employ any competent programming agent(s) to accomplish any programming required to make your systems function correctly with our platforms (Integration). You shall be responsible for all technical support for your systems and Integration related issues. You agree that you will use commercially reasonable efforts to complete any Integration as soon as possible. You will be responsible for all of your own development and implementation costs associated with such Integration.

22.2 You acknowledge that unless and until you complete any Integration, no Services which require such Integration shall need be provided by us to you pursuant to this Agreement.

22.3 Upon your request to us, and upon payment of any applicable fees, we may provide you with set-up services to assist with any Integration.

## **23. Security**

23.1 You are solely responsible for establishing and maintaining Card Organization Rule compliant security policies and procedures to prevent unauthorized access to and use of Cardholder Information or any other data, including by implementing: (a) all steps required to comply

with the PCI DSS, including ensuring all third parties and software use by you in connection with your payment processing are compliant with PCI DSS; (b) appropriate controls to limit access to, and render unreadable prior to discarding, all Cardholder Information and other data; (c) firewalls, passwords and other appropriate security features to protect against unauthorized access to your terminals, systems, the Services and any Software by your employees, contractors, customers, or by any other person (including instituting appropriate controls to prevent employees or others from submitting credits that do not reflect bona fide returns or reimbursements of earlier transactions); and (d) any other reasonable protective techniques suggested by us. You are required to provide information to us regarding your PCI-DSS compliance when requested, including but not limited to an annual questionnaire that we will make available to you.

23.2 If you become aware of any loss, theft or unauthorized use of any data and/or any suspected breach of your systems or any suspicious transactions or fraudulent activity or if any other Data Security Event occurs, you shall (a) immediately notify us (and, as required under the Card Organization Rules, each Card Organization); (b) cooperate fully with any investigation into such matter by us or any Card Organization; (c) investigate the matter and perform all remedial actions reasonably specified by us; (d) not, without our prior written consent, take any action, or fail to take any action, which prejudices our rights under this Agreement; (e) not admit any liability, assume any financial obligation, pay any money, or incur any expense in connection with any Data Security Event without our prior written consent. If you do so, it will be at your own expense; and (f) grant us and our vendors the right to access and perform a scan of the IP addresses identified within your profile (and you agree and authorize payment for the additional scan). We reserve the right to deny you access to the Services, in whole or in part, if we believe that any loss, theft or unauthorized use of any data or access information has occurred.

23.3 You are responsible for all electronic communications sent to us or to any third party. When we receive communications from you we will assume you sent it to us.

23.4 You will not obtain ownership rights in any Cardholder Information. You must not use, disclose, store, sell or disseminate any Cardholder Information except for purposes of authorizing, completing and settling Card transactions and resolving any Chargebacks, retrieval requests or similar issues involving Card transaction.

## **24. Supply of Equipment**

24.1 We will sell to you, and you will buy from us Equipment identified in Equipment Documents as being sold to you (individually and collectively, the Purchased Equipment). We

will rent to you and you agree to accept and rent from us Equipment identified in Equipment Documents as being rented to you (individually and collectively, the Rental Equipment).

24.2 Any Equipment sold or rented to you is being sold or rented to you solely for business use and not for household or personal use.

24.3 Warranties, if any, for the Equipment or any related Software will be contained within the packaging and originate from the applicable third party provider or manufacturer (Vendor) not us.

24.4 YOU ACKNOWLEDGE THAT ANY EQUIPMENT AND/OR SOFTWARE YOU PURCHASE OR RENT FROM US MAY NOT BE COMPATIBLE WITH ANOTHER PROCESSOR'S SYSTEMS. WE DO NOT HAVE ANY OBLIGATION TO MAKE SUCH SOFTWARE AND/OR EQUIPMENT COMPATIBLE WITH ANY OTHER PROCESSING SYSTEMS. IF YOU ELECT TO USE ANOTHER PROCESSING SERVICE PROVIDER ON TERMINATION OF THIS AGREEMENT, YOU ACKNOWLEDGE THAT YOU MAY NOT BE ABLE TO USE THE EQUIPMENT AND/OR SOFTWARE RENTED OR PURCHASED UNDER THIS AGREEMENT.

24.5 We will provide you supplies as requested by you. You shall pay the purchase price for such supplies, plus shipping and handling charges, including all applicable tax, prior to delivery of the supplies or upon invoice, as specified by us, or at our option, such amounts will be collected by us by debits or deductions pursuant to this Agreement.

24.6 We will deliver the Equipment to the site you designate. You are deemed to have accepted each piece of Equipment at the earlier of: (a) your actual acceptance after installation; (b) delivery to you if your site is not prepared and ready for installation; or (c) for Equipment that we have not agreed to install for you, seven (7) days after shipment of each such piece of Equipment. The rental period for each piece of Rental Equipment starts on the date the Equipment is deemed accepted and terminates at the scheduled termination date in the Equipment Documents.

24.7 You will prepare the installation site(s) for the Equipment, including the power supply circuits and phone lines, in conformance with the manufacturer's and our specifications and will make the site(s) available to us by the confirmed shipping date. Any alterations required for installation of Equipment will be done at your expense.

24.8 You shall cause the Equipment to be operated by competent and qualified personnel in accordance with any operating instructions furnished by us or the manufacturer. You shall not use the Equipment, or permit the Equipment to

be used, in any manner or for any purpose for which the Equipment is not designed or reasonably suited.

24.9 You may not relocate, remove, disconnect, modify or in any way alter any Equipment without our prior consent.

24.10 You are responsible for safeguarding Equipment from (and shall immediately notify us of any) loss, damage, unauthorized use, misuse or theft.

24.11 You shall keep the Rental Equipment adequately insured against loss by fire, theft and all other hazards (comprehensive coverage). The loss, destruction, theft or damage to the Rental Equipment does not relieve you of your obligation to pay the full purchase price or rent payable under this Agreement.

24.12 If Equipment is defective, you must immediately call the POS Help Desk. If necessary, we will assist you in obtaining replacement Equipment. If you fail to return any defective Equipment, you may be responsible for its replacement value and for any legal and/or collection costs incurred by the Equipment owner in connection with recovering Equipment.

24.13 Rented Equipment may not be subleased at any time and you must keep all Equipment free of any claims, liens and legal processes initiated by creditors.

24.14 Promptly upon termination of all applicable rental periods or promptly following any action by us following a Default, you shall deliver possession of all Rental Equipment (including all attachments and parts) to us at your cost in the same operating order, repair, condition and appearance that the Rental Equipment had at the time of its delivery to you, except for reasonable wear and tear. For each item of Rental Equipment not so returned 14 calendar days after (a) termination of the applicable rental period, or (b) any action by us following a Default, you agree to pay us the greater of \$250 or the fair market value of such item of Equipment if it were in the condition described above, as determined by us.

24.15 Except for Purchased Equipment that has been paid for in full, the Equipment shall remain our personal property and shall not under any circumstances be considered to be a fixture affixed to your real estate. You shall permit us to affix suitable labels or stencils to the Equipment indicating our ownership.

24.16 You shall return Equipment in accordance with the procedure set out in the Your Payments Acceptance Guide. Rental fees may be continued until Equipment is returned.

24.17 You hereby grant to us a security interest in (a) all Purchased Equipment and the related Software to secure payment of the purchase price; and (b) all Rental Equipment

and the related Software to secure payment of the monthly payments and authorize us to file financing statements with respect to the Equipment and the Software in accordance with the Uniform Commercial Code, signed only by us or signed by us as your attorney-in-fact.

24.18 You agree that in order to access any Wireless Services, you must use wireless POS Terminals and accessories approved for use with the Wireless Services by us in our sole discretion (Wireless Equipment).

24.19 You agree to obtain any and all licenses, permits or other authorizations required by the Federal Communications Commission (FCC) or any other regulatory authority, if any, for the lawful operation of any Wireless Equipment used by you. You shall promptly provide us with all such information as we may reasonably request with respect to matters relating to the rules and regulations of the FCC.

## **25. Compliance with Laws**

25.1 You shall comply fully with the requirements of all applicable federal, state and local laws and regulations related to your use of Software, Equipment and each Service and provision and use of any Cardholder Information, customer information and other point of sale data in connection with the Services. You shall not use the Services for illegal purposes.

25.2 You are solely responsible for obtaining all required permits and monitoring legal developments applicable to the Services and the operation of your business, interpreting applicable laws and regulations, determining the requirements for compliance with all applicable laws and regulations, and maintaining an on-going compliance program.

25.3 NOTWITHSTANDING THE CAPABILITY OF CERTAIN SERVICES TO COLLECT AND STORE CUSTOMER INFORMATION AND TO ALLOW YOUR CUSTOMERS TO ELECT TO RECEIVE MARKETING MATERIALS FROM YOU, SOME STATES MAY LIMIT YOUR USE OF SUCH INFORMATION ONCE COLLECTED, EVEN IF THE CUSTOMER HAS PROVIDED HIS CONSENT, AND/OR YOUR DISCLOSURE OF SUCH INFORMATION TO THIRD PARTIES. YOU ACKNOWLEDGE AND AGREE THAT (a) YOUR USE OF ANY CUSTOMER INFORMATION OBTAINED IN CONNECTION WITH THE SERVICES MAY BE SUBJECT TO LOCAL, STATE, AND/OR FEDERAL LAWS, RULES, AND REGULATIONS, (b) YOU ARE SOLELY RESPONSIBLE FOR KNOWING SUCH LAWS, RULES, AND REGULATIONS, AND

(c) YOU WILL AT ALL TIMES STRICTLY COMPLY WITH ALL SUCH LAWS, RULES, AND REGULATIONS.

## 26. Responsibilities

26.1 You agree to be fully responsible for and hold us, our Affiliates and third party service providers harmless from and against all losses, liabilities, damages and expenses arising from:

(a) any breach or misrepresentation by you under this Agreement; (b) your or your employees' or your agents' negligence or willful misconduct, in connection with Card transactions or otherwise arising from your provision of goods and services to Cardholders; (c) your use of the Services, including any Software or Equipment provided under this Agreement; (d) any third party indemnifications we are obligated to make as a result of your actions (including indemnification of any Card Organization or Issuer); (e) your use of any Cardholder Information or other customer information obtained in connection with your use of the Services; (f) the content or delivery of any marketing messages that you send or cause to be sent to any customer; or (g) any other persons authorized or unauthorized access and/or use of any Service, Software or Equipment, whether or not using your unique username, password, or other security features.

26.2 Subject to the limitations set forth in Section 10.3, we agree to agree to be fully responsible for and hold you harmless from and against all losses, liabilities, damages and expenses directly resulting from any breach or misrepresentation by us under this Agreement or directly arising out of our or our employees' gross negligence or willful misconduct in connection with this Agreement; provided that this obligation shall only apply to Bank in relation to the services provided by it hereunder.

## 27. Dispute Resolution

The parties agree to resolve disputes in accordance with this section.

27.1 Informal Resolution. In the event of any dispute or disagreement between the parties arising out of or relating to this Agreement (the "Dispute"), either party ("Notice Party") may provide written notice to the other party ("Receiving Party") in an attempt to informally resolve the Dispute, including a description of the issues ("Initial Notice"). If the parties' authorized representatives do not resolve the Dispute within ten (10) business days of delivery of the Initial Notice, then each party shall immediately refer the Dispute to an executive at the Vice President level. No proceedings for the resolution of such Dispute may begin until it has been elevated to the Vice President level, and the Vice President concludes, after a good faith effort to resolve the Dispute, that resolution through continued discussion is unlikely.

27.2 Litigation. Any Dispute not resolved within sixty (60) calendar days after a good faith effort to resolve the Dispute informally pursuant to Section 27.1 may be submitted to litigation. The parties agree that any litigation involving any Claim, regardless of whether the Claim is in contract, tort (including negligence), or otherwise or is legal or equitable in nature, that arises out of this Agreement that relates to the Services or the subject matter of this Agreement be brought exclusively in any appropriate state or federal court located in the State in which you are located.

27.4 Choice of Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State in which you are located (without regards to its choice of law provisions). The exclusive venue for any actions or claims arising under or related to this Agreement shall be in the appropriate state or federal court located in the State in which you are located.

27.5 Nothing in this Agreement will abrogate the defense of sovereign or governmental immunity if otherwise available to you.

## 28. Notices

28.1 All notices and other communications required or permitted under this Agreement (other than those involving normal operational matters relating to the processing of Card transactions) shall be in writing and sent:

a) if to you, to your email address or postal address appearing on the Application;

b) if to Processor, to its address appearing on the confirmation page, with a copy to Attention: General Counsel's Office, 3975 N.W. 120th Avenue, Coral Springs, FL 33065; and

c) if to Bank, to the address appearing on the confirmation page.

28.2 Notices shall be effective when actually received or, if sent by courier, when delivered. Notices sent to your last known e-mail address or postal address, as indicated in our records, shall constitute effective notice to you under this Agreement.

28.3 You must give us 30 days prior notice of any change to your address. Failure to provide us with a valid address may result in the termination of this Agreement.

28.4 Notwithstanding the above, all bankruptcy, credit reporting or collection related notices must be sent to the following address: Merchant Services Department, P.O. Box 675799 Marietta, GA 30006 Attn: Bankruptcy and Collection Notifications.

28.5 All notices must include your name(s) and merchant number(s).

### **29. Communications**

29.1 You agree that we, our affiliates and our third party subcontractors and/or agents, may use, in addition to any live agent calls, an automatic telephone dialing system, an artificial or pre-recorded voice, or both, to contact you at the telephone number(s) you have provided, and/or may leave a detailed voice message if you are unable to be reached, even if the number provided is a cellular or wireless number or if you have previously registered on a Do Not Call list or requested not to be contacted for solicitation purposes.

29.2 You consent to receiving commercial electronic messages, including email messages, SMS and text messages, and telephone calls, from us, our Affiliates, and our third party subcontractors and/or agents.

### **30. Whole Agreement; Waiver; Severability**

30.1 This Agreement constitutes the entire Agreement between the parties with respect to its subject matter, and supersedes any previous agreements and understandings.

30.2 A party's waiver of a breach of any term or condition of this Agreement shall not be deemed a waiver of any subsequent breach of the same or another term or condition.

30.3 Except with respect to Section 27, the parties intend every provision of this Agreement to be severable, and, if any part of this Agreement is not enforceable, the remaining provisions shall remain valid and enforceable.

### **31. Amendment**

31.1 We may modify this Agreement (including changing the fees or adding new fees) by 20 days written notice to you. Subject to Section 31.2, you may choose not to accept the change by terminating this Agreement by written notice within 30 days of our notice.

31.2 Notwithstanding Section 31.1, we may at any time modify this Agreement in accordance with Section 6.5 or to reflect changes in applicable law, the Card Organization Rules or security procedures and your right of termination shall not arise in such circumstances.

### **32. Third Party Beneficiaries**

32.1 Our Affiliates and any Persons we use in providing the Services are third party beneficiaries of this Agreement and each of them may enforce its provisions as if they are a party to it. The rights of the parties to rescind or agree to any variations, waiver or settlement under this Agreement are not subject to the consent of any Person.

32.2 Except as expressly provided in this Agreement, a person who is not a party to this Agreement shall have no rights or remedies under this Agreement.

### **33. 6050W of the Internal Revenue Code**

33.1 Under Section 6050W of the Internal Revenue Code, you will receive a Form 1099- K reporting the gross dollar amount of card transactions processed through your merchant account with us in each year.

33.2 Amounts reportable under Section 6050W are subject to backup withholding requirements. We will be required to perform backup withholding by deducting and withholding income tax from reportable transactions if (a) you fail to provide your taxpayer identification number (TIN) to us, or (b) if the IRS notifies us that the TIN (when matched with the name) provided by you is incorrect. Accordingly, to avoid backup withholding, it is very important that you provide us with the correct name and TIN that you use when filing your tax return that includes the transactions for your business.

### **34. Export Compliance**

34.1 You agree not to export or re-export any Software or Equipment or any underlying information except in full compliance with all applicable laws and regulations.

34.2 None of the Software or Equipment or any underlying information may be down-loaded or otherwise exported or re-exported (a) to any country to which the United States has embargoed goods (or any national or resident thereof); (b) to anyone on the United States Treasury Department's list of Specially Designated Nationals or the United States Commerce Department's Table of Deny Orders; or (c) in any manner not in full compliance with the requirements of the United States Bureau of Industry and Security and all applicable Export Administration Regulations.

34.3 If you have rightfully obtained Software or Equipment or any underlying information outside of the United States, you agree not to re-export the same except as permitted by the laws and regulations of the United States and the laws and regulations of the jurisdiction in which you obtained it. You warrant that you are not located in, under the control of, or a national or resident of any such country or on any such list.

### **35. No Investment Advice**

35.1 We do not provide any business, investment or financial advice and are not advocating any business decision or the sale or purchase of any real property, stocks, bonds, or securities.

35.2 We expressly state, and you hereby acknowledge, that any information services are provided solely for informational purposes and are not to be used as a

substitute for independent financial investment advice nor are they intended to be relied upon by any person or entity, including you or your customers for the purposes of investment or other financial decisions.

### **36. Interpretation; Definitions**

36.1 The headings contained in this Agreement are for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Agreement. References in this Agreement to include, including, or in particular shall not be given a restrictive meaning and shall be interpreted without limitation. Reference to any legislation is to such legislation as amended or supplemented in the future.

36.2 Certain terms used in this Agreement are defined below:

**Affiliate:** a Person that, directly or indirectly, (i) owns or controls a party to this Agreement or (ii) is under common ownership or control with a party to this Agreement.

**Anticipated Interchange and Program Pricing Level:** your initial anticipated Card Organization interchange and program pricing rates.

**Application:** the application for Services executed by you.

**Authorization:** approval by, or on behalf of, the Issuer to validate a transaction. An Authorization indicates only that the Issuer has confirmed there is sufficient availability of funds on the Cardholder's account at the time the Authorization is requested.

**Authorization and Capture:** the communication of instructions from your POS or other systems to our computer systems, whether the communications are for authorization requests or any other capture of information.

**Card:** See either Credit Card or Debit Card.

**Cardholder:** the Person whose name is embossed on a Card and any authorized user of such Card, also referred to as a Card Member by American Express.

**Cardholder Information:** the data contained on a Card, or otherwise provided to you, that is required by the Card Organization or us in order to process, approve and/or settle a Card transaction, including the names, addresses and Card account numbers of Cardholders.

**Card Organization:** any entity formed to administer and promote Cards, including Mastercard Worldwide (Mastercard), Visa U.S.A., Inc. (Visa), DFS Services LLC (Discover Network), PayPal, Inc. (PayPal), American Express Travel Related Services Company, Inc. (American Express) and any applicable debit networks.

**Card Organization Rules:** the rules, regulations, releases, interpretations and other requirements (whether contractual or otherwise) imposed or adopted by any Card Organization and related authorities, including those of the PCI Security Standards Council, LLC and the National Automated Clearing House Association (including, with respect to EBTs, the Quest Operating Rules).

**Chargeback:** a Card transaction (or disputed portion) that is returned to us by the Issuer. You are responsible for payment to us for all Chargebacks.

**Clover:** Clover Network, Inc.

**Clover Service:** the website associated with the Clover Service, the object code version of Clover software applications (whether owned or licensed by Clover) resident on a Device at the time we provide you with the Device and the object code version of the software that enables the applications resident on a Device at the time of provisioning, and any related updates (including software maintenance or bug fixes) that are designed to assist with the management of your business and enable payment processing at the point of sale, and any materials, documentation and derivative works released by us.

**Credit Card:** a card bearing a valid Mark of Visa, Mastercard, Discover Network, PayPal or American Express (or any other Card Organization specified by us in writing) and authorizing the Cardholder to buy goods or services on credit.

**Credit Limit:** the credit line set by the Issuer for the Cardholder's Credit Card account.

**Data Security Event:** any actual or suspected unauthorized or fraudulent access to (or use, disclosure, or alteration of) Transaction Data (including but not limited to Cardholder Information) whether consisting of a single event, a continuous course of events, or a series of related events.

**Debit Card:** a card bearing a valid Mark of Visa, Mastercard, Discover Network or American Express or any debit network that is used to access funds in a Cardholder's bank account or a prepaid account.

**Device:** a tablet, smartphone, or other mobile or fixed form factor identified by us as compatible with and capable of accessing and/or supporting a particular Service.

**Discount Rate:** a percentage rate or amount charged to a merchant for processing its qualifying daily Credit Card and Non-PIN Debit transactions, as set forth in the Application.

**Dispute:** any dispute, claim, or controversy related to or arising under any aspect of your relationship with us, whether directly with Processor and/or Bank, or indirectly with any other person or entity related to the relationship,

and arising at any time during, before, or after that relationship.

EMV Upgrade Costs: the costs you agree to incur to upgrade payment acceptance and processing hardware and software to enable you to accept and process EMV-enabled Cards in a manner compliant with the PCI DSS.

Equipment: equipment rented to or purchased by you under this Agreement and any Equipment Documents.

Equipment Documents: documents setting out additional terms on which Equipment is rented to or purchased by you under this Agreement.

General Terms: these general terms and conditions on which the Services are provided, including any amendments or modifications.

Foreign Currency: a currency other than the Local Currency and supported by us for a particular service.

GeP Transaction: a card not present transaction between you and a Cardholder using a card type approved by us, in which you present the price for the product or service in a Foreign Currency in a card not present environment and the Cardholder authorizes (a) the price in a Foreign Currency to be submitted to a Card Organization for settlement, and (b) that the Cardholder's account will be charged for the price in the Foreign Currency.

GeP Service: the merchant pricing of goods and services in a Foreign Currency and the activity undertaken by us and/or a GeP Service Provider to authorize, process, and settle GeP Transactions.

Issuer: the financial institution or Card Organization that has issued a Card to a Person.

Local Currency: the currency associated with your place of domicile and approved by us.

Marks: names, logos, emblems, brands, service marks, trademarks, trade names, tag lines or other proprietary designations.

Merchant Account: shall mean an account set up for a merchant that requires a card processor, bank, merchant ID, terminal ID, merchant account number, or otherwise named unique merchant number. Multiple physical or virtual storefronts that process transactions under the same unique merchant number shall be deemed as one (1) Merchant Account.

Merchant Account Number: a number that numerically identifies each merchant location, outlet, or line of business to us for accounting and billing purposes.

MID: merchant identification number.

Mitigation Service: a service provided to a Cardholder whose information is the subject of a Data Security Event, where the primary purpose of the service is to mitigate the effects of the Data Security Event, including identity theft education and assistance and credit monitoring.

Non-PIN Debit: a transaction using a Debit Card that is processed without the use of a PIN.

Non-Qualified Fee: the difference between the interchange or program pricing associated with the Anticipated Interchange and Program Pricing Level and the interchange or program pricing associated with the more costly interchange or program pricing level at which the transaction actually processed.

Non-Qualified Surcharge: a surcharge applied to any transaction that fails to qualify for the Anticipated Interchange and Program Pricing Level and is therefore downgraded to a more costly interchange or program pricing level. The Non-Qualified Surcharge (the amount of which is set out on the Fee Schedule) is in addition to the Non-Qualified Fee, which is also your responsibility.

PCI: Payment Card Industry.

PCI DSS: Payment Card Industry Data Security Standard, as amended from time to time.

Person: an individual, corporation, partnership, sole proprietorship, trust, association or any other legally recognized entity or organization, other than you or us.

PIN: a Personal Identification Number entered by the Cardholder to submit a PIN Debit transaction.

PIN Debit: a transaction using a Debit Card where a Cardholder-enters a PIN via a PIN Pad.

Reserve: funds that are otherwise payable to you which we hold to secure your obligations under this Agreement, pursuant to Section 17 of this Agreement. The Reserve may also refer to other collateral that you may provide to us to secure such obligations. References to "Reserve Account" shall refer to our records and accounting of such funds or other collateral.

Security Event Expenses: means: (a) any obligation that you have to us arising from a Data Security Event, including EMV Upgrade Costs; (b) the cost of a security assessment conducted by a qualified security assessor approved by a Card Organization or PCI to determine the cause and extent of a Data Security Event; and (c) any reasonable fees or expenses incurred by us, or by you with our prior written consent, for any Mitigation Service specifically approved by

us in writing but only if the Mitigation Service is provided within one (1) year after discovery of the relevant Data Security Event.

Service providers: Bank and Processor collectively. The words "we," "us" and "our" refer to Service providers, unless otherwise indicated.

Services: the activities undertaken by us to authorize, process and settle Card transactions undertaken by Cardholders at your location(s), and all other services provided by us under this Agreement.

Settlement Account: an account or account(s) at a financial institution designated by you as the account to be debited and credited by us for Card transactions, fees, Chargebacks and other amounts due under this Agreement or in connection with this Agreement.

Software: all software, computer programs, related documentation, technology, know-how and processes embodied in the Equipment i.e. firmware or otherwise provided to you under this Agreement. For the avoidance of doubt, the term Software shall not include any third party software available as part of a Third Party Service or which may be obtained by you separately from the Services (e.g. any applications downloaded by you through an application marketplace).

Third Party Services: services, products, promotions or applications provided by someone other than us.

Transaction Data: data collected as part of performing Services for you.

Transaction Rate: the then-current Foreign Currency exchange rate used by the Card Organizations or their designee to convert the net funding amount into the Local Currency.

Wireless Networks: certain cellular telephone and data networks to which we have access through Wireless Vendors

Wireless Services: wireless data communication services that use radio base stations and switching offered by Wireless Networks in order to allow you to capture and transmit to us certain wireless Card Authorization transactions or to transmit other communications to our system.

Wireless Software: wireless software (including any documentation relating to or describing the wireless software) downloaded by you or your designee from our systems onto the Wireless Equipment.

Wireless Vendors: one or more third party vendors selected by us in our sole discretion through whom we have acquired the right to resell Wireless Services.

You, Your: the merchant signing this Agreement.

Your Payments Acceptance Guide: the information prepared by us, containing operational procedures, instructions and other rules and requirements relating to Card transactions.



PREPARED FOR: **JAX BEACH GOLF CLUB**

ANNUAL SAVINGS: \$2,323.00

MONTHLY SAVINGS \$193.58

| CURRENT COSTS     |
|-------------------|
| \$5,224.59 /month |
| \$62,695.11 /year |
| CURRENT RATE      |
| 2.16%             |

| 100GROUP COSTS    |
|-------------------|
| \$5,031.01 /month |
| \$60,372.12 /year |
| 100GROUP RATE     |
| 2.08%             |

**TREATING  
YOU RIGHT  
100% OF THE  
TIME**



**24/7 VIP Concierge Service**



**A Company You Can Trust**



**Custom Payment Solutions**

PROPOSAL PRESENTED BY:  
ECS Tyler - t.arnold@eagleclubsystems.com

FIGURES ARE FROM THE PROCESSING MONTH:  
Sep-25



Processing Analysis Prepared For:

Presented By:

ECS Tyler - t.arnold@eagleclubsystems.com

## JAX BEACH GOLF CLUB

Monthly Savings: **\$193.58**  
 Annual Savings: **\$2,323.00**  
 3 Year Savings: **\$6,969.00**

| 100GROUP                               |      |   |                    | 2.08% | Current Vendor                         |      |   |                    | 2.16% |
|--|------|---|--------------------|-------|--|------|---|--------------------|-------|
| Visa/MC/Disc/ Volume                   |      |   | \$202,201.67       |       | Visa/MC/Disc/ Volume                   |      |   | \$202,201.67       |       |
| Visa/MC/Disc/ Rate                     |      |   | 0.10% = \$202.20   |       | Visa/MC/Disc/ Rate                     |      |   | 0.17% = \$353.53   |       |
| American Express Volume                |      |   | \$40,017.94        |       | American Express Volume                |      |   | \$40,017.94        |       |
| American Express Rate                  |      |   | 0.10% = \$40.02    |       | American Express Rate                  |      |   | 0.17% = \$69.97    |       |
| Interchange                            |      |   | \$3,682.01         |       | Interchange                            |      |   | \$3,682.01         |       |
| V/MC Auth Fee                          | 4232 | @ | \$0.05 = \$211.60  |       | V/MC Auth Fee                          | 4232 | @ | \$0.06 = \$239.38  |       |
| Amex Auth Fee                          | 774  | @ | \$0.05 = \$38.70   |       | Amex Auth Fee                          | 774  | @ | \$0.03 = \$23.22   |       |
| American Express Interchange Statement |      |   | \$856.48           |       | American Express Interchange Statement |      |   | \$856.48           |       |
| <b>Total</b>                           |      |   | <b>\$ 5,031.01</b> |       | <b>Total</b>                           |      |   | <b>\$ 5,224.59</b> |       |

**100GROUP IS COMMITTED TO PROVIDING YOU:**

INDUSTRY'S CONCIERGE SERVICE

We provide concierge service and VIP treatment, Delivering **100%** in everything we do!

TRANSPARENT PRICING

At 100 Group we will educate you and provide transparent pricing

SEAMLESS INTEGRATIONS

100 Group can integrate seamlessly with your current software or recommend a POS specifically for your business.



| CITY COUNCIL AGENDA ITEM |   |
|--------------------------|---|
| TO:                      | Michael J. Staffopoulos, City Manager   |
| FROM:                    | Jason Phitides, Director of Parks and Recreation  |
| DATE:                    | March 2, 2026   |
| SUBJECT:                 | Co-Sponsorship Agreement with the Volunteer Life Saving Corps. to host the 2026 South Atlantic Lifesaving Association Regional Lifesaving Competition |

**BACKGROUND**

The [South Atlantic Lifesaving Association \(SALA\) Regional Lifesaving Competition](#) is an annual event featuring hundreds of high-performing lifeguards from agencies across the southeastern United States, including southern Virginia, North Carolina, South Carolina, Georgia and northern Florida. Participants compete in events that promote lifeguard fitness, camaraderie, and skill readiness for ocean rescues. In 2025, the event was held at Jennette’s Pier in Nags Head, North Carolina.

In 2026, the event is scheduled to be held in Jacksonville Beach. The Volunteer Life Saving Corps. (VLSC) and Jacksonville Beach Ocean Rescue wish to jointly co-sponsor and host the event in 2026. The dates of the event are Wednesday, July 15 and Thursday, July 16. The attached co-sponsorship agreement outlines the respective responsibilities, cost-sharing, and operational expectations for the successful facilitation of the event.

**FINANCIAL IMPACT**

All revenues, expenses, net profit or loss, will be shared equally between both parties under a jointly maintained event budget.

**REQUESTED ACTION**

Approve/ Disapprove a Co-Sponsorship Agreement with the Volunteer Life Saving Corps. to host the 2026 South Atlantic Lifesaving Association Regional Lifesaving Competition

**ATTACHMENTS**

1. 2026 - SALA Regional Co-Sponsorship Agreement

**CO-SPONSORSHIP AGREEMENT BETWEEN  
THE CITY OF JACKSONVILLE BEACH, FLORIDA, AND  
THE VOLUNTEER LIFE SAVING CORPS, INC.,  
FOR THE 2026 SOUTH ATLANTIC LIFESAVING ASSOCIATION  
REGIONAL LIFEGUARD COMPETITION**

**WHEREAS**, the City of Jacksonville Beach, Florida (“City”), and the Volunteer Lifesaving Corps, Inc. (“VLSC”), share a mutual commitment to advancing ocean rescue excellence and community engagement; and

**WHEREAS**, the City and VLSC desire to co-sponsor and jointly host the 2026 South Atlantic Lifesaving Association (“SALA”) Regional Lifeguard Competition (“Event”), to be held in Jacksonville Beach, Florida; and

**WHEREAS**, both parties intend to outline their respective responsibilities, cost-sharing, and operational expectations for the successful facilitation of the Event;

**NOW, THEREFORE**, the parties agree as follows:

**1. EVENT DETAILS.** The Event will take place in Jacksonville Beach on July 14–17, 2026, as follows:

- July 14 – Course set-up
- July 15–16 – Competition days
- July 17 – Course breakdown

Exact Event times, location, and logistics shall be mutually agreed upon by the City’s Ocean Rescue Division (“JBOR”) and the VLSC Event Coordinator no later than May 1, 2026.

**2. PURPOSE AND NATURE OF AGREEMENT.** This Agreement establishes a co-sponsorship partnership solely for the purposes of hosting the Event. It does not modify or supersede any terms in the existing Amended and Restated Agreement for Ocean Rescue Services executed in 2025 between the City and the VLSC, except where expressly stated herein.

**3. FINANCIAL TERMS.** All revenues and expenditures related to the Event, including sponsorship proceeds, entry fees, and concession sales, shall be accounted for under a jointly maintained event budget.

- Profit (or Loss) Sharing: Net profits (or losses) shall be distributed 50/50 between the City and VLSC within 30 days of the event’s conclusion.
- The City will control the collection and disbursement of all funds.
- Expense Oversight: Each party shall pre-approve any expenditure exceeding \$500.
- Financial Reporting: A full accounting summary will be provided to both parties within 30 days of event completion.

- A proforma Budget is included as attachment A to this Agreement.

**4. RESPONSIBILITIES OF THE VLSC.** The VLSC shall provide:

- Five (5) event support staff, and
- One (1) Event Coordinator authorized to coordinate directly with the City's designated representative (currently Rob Emahiser– Ocean Rescue Captain).

The VLSC Event Coordinator will work with the City's designated representative to ensure a successful event and will have the same level of authority as the City's designated representative in all things related to the event.

VLSC personnel shall assist in all aspects of event set-up, operations, and breakdown, along with JBOR employees.

**5. RESPONSIBILITIES OF THE CITY.** The City shall:

- Secure required permits, insurance coverage, and event approvals.
- Provide oceanfront venue access, logistics coordination, and operational oversight.
- Handle public information, media, and Citywide promotion of the event, subject to input and approval by the VLSC.
- Retrieve the event course from Wrightsville, North Carolina.
- Coordinate with local departments (Police, Fire, Parks, Public Works) for event support.

**6. JOINT RESPONSIBILITIES:**

a) **Fundraising.** The VLSC and JBOR staff and/or other City employees shall:

- Conduct sponsorship solicitation using the City-approved sponsorship pitch deck.
- Maintain open communication with the JBOR/VLSC SALA Regionals Committee to ensure coordination and transparency.
- Submit all sponsorship commitments to the City for review before public posting.

b) **Public Relations:**

- The City shall lead all public relations, event signage, media releases, and social media campaigns, subject to VLSC input and approval.
- VLSC shall repost and amplify official City communications through its own social media, email, and website platforms in coordination with the JBOR SALA Regionals Committee.

- VLSC agrees not to create or distribute independent event branding, press materials, or sponsorship posts without prior City approval, and the City agrees not to create or distribute independent event branding, press materials, or sponsorship posts without prior VLSC input and approval.

- c) **Equipment and Sound System.** The City and VLSC will work jointly to secure an adequate sound system to be used at the event.

**7. INSURANCE AND LIABILITY.** Each party shall maintain insurance coverage consistent with its respective organizational policies and the requirements in the 2025 Amended and Restated Agreement for Ocean Rescue Services.

Each party agrees to defend, indemnify, and hold harmless the other from and against any claims, damages, or liabilities arising from its respective acts, omissions, or operations connected to this event. Any indemnification by the City is subject to the provisions of Sec. 768.28, Fla. Stat., including the monetary limitations listed therein.

**8. TERM AND TERMINATION.** This Agreement shall take effect upon full execution by both parties and shall remain in effect through August 31, 2026, unless terminated earlier by mutual written consent or for cause with 30 days' written notice.

**9. GENERAL PROVISIONS:**

- a) **Amendments.** Any modification must be in writing and signed by both parties. Independent Parties: Nothing herein shall be construed to create a partnership or joint venture beyond the specific scope of this event.
- b) **Public Records.** The VLSC acknowledges its responsibilities under Florida's Public Records Law (Chapter 119, Florida Statutes) and agrees to comply with all such responsibilities.
- c) **Governing Law.** This Agreement shall be governed by the laws of the State of Florida, with venue in Duval County.

**REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK**

**SIGNATURES ON THE FOLLOWING PAGE**

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

**CITY OF JACKSONVILLE BEACH**

\_\_\_\_\_  
Christine Hoffman, Mayor

ATTEST:

\_\_\_\_\_  
Molly Alleger, City Clerk

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Michael Staffopoulos, City Manager

Approved as to form and legal sufficiency:

\_\_\_\_\_  
David Migut, City Attorney

**VOLUNTEER LIFE SAVING CORPS, INC.**

Sign: \_\_\_\_\_

Print: Jim Emery

Title: President

Date: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Title: Event Coordinator

Date: \_\_\_\_\_





| CITY COUNCIL AGENDA ITEM |  |
|--------------------------|--|
| TO:                      | Michael J. Staffopoulos, City Manager  |
| FROM:                    | Jason Phitides, Director of Parks and Recreation   |
| DATE:                    | March 2, 2026  |
| SUBJECT:                 | Second Amended and Restated Agreement between the City of Jacksonville Beach and the Volunteer Life Saving Corps for Ocean Rescue Services |

**BACKGROUND**

The City of Jacksonville Beach (City) and Volunteer Life Saving Corps (VLSC) are parties to an agreement dated April 17, 2023, regarding ocean rescue and lifeguarding services.

Section 4) (i) of the Agreement states that in January 2024, or as soon thereafter as possible, and each January thereafter during the Term(s) of the Agreement, the City and the VLSC will meet to debrief the prior year's operations and address the scope and level of VLSC operations for the remainder of the Term(s).

In June 2024 the parties entered into a first amendment to the original agreement.

In January 2025, rather than entering into a second amendment, the parties agreed to amend and restate the original agreement in its entirety, together with the first amendment, and agreed changes resulting from the year in review.

In November 2025, the City and the VLSC met to debrief year 2025 operations, and agreed to further modify the Agreement with the following changes:

**Section 3 (e) (ii):** The VLSC may occupy, use, and access the first floor Training Room, provided the VLSC submits a request for such use at least seventy-two (72) hours in advance and Jacksonville Beach Ocean Rescue (JBOR) has no scheduled or identified overlapping use. In the event JBOR needs training space, but has authorized the use of the Training Room to the VLSC and is within the 72-hour window, the VLSC will allow use of a comparable space on the second floor.

**Section 3 (e) (iii) :** In the event portions of the building are rendered unusable or uninhabitable due to unforeseen circumstances (e.g., building renovations, fire, storm damage, act of god, etc.), JBOR and VLSC will work in partnership to share access and use of remaining habitable spaces within the building until areas are deemed habitable, and consider off-site locations to supplement space needs as necessary.

**Section 3 (f):** Neither the City nor the VLSC shall make physical alterations, improvements, or repairs to the Station (exterior or interior, including site work) without first consulting with the City's Property and Procurement Division for determination of scope, regulatory and/or permit requirements (to include National Historic Register requirements), project management responsibilities, funding, and scheduling.

The Second Amended and Restated Agreement is attached.



FINANCIAL IMPACT

None.

REQUESTED ACTION

Approve/Disapprove the Second Amended and Restated Agreement between the City of Jacksonville Beach and the Volunteer Life Saving Corps for Ocean Rescue Services

ATTACHMENTS

1. 2nd Amended and Restated Agreement for Ocean Rescue Services (MARKUP)
2. 2nd Amended and Restated Agreement for Ocean Rescue Services

**SECOND AMENDED AND RESTATED  
AGREEMENT BETWEEN THE CITY OF JACKSONVILLE BEACH, FLORIDA  
AND THE VOLUNTEER LIFE SAVING CORPS FOR OCEAN RESCUE SERVICES**

THIS SECOND AMENDED AND RESTATED AGREEMENT ("Agreement") is entered into this \_\_\_ day of \_\_\_\_\_, 202~~5~~6 ("Effective Date"), by and between the City of Jacksonville Beach, Florida, a municipal corporation ("City"), and the Volunteer Lifesaving Corps., Inc., a Florida charitable not-for-profit corporation ("VLSC").

WHEREAS, the City is a municipal corporation with express powers and authorities granted to it by the State of Florida, pursuant to Art. 111, Sec. 2 (b), Florida Constitution, §166.021, Florida Statutes, and its municipal charter; and

WHEREAS, the City has the sole and express authority to provide ocean rescue and lifeguarding services along the coastline within the City's municipal boundaries, and has designated ocean rescue and lifeguarding services, collectively, as one of its essential government functions; and

WHEREAS, the City provides ocean rescue and lifeguard services to the community of Jacksonville Beach; and

WHEREAS, the VLSC has been performing ocean rescue and lifesaving services in Jacksonville Beach, FL since 1912; and

WHEREAS, the City and the VLSC have cooperated in providing lifesaving services since about 1930 and have both operated out of the American Red Cross Life Saving Corps Station located at 2 Oceanfront North, Jacksonville Beach, FL 32250 (the "Station"); and

WHEREAS, the prevention of injury and loss of life remain the individual and overlapping goals of the City and the VLSC; and

WHEREAS, the VLSC acknowledges that, as a private charitable organization, it is not entitled by law to perform ocean rescue and lifeguarding services within the City, and that to the extent such activity is allowed to be performed by the VLSC along the coastline within the City's boundaries, said activity can be regulated or prohibited by the City; and

WHEREAS, the City, as a governmental agency, has the authority to establish volunteer programs for any of its services and, as such, this Agreement is non-exclusive; and

WHEREAS, this agreement provides a method for the City and the VLSC to conduct their respective ocean rescue and lifeguarding service activities and supervise their respective separate staffs from the Station; and

WHEREAS, the Parties entered into an agreement, dated as of April 17, 2023, regarding ocean rescue and lifeguarding service activities; and

WHEREAS, Section 4)i) of that original agreement states that in January 2024, or as soon thereafter as possible, and each January thereafter during the term of the agreement, the City and the VLSC will meet to debrief the prior year's operations and address the scope and level of VLSC operations for the remainder of the Term(s); and

WHEREAS, as a result of the discussions from the meeting that was held, on June 4, 2024, the parties entered into a first amendment to the original agreement; and

WHEREAS, the parties met in January 2025 and have agreed that additional changes to the original agreement are necessary; and

WHEREAS, the parties met in December 2025 and have agreed that additional changes to the Amended and Restated Agreement are necessary; and

WHEREAS, ~~rather than entering into a amendment,~~ the Parties desire to **further** amend and restate the original agreement in its entirety, together with the first amendment and the agreed upon additional changes; and

WHEREAS, the parties have accordingly drafted this second amended and restated agreement.

NOW THEREFORE, in consideration of the conditions herein contained, the parties agree as follows:

## 1) Term and Definitions

- a) The Term of this Agreement shall be as follows:
  - i) Initial Term: Pursuant to the provisions of this Agreement, the VLSC shall (i) provide ocean rescue services on Jacksonville Beach; and be permitted to (ii) occupy, use and access designated portions of the Second Floor of the Station, for an initial period extending from the Effective Date through December 1, 2028;
  - ii) Term Extensions: This Agreement may be extended without limitation for one additional five-year term. The determination to renew this Agreement for additional terms will be decided by majority vote of the City Council. The City shall provide written notice of its recommendation to not extend the term of this Agreement no less than ninety (90) calendar days prior to the expiration of any term hereunder.
- b) The VLSC will be presumed to have agreed to an extension of the Term of this Agreement if the VLSC has not declined same in writing within 60 calendar days prior to the expiration of any term hereunder.
- c) The VLSC agrees that its performance of services hereunder shall commence no later than May 29, 2023 (hereinafter, "Service Date").
- d) The term "VLSC Member" shall mean individual members of the VLSC who donate their time and skill for free without any expectation for compensation as volunteers who:
  - i) are not employed by the City of Jacksonville Beach as an ocean rescue lifeguard;
  - ii) receive no compensation to perform the services for which the individual member volunteered; and

- iii) perform the volunteer services for civic, charitable, or humanitarian reasons, without promise, expectation, or receipt of compensation for services rendered or future paid employment with the City.

## **2) Days of Service**

- a) The City shall provide ocean rescue and lifeguard services seven days per week, including holidays.
- b) The VLSC may supplement the City's ocean rescue and lifeguard services on any Sunday or on any of the following holidays on which the City is providing such services: New Year's Day, Memorial Day, 4<sup>th</sup> of July, Labor Day, Thanksgiving Day, and Christmas Day (each a "Day of Service").
- c) Additional supplemental ocean rescue and lifeguard services may be provided by VLSC Members on dates and at times agreed to by the City and the VLSC.
- d) The VLSC may sit an additional hour of PEG on days of service during the Spring and Fall Seasons from 0900-1000 and 1800-1900. The Spring Season typically starts the second week in March and ends the third week in May. The Fall Season typically starts the first week in September and ends the first week in November.
- e) An end of the day briefing between the JBOR officers and VLSC officers on duty should be held at the end of each VLSC guard day to review and discuss any incidents that may have occurred, and to review any Patient Care Reports to confirm that the reports contain only information on patient care and no extraneous comments about the responding guards.

## **3) Station Occupancy, Use and Access; Equipment Sharing**

- a) VLSC Members shall be allowed to occupy, use and access designated portions of the Second Floor of the Station for the Term(s) of this Agreement pursuant to the following standards and limitations:
  - i) The VLSC may occupy, use and access designated portions of the Second Floor as set forth in the diagram attached hereto as Addendum A ("Designated Portions of the Second Floor").
  - ii) The VLSC may occupy, use and access Designated Portions of the Second Floor to conduct training, and to perform administrative and operational functions, such as recruiting, retention, fundraising activities, meetings, and community outreach. Other uses of the Station by the VLSC shall be agreed to with the City.
  - iii) While on duty or while training, the VLSC may access and use the locker rooms and showers.
  - iv) While on duty, the VLSC may access and use the first floor as necessary for operational functions.
  - v) No individual, including but not limited to City employees and VLSC Members, shall be permitted to bring alcohol or illegal drugs into the Station or on Station property.

- vi) No individual, including but not limited to City employees and VLSC Members, shall be allowed to remain, or otherwise stay overnight in the Station.
- b) Both parties shall be responsible for maintaining the cleanliness, order, and general upkeep of the Station. Without limiting the foregoing, each party is particularly responsible for making a good faith effort to ensure the cleanliness, order, and general upkeep of the Station and property impacted by that party's use of the Station. The daily cleanliness, order and upkeep will be tracked and inspected daily utilizing an agreed upon Station Clean Up Check List.
- c) The VLSC may rent equipment owned by the City of Jacksonville Beach to administer lifesaving services and to respond to emergencies. The City and the VLSC will coordinate use of equipment in good faith. The City may terminate such rental arrangement(s) to utilize its equipment upon 30 days written notice. The list of equipment and agreed-to rental rate are provided in Addendum B attached hereto.
- d) Notwithstanding any provision to the contrary, the City reserves the right to restrict access to the Station, the property grounds, and City-owned ocean rescue service equipment, without notice during any situation or event in which the City's Emergency Operations Plan (EOP) goes into effect, regardless of the reason for or manner in which the EOP is activated. The City shall provide as much advance notice as reasonably possible under the circumstances then existing.
- e) Pursuant to the language contained in Section 4)i), the parties met in early 2024 and again in 2025 and agreed, as authorized under Section 3)a)ii), to the following additional uses of that Station by the VLSC:
  - i) The VLSC may occupy, use, and access City-designated space in the Station's Boat Room for the storage of rescue buoys, tower flags, and at least one (1) rescue board and one (1) surf ski.
  - ii) The VLSC may occupy, use, and access the first floor Training Room ~~after hours (7:00pm or later)~~, provided the VLSC submits a request for such use at least seventy-two (72) hours in advance and JBOR has no scheduled or identified overlapping use. In the event JBOR needs training space but has authorized the use of the Training Room to the VLSC and is within the 72-hour window, the VLSC will allow use of a comparable space on the second floor.
  - iii) iii) In the event portions of the building are rendered unusable or uninhabitable due to unforeseen circumstances (e.g., building renovations, fire, storm damage, act of god, etc.), JBOR and VLSC will work in partnership to share access and use of remaining habitable spaces within the building until areas are deemed habitable, and consider off-site locations to supplement space needs as necessary.
  - iv) iv) The VLSC may utilize the main, easterly entrance and center stairway of the Station for access to the second floor for authorized VLSC functions.
  - v) v) Jacksonville Beach Ocean Rescue will not conduct tours of the Designated Portions of the Second Floor and will, except in the event of an emergency or inclement weather, refrain from transiting the Designated Portions of the Second Floor to access the Station PEG, whenever VLSC members are present in this area, for approved use.
  - vi) vi) Of the two second-floor restrooms, one will be designated as a men's restroom, and the other as a women's restroom, with VLSC and JBOR access allowed to each.

f) Neither the City nor the VLSC shall make physical alterations, improvements, or repairs to the Station (both exterior, interior, and including site work) without first consulting with the City's Property and Procurement Division for determination of scope, regulatory and/or permit requirements (to include National Historic Register requirements), project management responsibilities, funding, and scheduling.

**4) VLSC Operations, Training and Certifications**

- a) The City will coordinate location and coverage on City beaches with the VLSC on VLSC designated days, however the City has the final authority to assign location and coverage on City beaches, without regard to whether such personnel is a City employee or a VLSC Member.
- b) The City will coordinate and communicate with the VLSC through the designated VLSC Officer of the Day.
- c) The VLSC and City agree that the VLSC will provide personnel coverage in accordance with the following schedule of coverage:

|   |  |
|---|--|
| <b>Tower Coverage</b>   |  |
| Beginning on the Service Date and for the duration of any term under this Agreement           | VLSC will man a minimum of two (2) beach towers.   |
| 30 Days after Service Date  | The Parties agree to a goal of VLSC manning a minimum of three (3) beach towers 30 days after the Service Date   |
| 60 Days after Service Date  | The Parties agree to a goal of VLSC manning a minimum of four (4) beach towers 60 days after the Service Date.   |
| The Sunday After Labor Day through the Last Sunday in September                               | VLSC will man a minimum of two (2) beach towers during this period.  |
| Off Season (defined as the First Sunday in October until Opening Day of the Beaches) Coverage | The VLSC will provide a minimum of one officer and two responding guards (each a VLSC Member) to be present and available to assist Jacksonville Beach Ocean Rescue ("JBOR"), including with patrols, but will not operate towers unless otherwise agreed to by the City and the VLSC. |
| Special Coverage  | JBOR will handle all missing child/parent cases, and all open watercraft incidents.  |

- d) The VLSC and City agree to the following protocol for handling emergency cases (flag drop or flag wave):

|                        |  |
|------------------------|--|
| <b>Emergency Cases</b> |  |
|------------------------|--|

|                      |  |
|----------------------|--|
|                      | <p>Upon indication of an emergency case, Ocean Rescue Supervisor or their designee will assign an emergency response team in the following preferred manner:</p>   |
| Priority             | <p>A JBOR officer will respond to the emergency in a JBOR vehicle, while a designated VLSC Member sits in the cab of the response vehicle. Upon arrival: (i) if the emergency is at the site of a JBOR designated tower, then the JBOR officer will take the lead on the emergency response; (ii) if the emergency is at the site of a VLSC designated tower, then the VLSC officer will take the lead on the emergency response; and (iii) if there is any question as to whether the emergency is at the site of a JBOR designated tower or a VLSC designated tower, then the JBOR officer will take the lead on the emergency response.</p>   |
| Secondary            | <p>If two JBOR vehicles are responding to emergencies, a designated VLSC Member will respond to any third emergency in a VLSC vehicle, if available, while a JBOR officer sits in the cab of the response vehicle. Upon arrival: (i) if the emergency is at the site of a JBOR designated tower, then the JBOR officer will take the lead on the emergency response; (ii) if the emergency is at the site of a VLSC designated tower, then the VLSC officer will take the lead in the emergency response; and (iii) if there is any question as to whether the emergency is at the site of a JBOR designated tower or a VLSC designated tower, then the JBOR officer will take the lead in the emergency response.</p> <p>The VLSC may, at its discretion, use a VLSC vehicle for guard changes at VLSC manned towers.</p>   |
| Controlling Standard | <p>Notwithstanding the foregoing, the Ocean Rescue Supervisor or their designee may assign emergency response teams and direct the appropriate response as deemed necessary to ensure expedient response to emergencies.</p> <p>To avoid confusion, the JBOR officer in the cab of the responding vehicle must clearly state that they are assuming command of any case at a VLSC staffed tower. JBOR or VLSC officers must refrain from boarding an already staffed responding vehicle to assign tasks to the VLSC and JBOR guards without the knowledge of the driver and cab person. To provide a learning experience when a JBOR officer takes control of an emergency case at a VLSC staffed tower, they will meet with the responding VLSC officer and VLSC officer of the day as soon as possible that day, to discuss the reason(s) for their decision.</p> <p>The JBOR supervisor or their designee will be in command in the event of a Code X, regardless of which agency is manning the tower.</p> |

- e) At least four calendar days in advance of providing service, the VLSC will submit to Ocean Rescue Supervisor or their designee a guard sheet identifying the individual lifeguards assigned to provide ocean rescue services on the Day of Service. Any required modifications to the assigned individual lifeguards will be made at the VLSC's earliest convenience, but when possible, no later than three days before the Day of Service. When assigning location and coverage, there is a preference that the towers operated by the VLSC will be located next to each other in a block. However, the Ocean Rescue Supervisor or their designee may intersperse VLSC-manned towers between JBOR-manned towers when deemed necessary pursuant to the unique circumstances of the day.
- f) On the Day of Service, the Ocean Rescue Supervisor or their designee may notify the VLSC that VLSC lifeguards need to be reassigned to different sections of the beach. Such notice shall be provided or confirmed in writing, if possible. When reassigning location and coverage there is a preference that the towers operated by the VLSC will be located next to each other in a block. However, the Ocean Rescue Supervisor or their designee may intersperse VLSC-manned towers between JBOR-manned towers when deemed necessary pursuant to the unique circumstances of the day.
- g) The City may observe the performance of the VLSC, including by monitoring VLSC Members on duty, when performing a rescue, or while administering care to an individual. If the City observes material deficiencies, a City representative may report the issue to the designated VLSC Officer of the Day on Duty to address the report. In cases of immediate public safety or emergency, the Ocean Rescue Supervisor or their designee may direct that a VLSC Member take certain immediate action to assist in addressing the pending emergency.
- h) The City and the VLSC may, but neither are required to, hereafter agree that the VLSC operate greater than the number of towers specified in the above schedules or to otherwise modify the above schedules. Any modification must be in writing signed by the Parties.
- i) In January 2024, or as soon thereafter as possible, and each January thereafter during the Term(s) of this Agreement, the City and the VLSC will meet to debrief the prior year's operations and address the scope and level of VLSC operations for the remainder of the Term(s).
- j) VLSC Members, while volunteering for the VLSC and providing the City with supplemental ocean rescue and lifeguard services, shall be required to expressly agree to abide and be governed by City policies governing the personal conduct of City employees.

## **5) Training and Certifications**

- a) The VLSC shall maintain accreditation as a United States Lifeguard Association (USLA) Advanced Agency.
- b) Each VLSC Member selected or assigned by the VLSC to perform ocean rescue and lifeguarding services pursuant to this Agreement shall be certified to USLA Advanced Agency standards, at a minimum. The VLSC is a certified USLA agency, and accordingly, when a new VLSC Member successfully completes VLSC training classes that member

meets USLA standards. Likewise, when a returning VLSC Member completes the yearly refresher training he or she meets USLA standards. The VLSC shall maintain all records related to the certifications regarding the training and experience of its members who perform ocean rescue and lifeguard services pursuant to this Agreement. The VLSC shall provide to the City Ocean Rescue Supervisor or their designee documentation reflecting USLA certification for each VLSC Member who will be providing ocean rescue or lifeguarding services under this Agreement. Documentation of certification shall be provided to the City at least one week before that VLSC Member provides ocean rescue or lifeguarding services. Notwithstanding the foregoing, the City Ocean Rescue Supervisor or their designee may permit the documentation to be provided to the City less than one week before the VLSC Member provides ocean rescue or lifeguarding services.

- c) Each party shall be separately responsible for conducting its own recruitment, testing, and training of its staff or members. The parties shall not share agreements, contracts, permits, insurance policies, or the like, for the use of any outside facilities for education or training, nor otherwise participate jointly during either party's preparation, undertaking, or performance of any of these activities.
- d) The City and the VLSC shall each secure their own, separate, Medical Director.

## **6) Standards of Conduct**

- a) The City and VLSC each separately acknowledge that they do not tolerate, in any form, harassment or intimidation (ritualistic or otherwise) of any of their respective volunteers, members, employees, or members of the public.
- b) The City and the VLSC each separately acknowledge that they do not engage in, encourage, allow, or tolerate hazing of any kind of or by any of their respective volunteers, members or employees.
- c) The VLSC's formally-adopted written Constitution prohibits hazing by and of VLSC Members. Specifically, Section 08.02.02 specifies that hazing, as defined by the Florida Chad Meredith Act, is prohibited and constitutes a major offense. The penalties for a major offense are punishable as a breach of fellowship, conduct unbecoming of a Corps member or public discredit, each of which may be dealt with by dishonorable discharge of the offending member from the VLSC. It is important to distinguish between "hazing" and training for effectively reacting to stressful situations that occur during ocean rescue operations. Certain training activities are necessary to prepare lifeguards for high-stress situations that will be faced in rescues.
- d) If the City observes conduct by a VLSC Member that constitutes hazing, the Ocean Rescue Supervisor or their designee shall report the incident to the VLSC Officer of the Day. The VLSC will investigate the report and discipline the VLSC Member as appropriate consistent with the VLSC Constitution. Nothing herein shall prohibit or otherwise prevent or operate to delay either party from reporting any suspect conduct or practices of the other party to law enforcement.
- e) If the VLSC observes conduct by a Jacksonville Beach Ocean Rescue employee that constitutes hazing, the VLSC Officer of the Day shall report the incident to the Ocean Rescue Supervisor or their designee. The City will investigate the report and discipline the employee as appropriate consistent with City policies.

- f) The VLSC's formally-adopted written Constitution prohibits City Ocean Rescue employees from serving as VLSC lifeguard volunteers. Specifically, Section 03.01 of VLSC's Constitution excludes JBOR employees from membership in the VLSC.
- g) To the fullest extent required by law, each VLSC Member performing lifeguard and ocean rescue services hereunder shall be required to undergo background screening and drug testing prior to performing lifeguard and ocean rescue services pursuant to the terms of this Agreement. Background screening shall include fingerprinting for criminal history checks. Drug testing shall be performed by a Certified Healthcare Professional. Background screening and drug testing shall be at the sole expense of the VLSC or the subject VLSC Member. The VLSC agrees to establish an account with Criminal Justice Information Services (CJIS), or similar background screening organization. To the extent permissible by law, the VLSC shall ensure that results of background checks may be transmitted securely to the City upon request. All documentation resulting from the requirements herein specified shall be provided as expressly stated herein prior to the performance of volunteer services pursuant to this Agreement. The VLSC shall not approve or place a member into service to perform ocean rescue or lifeguarding services without first providing documentation to the City that such member satisfactorily passed the required background check and drug screening.
- h) A prospective member of the VLSC seeking to perform ocean rescue or lifeguarding services fails to satisfactorily pass the required background check if the background check reveals a conviction of a felony criminal offense within the five (5) years preceding application.
- i) A prospective member of the VLSC seeking to perform ocean rescue or lifeguarding services fails to satisfactorily pass the required drug screening if the drug screening reveals the presence of illegal narcotics in the applicants' system unless the narcotics are legally prescribed for use by the applicant.

## **7) Insurance and Indemnification**

- a) The VLSC agrees to provide General liability insurance in the amount of \$1,000,000 per incident/ \$2,000,000 aggregate for volunteers working under VLSC direction and control and within the scope of their VLSC duties, naming the City as additional insured.
- b) As an independent volunteer organization, VLSC is not required to provide Workers' Compensation coverage for VLSC Members.
- c) VLSC Members may not drive any unauthorized vehicles on the beach. No VLSC Member or volunteer shall drive on the beach unless such member or person has successfully completed a Beach Driver Training Course provided by the City's Ocean Rescue Division at least once per calendar year for any term of this Agreement. A Beach Driving Pass good for one year will be issued by the City's Ocean Rescue Division to each VLSC Member who successfully completes the course. Only those drivers possessing a valid Beach Driving Pass and a valid state-issued driver's license shall be allowed to drive on the beach. Date and time for beach entry and exit by an authorized VLSC vehicle shall coincide with any days and times that the VLSC is authorized to provide services on the beach, which includes the days of services described in Section 2, as well as periodic VLSC training or events for which VLSC has provided at least 72 hours' notice and the City's Parks and Recreation Department has provided advanced approval. The City

reserves the right to revoke any Beach Driving Pass for cause, which shall be determined by the Ocean Rescue Supervisor.

- d) The VLSC agrees to defend, hold harmless, and indemnify the City, its past and current elected and appointed officials, employees, agents, and volunteers from, without limitations, all losses, claims, demands, and liability, including actual attorneys' fees and costs, without regard to foreseeability or whether such is brought as an action in law or equity or as an administrative investigation, review, or proceeding, and which arises out of, from, or is/are in any way related to any term of this Agreement or the services provided hereunder, and any decision related thereto, including third-party claims against the City, its elected and appointed officials, employees, agents, contractors, and volunteers for losses, claims, demands, and liability for bodily injury, death, and/or property damage arising from the negligence of the VLSC or a VLSC Member performing services hereunder.

## **8) Documentation**

- a) The following documentation shall be submitted by the VLSC to the City's Director of Parks and Recreation prior to the Service Date of this Agreement, and for any extended term thereafter, by no later than Opening Day of the Beaches. Annual document submission shall not be required for those documents that are valid for 3 years. Such documents shall be resubmitted upon renewal.
  - i) VLSC Annual Report filed with the Florida Department of State, Division of Corporations, which shows that the VLSC is registered to conduct lawful activities in the State of Florida for the relevant reporting year, or the substantive equivalent thereof.
  - ii) Proof of the VLSC's accreditation as a USLA Advanced Agency.
  - iii) Written By-Laws and Policies formally adopted by the VLSC by which individuals employed by the City to provide ocean rescue and lifeguard services are rendered ineligible to serve as a VLSC lifeguard or to provide volunteer ocean rescue services with the VLSC for the City.
  - iv) Proof that the VLSC has an active account with CJIS, or similar background screening organization, and the name(s) of the VLSC Member(s) holding current applicable certification.
  - v) A Certificate of General Liability Insurance naming the City as additional insured.
  - vi) A Certificate of Automobile Insurance for all VLSC vehicles naming the City as additional insured.
- b) The VLSC shall not submit any document hereunder that contains materially false information and, at the time of submission, the VLSC knew or should have known such information was false.

## **9) Termination For Cause by the City.**

- a) This Agreement may be terminated before the expiration of the Term by the City should the VLSC: (i) fail to provide coverage of assigned towers for an entire day on a Day of Service on three separate Days of Service within one calendar year; or (ii) knowingly permit a VLSC Member who does not have a valid Beach Driving Pass to drive a vehicle on the beach without consent of the Ocean Rescue Supervisor or their designee; (iii) knowingly permits a VLSC Member who has not received required training and certifications to provide lifeguarding or ocean rescue services under this Agreement; (iv) knowingly permits a VLSC Member who failed either the background check or drug screening test to provide ocean rescue or lifeguarding services on Jacksonville Beach, or any combination of these events.
- b) The City may also terminate this Agreement before the expiration of the Term for a "Terminable Offense." For purposes of this Agreement Terminable Offense shall be defined as a failure to comply with any term herein, exclusive of the terms for which termination can occur under paragraph 9(a), which has not been cured by the VLSC within 20 calendar days from the date on which City provided VLSC written notice of the Terminable Offense.
- c) The City shall provide the VLSC written notice of the Terminable Offense and provide the VLSC twenty (20) calendar days to cure the breach. The Parties agree that the VLSC may sufficiently cure a Terminable Offense by, among other ways, disciplining or discharging any VLSC Member responsible for committing the Terminable Offense in accordance with VLSC's constitution.
- d) The City and the VLSC shall maintain a record of any alleged Terminable Offenses claimed by the City or identified by the VLSC on its own, including all documents and communications from the claim through the final disposition.

## **10) Use of Station After Termination**

- a) If this Agreement is terminated, the VLSC may continue to occupy, use and access the Station for an additional eighteen (18) months from the date of Termination but must vacate the Station by no later than 11:59 p.m. Eastern on the final day and leave the Station in broom clean condition. Shall VLSC fail to vacate the Station as required by this section, the VLSC shall pay the City "holdover rent" in the amount of \$250.00 per day until such time as VLSC vacates the station.

## **11) Third Party Provision of Lifeguard Services.**

- a) This Agreement shall not be interpreted to prevent the City from turning over responsibility for providing lifeguarding services along Jacksonville Beach seven days per week and holidays to a third party engaged to provide such services, nor from accepting volunteer lifeguarding services from other individuals or organizations. Should the City decide to discontinue providing lifeguarding services or to turn such services over to be performed by a third party, such decision shall constitute the termination of this Agreement and the VLSC's continued occupation and use of the Station shall be in accordance with the provisions contained in Section 10 (Use of Station After Termination). For purposes of this Section 11, this Agreement will terminate upon the start date for the third party provider, unless this Agreement is otherwise terminated as provided herein.

## 12) General Provisions

- a) Headings. Section headings are for the convenience of the parties and not to be construed as creating or limiting any contractual expectation or obligation set forth herein.
- b) Amendments. This Agreement may only be amended in writing and executed by both parties.
- c) Entire Agreement. This Amended and Restated Agreement, including any Addendums thereto, constitutes the entire agreement between the parties. All prior written and oral agreements between the parties are hereby superseded by this Agreement, and no oral representation or warranty, whether first occurring prior or subsequent to this Agreement, shall be considered binding hereunder unless in writing and signed by both parties.
- d) Assignment. The VLSC shall not assign or transfer any of its rights and obligations under this Agreement.
- e) Public Records. The VLSC is required to comply with the requirements contained in Chapter 119, Florida Statutes, as amended, pertaining to public records.

**IF THE VLSC HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE VLSC'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (904) 247-6250, [CityClerk@jaxbchfl.net](mailto:CityClerk@jaxbchfl.net), 11 N. THIRD STREET, CITY HALL, 1<sup>st</sup> FLOOR, JACKSONVILLE, FL 32250.**

VLSC must specifically:

- i) Keep and maintain public records required by the City to perform the service.
- ii) Upon request from City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
- iii) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if VLSC does not transfer the records to the City.

- iv) Upon completion of the contract, transfer, at no cost, to the City all public records in possession of VLSC or keep and maintain public records required by the public agency to perform the service. If VLSC transfers all public records to the City upon completion of the contract, VLSC shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If VLSC keeps and maintains public records upon completion of the contract, VLSC shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the City.
- f) Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Florida and the venue shall be in Duval County, Florida.
- g) Severability. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permissible under the law. Accordingly, if any provision of this Agreement is determined to be partially or wholly invalid, illegal or unenforceable, then the provision shall be modified or restricted to the extent necessary to make the provision valid, binding and enforceable. Notwithstanding the foregoing, if the United States Department of Labor ("DOL") determines that VLSC Members are employees and that the City of Jacksonville Beach is their employer or joint employer for purposes of Fair Labor Standards Act or other laws administered by the DOL, then the VLSC and the City shall attempt to renegotiate the terms of this Agreement to comply with those laws. While the VLSC and City attempt negotiate compliant terms, the VLSC shall not be permitted to provide ocean rescue services in Jacksonville Beach under this Agreement. Nothing herein shall prohibit nor require the VLSC from challenging any decision by the DOL to the full extent of the law and through all available appeals.
- h) The VLSC and the City agree that nothing herein constitutes or shall be construed to constitute any suggestion that-for purposes of any local, state, or federal law, including but not limited to wage-and-hour laws:
  - i) VLSC Members are employees of the VLSC, the City, or any other putative employer or joint employer, or that VLSC Members are anything other than bona fide volunteers;
  - ii) Any other of their respective volunteers are employees of the VLSC, the City, or any other putative employer or joint employer; or
  - iii) The VLSC and the City are joint employers of any of each's respective employees.
- i) The VLSC and the City agree that nothing in this Agreement creates, or shall be construed to create, a partnership of any kind, including a public-private partnership.

- j) Notices. Unless otherwise expressly provided herein, any notice or document required by this Agreement shall be delivered to:

City of Jacksonville Beach  
c/o City Manager's Office  
11 North Third Street  
Jacksonville Beach, FL 32250

Volunteer Life Saving Corps  
c/o Registered Agent  
427 North 3<sup>rd</sup> Street  
Jacksonville Beach, FL 32250

- k) The City's failure to exercise any of its rights or discretion hereunder shall not constitute or be construed as a waiver of any right of the City or any breach by the VLSC.
- l) Authority to sign. Each party hereby certifies that the person executing this Agreement on its behalf is authorized to do so and agrees to be legally bound by said execution. At all times relevant to the performance of this Agreement, the City hereby authorizes the City Manager to take any necessary action in the furtherance of its terms, including the execution of any document necessary or advisable, as determined by the City Manager in his sole discretion. This authorization shall not extend to the amendment of any substantive terms of the Agreement.

**REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

CITY OF JACKSONVILLE BEACH

By:

Sign: \_\_\_\_\_

Print: Christine Hoffman

Title: Mayor

Date: \_\_\_\_\_

By:

Sign: \_\_\_\_\_

Print: Michael J. Staffopoulos

Title: City Manager

Date: \_\_\_\_\_

Attest:

Sign: \_\_\_\_\_

Print: Molly Alleger

Title: City Clerk

Date: \_\_\_\_\_

Approved as to form and legal sufficiency:

Sign: \_\_\_\_\_

Print: David Migut

Title: City Attorney

Date: \_\_\_\_\_

VOLUNTEER LIFE SAVING CORPS

By:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

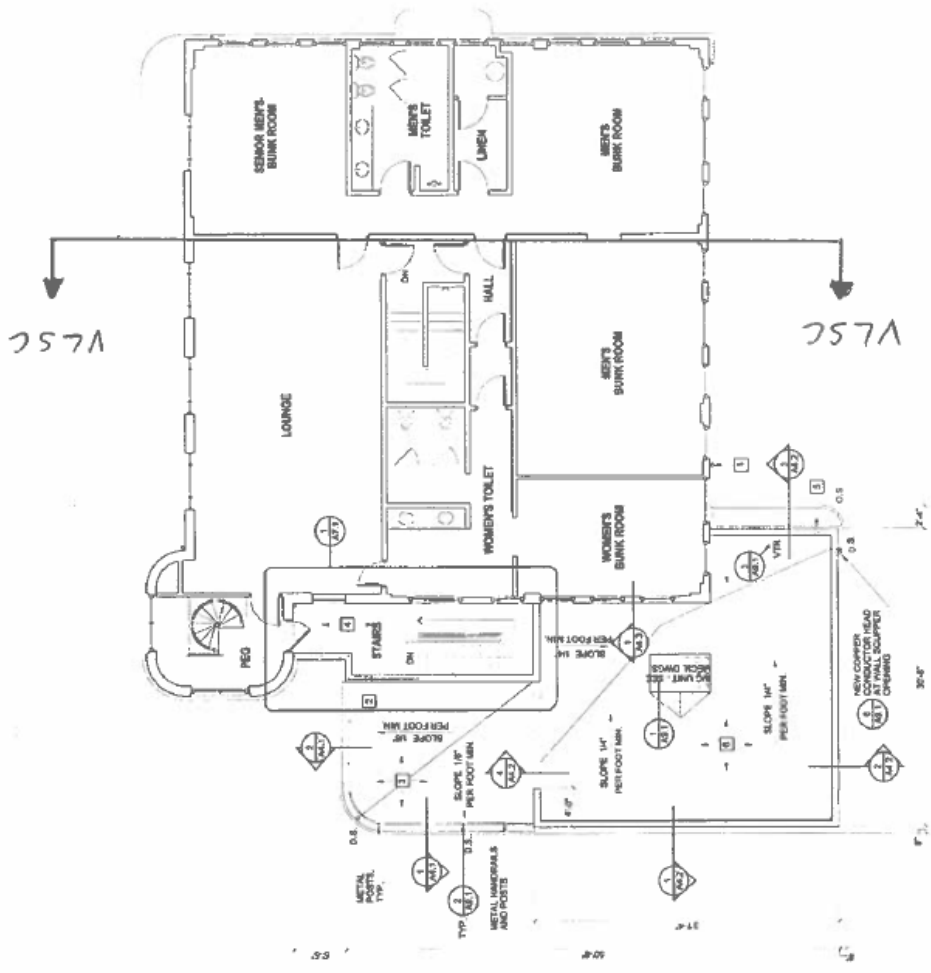
Title: \_\_\_\_\_

Date: \_\_\_\_\_

# ADDENDUM A Designated Portions of the Second Floor

|   |   |  |  |                  |
|---|---|--|--|------------------|
| <b>Ebert Norman Brady Architects</b><br><small>1811 13th Avenue South, Suite 200, Jacksonville, Florida 32218<br/>         Tel: 904.391.8827 Fax: 904.391.7528 www.ebertnormanbrady.com</small> | <b>FLOOR PLAN - 2ND FLOOR</b><br>RED CROSS LIFE SAVING CORP STATION ADDITION<br><small>1817 STREET NORTH AND BEACH BOULEVARD<br/>         JACKSONVILLE BEACH, FLORIDA</small> |  | PROJECT NO.<br>ISSUE DATE<br>10-10-11<br>100-10048 | DRAWN BY:<br>RCB |
|---|---|--|--|------------------|

- KEYED NOTES:**
- 1 NEW 1/2" THICK CONCRETE DOWNPOUT CONNECT TO EXISTING CONCEALED BUTTER NEW DRAIN DOWN
  - 2 4" HIGH x 8" THICK OVERLAP DRAINAGE OPENING IN STAIR LANDING WALL. BOTTOM OF DRAINAGE OPENING FLUSH WITH CONCRETE STAIR LANDING FINISHED SURFACE. EXTEND AND APPLY ROOF COATING INTO OVERLAP OPENING SURFACE.
  - 3 FLUID APPLIED ROOF MEMBRANE SYSTEMS INSTALLED OVER CONCRETE ROOF MEMBRANE SYSTEMS AND MANUFACTURED BY SIKU® - TERAPROOF ROOF MEMBRANE SYSTEM.
  - 4 LIQUID APPLIED PROFESSIONAL TRAFFIC WATERPROOF SYSTEM PROTECT OVER CONCRETE STAIR LANDING, TRAILS AND RISERS (MANUFACTURED BY SIKU® - TERAPROOF WATERPROOFING SYSTEM).
  - 5 4" HIGH x 8" WIDE STAINLESS STEEL OVERFLOW DRAINAGE (CLIPPER IN PAPER)
  - 6 FLUID APPLIED ROOF MEMBRANE SYSTEMS INSTALLED OVER LIGHT-WEIGHT INSULATING CONCRETE ROOF SYSTEMS. SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH MANUFACTURER'S RECOMMENDATIONS AND ALL JOINTS SHALL BE REINFORCED IN ACCORDANCE WITH ROOFING MANUFACTURER'S RECOMMENDATIONS.




**FLOOR PLAN - 2ND FLOOR**  
 SCALE: 3/16" = 1'-0"

2nd Floor Area for VLSC  
 Access and Use

**ADDENDUM B  
Equipment List**

**City-owned Equipment Authorized to be Shared by the  
City of Jacksonville Beach and the Volunteer Life Saving Corps**

| <b>ASSET CLASS</b> | <b>ASSET DESCRIPTION</b>   |
|--------------------|--|
| Communications     | Motorola Radios (from P.D.; x2)<br>West Marine Radio   |
| Equipment          | Soft Buoy (x12)<br>Burnside Buoys (x52)<br>Warning Flags   |
| Furnishings        | Coke Machine (leased)<br>Ice Machine (leased)<br>Office Furniture<br>Refrigerator (donated)<br>Workout Equipment |
| Towers             | Lifeguard Towers<br>Tower Poles<br>Tower Umbrellas (x32)   |

**Equipment Owned by the City of Jacksonville Beach Authorized for  
Use Exclusively by Employees of the City of Jacksonville Beach  
or for Rent by the Volunteer Life Saving Corps**

| <b>ASSET CLASS</b> | <b>ASSET ID.</b> | <b>ASSET DESCRIPTION</b> |
|--------------------|------------------|--------------------------|
| Communications     | 000000000004203  | Motorola Handheld Radio  |
|                    | 000000000011270  | Motorola APX1000 Radio   |
|                    | 000000000011271  | Motorola APX1000 Radio   |
|                    | 000000000003362  | Motorola MTS2000 Radio   |
|                    | 000000000003363  | Motorola MTS2000 Radio   |
|                    | 000000000003368  | Motorola MTS2000 Radio   |
|                    | 000000000003370  | Motorola MTS2000 Radio   |
|                    | 000000000003374  | Motorola MTS2000 Radio   |
|                    | 000000000003376  | Motorola MTS2000 Radio   |
|                    | 000000000003379  | Motorola MTS2000 Radio   |
|                    | 000000000003381  | Motorola MTS2000 Radio   |
|                    | 000000000003389  | Motorola MTS2000 Radio   |
|                    | 000000000003390  | Motorola MTS2000 Radio   |
|                    | 000000000003398  | Motorola MTS2000 Radio   |
|                    | 000000000003403  | Motorola MTS2000 Radio   |
|                    | 000000000003409  | Motorola MTS2000 Radio   |
|                    | 000000000003415  | Motorola MTS2000 Radio   |

|           |                 |  |
|-----------|-----------------|--|
|           | 000000000003418 | Motorola MTS2000 Radio   |
|           | 000000000003425 | Motorola MTS2000 Radio   |
|           | 000000000003434 | Motorola MTS2000 Radio   |
|           | 000000000003437 | Motorola MTS2000 Radio   |
|           | 000000000003443 | Motorola MTS2000 Radio   |
|           | 000000000003446 | Motorola MTS2000 Radio   |
|           | 000000000003452 | Motorola MTS2000 Radio   |
|           | 000000000003455 | Motorola MTS2000 Radio   |
|           | 000000000003456 | Motorola MTS2000 Radio   |
|           | 000000000005691 | Motorola MTS2000 Radio   |
|           | 000000000011816 | Motorola APX900 7/800 Radio  |
|           | 000000000011817 | Motorola APX900 7/800 Radio  |
|           | 000000000011818 | Motorola APX900 7/800 Radio  |
|           | 000000000011819 | Motorola APX900 7/800 Radio  |
|           | 000000000011820 | Motorola APX900 7/800 Radio  |
|           | 000000000011821 | Motorola APX900 7/800 Radio  |
|           | 000000000011822 | Motorola APX900 7/800 Radio  |
|           | 000000000011823 | Motorola APX900 7/800 Radio  |
|           | 000000000011824 | Motorola APX900 7/800 Radio  |
|           | 000000000011825 | Motorola APX900 7/800 Radio  |
|           | 000000000011826 | Motorola APX900 7/800 Radio  |
|           | 000000000011827 | Motorola APX900 7/800 Radio  |
|           | 000000000002202 | Radio MTS2000 I Portable 800M                                      |
|           | 000000000005398 | Radio Portable MTS2000 Series                                      |
| Equipment |                 | Backboards (x8)  |
|           | 000000000007517 | Zoll Defibrillator AED Plus  |
|           | 000000000007518 | Zoll Defibrillator AED Plus  |
|           | 000000000007519 | Zoll Defibrillator AED Plus  |
|           | 000000000009476 | Zoll Defibrillator AED Plus<br>Defibrillator AED Plus (from Fire)  |
|           | 000000000011669 | Phantom 4 Pro + Quadcopter   |
|           |                 | Jet Ski Gear (multiple pieces)                                     |
|           | 000000000005430 | Lifesled and IT with Nose guard<br>Lifesled and IT with Nose guard |
|           | 000000000007395 | Rescue Board (Yellow 10'x6")                                       |
|           | 000000000003854 | Rescue Board (10'x6")  |
|           | 000000000011475 | Rescue Board (Big Red 11'x9")                                      |
|           |                 | Rescue Boards (x11)  |
|           | 000000000010324 | Ski Fenn Lifesaving Surf Ski                                       |
|           | 000000000010292 | Trailer (Kayak Carrier)  |
|           | 000000000007628 | Utility Trailer with Ramp (82"x21')                                |

|                  |                 |   |
|------------------|-----------------|---|
|                  |                 | Medical Equipment Boxes (x26, vital, transport, 02, trauma) |
|                  |                 | Miscellaneous Ladders                                       |
|                  |                 | Miscellaneous Tools (drivers, drills, etc.)                 |
| Office Equipment | 000000000012528 | Dell Latitude 5420 XCTO Base                                |
|                  | 000000000012529 | Dell Latitude 5420 XCTO Base                                |
|                  |                 | ExecuTime Time Clock  |
|                  |                 | IT Equipment (Desktop and Printer)                          |
|                  |                 | Miscellaneous Cabinets (x4)                                 |

**Vehicles Owned by the City of Jacksonville Beach and Authorized  
for Exclusive Use by City of Jacksonville Beach Employees**

| <b>ASSET CLASS</b> | <b>ASSET ID.</b> | <b>ASSET DESCRIPTION</b>             |
|--------------------|------------------|--------------------------------------|
| Vehicles           | 000000000012612  | 2022 Club Car Carryall (#614)        |
|                    | 000000000012418  | 2021 Chevrolet Silverado 2500 (#604) |
|                    | 000000000010613  | 2021 Chevrolet Silverado 2500 (#606) |
|                    | 000000000011694  | 2020 Carryall 1700D (#612)           |
|                    | 000000000011695  | 2020 Carryall 1700D (#613)           |
|                    | 000000000011316  | 2018 Chevrolet Colorado (#609)       |
|                    | 000000000010680  | 2014 Yamaha Waverunner Jet Ski       |
|                    | 000000000007602  | Astro Spectra Mobile W4              |
|                    |                  | Yamaha Outboard Motor (25MSHD)       |

**SECOND AMENDED AND RESTATED  
AGREEMENT BETWEEN THE CITY OF JACKSONVILLE BEACH, FLORIDA  
AND THE VOLUNTEER LIFE SAVING CORPS FOR OCEAN RESCUE SERVICES**

THIS SECOND AMENDED AND RESTATED AGREEMENT ("Agreement") is entered into this \_\_\_ day of \_\_\_\_\_, 2026 ("Effective Date"), by and between the City of Jacksonville Beach, Florida, a municipal corporation ("City"), and the Volunteer Lifesaving Corps., Inc., a Florida charitable not-for-profit corporation ("VLSC").

WHEREAS, the City is a municipal corporation with express powers and authorities granted to it by the State of Florida, pursuant to Art. 111, Sec. 2 (b), Florida Constitution, §166.021, Florida Statutes, and its municipal charter; and

WHEREAS, the City has the sole and express authority to provide ocean rescue and lifeguarding services along the coastline within the City's municipal boundaries, and has designated ocean rescue and lifeguarding services, collectively, as one of its essential government functions; and

WHEREAS, the City provides ocean rescue and lifeguard services to the community of Jacksonville Beach; and

WHEREAS, the VLSC has been performing ocean rescue and lifesaving services in Jacksonville Beach, FL since 1912; and

WHEREAS, the City and the VLSC have cooperated in providing lifesaving services since about 1930 and have both operated out of the American Red Cross Life Saving Corps Station located at 2 Oceanfront North, Jacksonville Beach, FL 32250 (the "Station"); and

WHEREAS, the prevention of injury and loss of life remain the individual and overlapping goals of the City and the VLSC; and

WHEREAS, the VLSC acknowledges that, as a private charitable organization, it is not entitled by law to perform ocean rescue and lifeguarding services within the City, and that to the extent such activity is allowed to be performed by the VLSC along the coastline within the City's boundaries, said activity can be regulated or prohibited by the City; and

WHEREAS, the City, as a governmental agency, has the authority to establish volunteer programs for any of its services and, as such, this Agreement is non-exclusive; and

WHEREAS, this agreement provides a method for the City and the VLSC to conduct their respective ocean rescue and lifeguarding service activities and supervise their respective separate staffs from the Station; and

WHEREAS, the Parties entered into an agreement, dated as of April 17, 2023, regarding ocean rescue and lifeguarding service activities; and

WHEREAS, Section 4)i) of that original agreement states that in January 2024, or as soon thereafter as possible, and each January thereafter during the term of the agreement, the City and the VLSC will meet to debrief the prior year's operations and address the scope and level of VLSC operations for the remainder of the Term(s); and

WHEREAS, as a result of the discussions from the meeting that was held, on June 4, 2024, the parties entered into a first amendment to the original agreement; and

WHEREAS, the parties met in January 2025 and have agreed that additional changes to the original agreement are necessary; and

WHEREAS, the parties met in December 2025 and have agreed that additional changes to the Amended and Restated Agreement are necessary; and

WHEREAS, the Parties desire to further amend and restate the original agreement in its entirety, together with the first amendment and the agreed upon additional changes; and

WHEREAS, the parties have accordingly drafted this second amended and restated agreement.

NOW THEREFORE, in consideration of the conditions herein contained, the parties agree as follows:

## **1) Term and Definitions**

- a) The Term of this Agreement shall be as follows:
  - i) Initial Term: Pursuant to the provisions of this Agreement, the VLSC shall (i) provide ocean rescue services on Jacksonville Beach; and be permitted to (ii) occupy, use and access designated portions of the Second Floor of the Station, for an initial period extending from the Effective Date through December 1, 2028;
  - ii) Term Extensions: This Agreement may be extended without limitation for one additional five-year term. The determination to renew this Agreement for additional terms will be decided by majority vote of the City Council. The City shall provide written notice of its recommendation to not extend the term of this Agreement no less than ninety (90) calendar days prior to the expiration of any term hereunder.
- b) The VLSC will be presumed to have agreed to an extension of the Term of this Agreement if the VLSC has not declined same in writing within 60 calendar days prior to the expiration of any term hereunder.
- c) The VLSC agrees that its performance of services hereunder shall commence no later than May 29, 2023 (hereinafter, "Service Date").
- d) The term "VLSC Member" shall mean individual members of the VLSC who donate their time and skill for free without any expectation for compensation as volunteers who:
  - i) are not employed by the City of Jacksonville Beach as an ocean rescue lifeguard;
  - ii) receive no compensation to perform the services for which the individual member volunteered; and
  - iii) perform the volunteer services for civic, charitable, or humanitarian reasons, without promise, expectation, or receipt of compensation for services rendered or future paid employment with the City.

## **2) Days of Service**

- a) The City shall provide ocean rescue and lifeguard services seven days per week, including holidays.
- b) The VLSC may supplement the City's ocean rescue and lifeguard services on any Sunday or on any of the following holidays on which the City is providing such services: New Year's Day, Memorial Day, 4<sup>th</sup> of July, Labor Day, Thanksgiving Day, and Christmas Day (each a "Day of Service").
- c) Additional supplemental ocean rescue and lifeguard services may be provided by VLSC Members on dates and at times agreed to by the City and the VLSC.
- d) The VLSC may sit an additional hour of PEG on days of service during the Spring and Fall Seasons from 0900-1000 and 1800-1900. The Spring Season typically starts the second week in March and ends the third week in May. The Fall Season typically starts the first week in September and ends the first week in November.
- e) An end of the day briefing between the JBOR officers and VLSC officers on duty should be held at the end of each VLSC guard day to review and discuss any incidents that may have occurred, and to review any Patient Care Reports to confirm that the reports contain only information on patient care and no extraneous comments about the responding guards.

## **3) Station Occupancy, Use and Access; Equipment Sharing**

- a) VLSC Members shall be allowed to occupy, use and access designated portions of the Second Floor of the Station for the Term(s) of this Agreement pursuant to the following standards and limitations:
  - i) The VLSC may occupy, use and access designated portions of the Second Floor as set forth in the diagram attached hereto as Addendum A ("Designated Portions of the Second Floor").
  - ii) The VLSC may occupy, use and access Designated Portions of the Second Floor to conduct training, and to perform administrative and operational functions, such as recruiting, retention, fundraising activities, meetings, and community outreach. Other uses of the Station by the VLSC shall be agreed to with the City.
  - iii) While on duty or while training, the VLSC may access and use the locker rooms and showers.
  - iv) While on duty, the VLSC may access and use the first floor as necessary for operational functions.
  - v) No individual, including but not limited to City employees and VLSC Members, shall be permitted to bring alcohol or illegal drugs into the Station or on Station property.
  - vi) No individual, including but not limited to City employees and VLSC Members, shall be allowed to remain, or otherwise stay overnight in the Station.

- b) Both parties shall be responsible for maintaining the cleanliness, order, and general upkeep of the Station. Without limiting the foregoing, each party is particularly responsible for making a good faith effort to ensure the cleanliness, order, and general upkeep of the Station and property impacted by that party's use of the Station. The daily cleanliness, order and upkeep will be tracked and inspected daily utilizing an agreed upon Station Clean Up Check List.
- c) The VLSC may rent equipment owned by the City of Jacksonville Beach to administer lifesaving services and to respond to emergencies. The City and the VLSC will coordinate use of equipment in good faith. The City may terminate such rental arrangement(s) to utilize its equipment upon 30 days written notice. The list of equipment and agreed-to rental rate are provided in Addendum B attached hereto.
- d) Notwithstanding any provision to the contrary, the City reserves the right to restrict access to the Station, the property grounds, and City-owned ocean rescue service equipment, without notice during any situation or event in which the City's Emergency Operations Plan (EOP) goes into effect, regardless of the reason for or manner in which the EOP is activated. The City shall provide as much advance notice as reasonably possible under the circumstances then existing.
- e) Pursuant to the language contained in Section 4)i), the parties met in early 2024 and again in 2025 and agreed, as authorized under Section 3)a)ii), to the following additional uses of that Station by the VLSC:
  - i) The VLSC may occupy, use, and access City-designated space in the Station's Boat Room for the storage of rescue buoys, tower flags, and at least one (1) rescue board and one (1) surf ski.
  - ii) The VLSC may occupy, use, and access the first floor Training Room , provided the VLSC submits a request for such use at least seventy-two (72) hours in advance and JBOR has no scheduled or identified overlapping use. In the event JBOR needs training space but has authorized the use of the Training Room to the VLSC and is within the 72-hour window, the VLSC will allow use of a comparable space on the second floor.
  - iii) In the event portions of the building are rendered unusable or uninhabitable due to unforeseen circumstances (e.g., building renovations, fire, storm damage, act of god, etc.), JBOR and VLSC will work in partnership to share access and use of remaining habitable spaces within the building until areas are deemed habitable, and consider off-site locations to supplement space needs as necessary.
  - iv) The VLSC may utilize the main, easterly entrance and center stairway of the Station for access to the second floor for authorized VLSC functions.
  - v) Jacksonville Beach Ocean Rescue will not conduct tours of the Designated Portions of the Second Floor and will, except in the event of an emergency or inclement weather, refrain from transiting the Designated Portions of the Second Floor to access the Station PEG, whenever VLSC members are present in this area, for approved use.
  - vi) Of the two second-floor restrooms, one will be designated as a men's restroom, and the other as a women's restroom, with VLSC and JBOR access allowed to each.
- f) Neither the City nor the VLSC shall make physical alterations, improvements, or repairs to the Station (both exterior, interior, and including site work) without first consulting with the City's Property and Procurement Division for determination of

scope, regulatory and/or permit requirements (to include National Historic Register requirements), project management responsibilities, funding, and scheduling.

**4) VLSC Operations, Training and Certifications**

- a) The City will coordinate location and coverage on City beaches with the VLSC on VLSC designated days, however the City has the final authority to assign location and coverage on City beaches, without regard to whether such personnel is a City employee or a VLSC Member.
- b) The City will coordinate and communicate with the VLSC through the designated VLSC Officer of the Day.
- c) The VLSC and City agree that the VLSC will provide personnel coverage in accordance with the following schedule of coverage:

|   |  |
|---|--|
| <b>Tower Coverage</b>   |  |
| Beginning on the Service Date and for the duration of any term under this Agreement           | VLSC will man a minimum of two (2) beach towers.   |
| 30 Days after Service Date  | The Parties agree to a goal of VLSC manning a minimum of three (3) beach towers 30 days after the Service Date   |
| 60 Days after Service Date  | The Parties agree to a goal of VLSC manning a minimum of four (4) beach towers 60 days after the Service Date.   |
| The Sunday After Labor Day through the Last Sunday in September                               | VLSC will man a minimum of two (2) beach towers during this period.  |
| Off Season (defined as the First Sunday in October until Opening Day of the Beaches) Coverage | The VLSC will provide a minimum of one officer and two responding guards (each a VLSC Member) to be present and available to assist Jacksonville Beach Ocean Rescue ("JBOR"), including with patrols, but will not operate towers unless otherwise agreed to by the City and the VLSC. |
| Special Coverage  | JBOR will handle all missing child/parent cases, and all open watercraft incidents.  |

- d) The VLSC and City agree to the following protocol for handling emergency cases (flag drop or flag wave):

|                        |  |
|------------------------|--|
| <b>Emergency Cases</b> |  |
|------------------------|--|

|                      |  |
|----------------------|--|
|                      | <p>Upon indication of an emergency case, Ocean Rescue Supervisor or their designee will assign an emergency response team in the following preferred manner:</p>   |
| Priority             | <p>A JBOR officer will respond to the emergency in a JBOR vehicle, while a designated VLSC Member sits in the cab of the response vehicle. Upon arrival: (i) if the emergency is at the site of a JBOR designated tower, then the JBOR officer will take the lead on the emergency response; (ii) if the emergency is at the site of a VLSC designated tower, then the VLSC officer will take the lead on the emergency response; and (iii) if there is any question as to whether the emergency is at the site of a JBOR designated tower or a VLSC designated tower, then the JBOR officer will take the lead on the emergency response.</p>   |
| Secondary            | <p>If two JBOR vehicles are responding to emergencies, a designated VLSC Member will respond to any third emergency in a VLSC vehicle, if available, while a JBOR officer sits in the cab of the response vehicle. Upon arrival: (i) if the emergency is at the site of a JBOR designated tower, then the JBOR officer will take the lead on the emergency response; (ii) if the emergency is at the site of a VLSC designated tower, then the VLSC officer will take the lead in the emergency response; and (iii) if there is any question as to whether the emergency is at the site of a JBOR designated tower or a VLSC designated tower, then the JBOR officer will take the lead in the emergency response.</p> <p>The VLSC may, at its discretion, use a VLSC vehicle for guard changes at VLSC manned towers.</p>   |
| Controlling Standard | <p>Notwithstanding the foregoing, the Ocean Rescue Supervisor or their designee may assign emergency response teams and direct the appropriate response as deemed necessary to ensure expedient response to emergencies.</p> <p>To avoid confusion, the JBOR officer in the cab of the responding vehicle must clearly state that they are assuming command of any case at a VLSC staffed tower. JBOR or VLSC officers must refrain from boarding an already staffed responding vehicle to assign tasks to the VLSC and JBOR guards without the knowledge of the driver and cab person. To provide a learning experience when a JBOR officer takes control of an emergency case at a VLSC staffed tower, they will meet with the responding VLSC officer and VLSC officer of the day as soon as possible that day, to discuss the reason(s) for their decision.</p> <p>The JBOR supervisor or their designee will be in command in the event of a Code X, regardless of which agency is manning the tower.</p> |

- e) At least four calendar days in advance of providing service, the VLSC will submit to Ocean Rescue Supervisor or their designee a guard sheet identifying the individual lifeguards assigned to provide ocean rescue services on the Day of Service. Any required modifications to the assigned individual lifeguards will be made at the VLSC's earliest convenience, but when possible, no later than three days before the Day of Service. When assigning location and coverage, there is a preference that the towers operated by the VLSC will be located next to each other in a block. However, the Ocean Rescue Supervisor or their designee may intersperse VLSC-manned towers between JBOR-manned towers when deemed necessary pursuant to the unique circumstances of the day.
- f) On the Day of Service, the Ocean Rescue Supervisor or their designee may notify the VLSC that VLSC lifeguards need to be reassigned to different sections of the beach. Such notice shall be provided or confirmed in writing, if possible. When reassigning location and coverage there is a preference that the towers operated by the VLSC will be located next to each other in a block. However, the Ocean Rescue Supervisor or their designee may intersperse VLSC-manned towers between JBOR-manned towers when deemed necessary pursuant to the unique circumstances of the day.
- g) The City may observe the performance of the VLSC, including by monitoring VLSC Members on duty, when performing a rescue, or while administering care to an individual. If the City observes material deficiencies, a City representative may report the issue to the designated VLSC Officer of the Day on Duty to address the report. In cases of immediate public safety or emergency, the Ocean Rescue Supervisor or their designee may direct that a VLSC Member take certain immediate action to assist in addressing the pending emergency.
- h) The City and the VLSC may, but neither are required to, hereafter agree that the VLSC operate greater than the number of towers specified in the above schedules or to otherwise modify the above schedules. Any modification must be in writing signed by the Parties.
- i) In January 2024, or as soon thereafter as possible, and each January thereafter during the Term(s) of this Agreement, the City and the VLSC will meet to debrief the prior year's operations and address the scope and level of VLSC operations for the remainder of the Term(s).
- j) VLSC Members, while volunteering for the VLSC and providing the City with supplemental ocean rescue and lifeguard services, shall be required to expressly agree to abide and be governed by City policies governing the personal conduct of City employees.

## **5) Training and Certifications**

- a) The VLSC shall maintain accreditation as a United States Lifeguard Association (USLA) Advanced Agency.
- b) Each VLSC Member selected or assigned by the VLSC to perform ocean rescue and lifeguarding services pursuant to this Agreement shall be certified to USLA Advanced Agency standards, at a minimum. The VLSC is a certified USLA agency, and accordingly, when a new VLSC Member successfully completes VLSC training classes that member

meets USLA standards. Likewise, when a returning VLSC Member completes the yearly refresher training he or she meets USLA standards. The VLSC shall maintain all records related to the certifications regarding the training and experience of its members who perform ocean rescue and lifeguard services pursuant to this Agreement. The VLSC shall provide to the City Ocean Rescue Supervisor or their designee documentation reflecting USLA certification for each VLSC Member who will be providing ocean rescue or lifeguarding services under this Agreement. Documentation of certification shall be provided to the City at least one week before that VLSC Member provides ocean rescue or lifeguarding services. Notwithstanding the foregoing, the City Ocean Rescue Supervisor or their designee may permit the documentation to be provided to the City less than one week before the VLSC Member provides ocean rescue or lifeguarding services.

- c) Each party shall be separately responsible for conducting its own recruitment, testing, and training of its staff or members. The parties shall not share agreements, contracts, permits, insurance policies, or the like, for the use of any outside facilities for education or training, nor otherwise participate jointly during either party's preparation, undertaking, or performance of any of these activities.
- d) The City and the VLSC shall each secure their own, separate, Medical Director.

## **6) Standards of Conduct**

- a) The City and VLSC each separately acknowledge that they do not tolerate, in any form, harassment or intimidation (ritualistic or otherwise) of any of their respective volunteers, members, employees, or members of the public.
- b) The City and the VLSC each separately acknowledge that they do not engage in, encourage, allow, or tolerate hazing of any kind of or by any of their respective volunteers, members or employees.
- c) The VLSC's formally-adopted written Constitution prohibits hazing by and of VLSC Members. Specifically, Section 08.02.02 specifies that hazing, as defined by the Florida Chad Meredith Act, is prohibited and constitutes a major offense. The penalties for a major offense are punishable as a breach of fellowship, conduct unbecoming of a Corps member or public discredit, each of which may be dealt with by dishonorable discharge of the offending member from the VLSC. It is important to distinguish between "hazing" and training for effectively reacting to stressful situations that occur during ocean rescue operations. Certain training activities are necessary to prepare lifeguards for high-stress situations that will be faced in rescues.
- d) If the City observes conduct by a VLSC Member that constitutes hazing, the Ocean Rescue Supervisor or their designee shall report the incident to the VLSC Officer of the Day. The VLSC will investigate the report and discipline the VLSC Member as appropriate consistent with the VLSC Constitution. Nothing herein shall prohibit or otherwise prevent or operate to delay either party from reporting any suspect conduct or practices of the other party to law enforcement.
- e) If the VLSC observes conduct by a Jacksonville Beach Ocean Rescue employee that constitutes hazing, the VLSC Officer of the Day shall report the incident to the Ocean Rescue Supervisor or their designee. The City will investigate the report and discipline the employee as appropriate consistent with City policies.

- f) The VLSC's formally-adopted written Constitution prohibits City Ocean Rescue employees from serving as VLSC lifeguard volunteers. Specifically, Section 03.01 of VLSC's Constitution excludes JBOR employees from membership in the VLSC.
- g) To the fullest extent required by law, each VLSC Member performing lifeguard and ocean rescue services hereunder shall be required to undergo background screening and drug testing prior to performing lifeguard and ocean rescue services pursuant to the terms of this Agreement. Background screening shall include fingerprinting for criminal history checks. Drug testing shall be performed by a Certified Healthcare Professional. Background screening and drug testing shall be at the sole expense of the VLSC or the subject VLSC Member. The VLSC agrees to establish an account with Criminal Justice Information Services (CJIS), or similar background screening organization. To the extent permissible by law, the VLSC shall ensure that results of background checks may be transmitted securely to the City upon request. All documentation resulting from the requirements herein specified shall be provided as expressly stated herein prior to the performance of volunteer services pursuant to this Agreement. The VLSC shall not approve or place a member into service to perform ocean rescue or lifeguarding services without first providing documentation to the City that such member satisfactorily passed the required background check and drug screening.
- h) A prospective member of the VLSC seeking to perform ocean rescue or lifeguarding services fails to satisfactorily pass the required background check if the background check reveals a conviction of a felony criminal offense within the five (5) years preceding application.
- i) A prospective member of the VLSC seeking to perform ocean rescue or lifeguarding services fails to satisfactorily pass the required drug screening if the drug screening reveals the presence of illegal narcotics in the applicants' system unless the narcotics are legally prescribed for use by the applicant.

## **7) Insurance and Indemnification**

- a) The VLSC agrees to provide General liability insurance in the amount of \$1,000,000 per incident/ \$2,000,000 aggregate for volunteers working under VLSC direction and control and within the scope of their VLSC duties, naming the City as additional insured.
- b) As an independent volunteer organization, VLSC is not required to provide Workers' Compensation coverage for VLSC Members.
- c) VLSC Members may not drive any unauthorized vehicles on the beach. No VLSC Member or volunteer shall drive on the beach unless such member or person has successfully completed a Beach Driver Training Course provided by the City's Ocean Rescue Division at least once per calendar year for any term of this Agreement. A Beach Driving Pass good for one year will be issued by the City's Ocean Rescue Division to each VLSC Member who successfully completes the course. Only those drivers possessing a valid Beach Driving Pass and a valid state-issued driver's license shall be allowed to drive on the beach. Date and time for beach entry and exit by an authorized VLSC vehicle shall coincide with any days and times that the VLSC is authorized to provide services on the beach, which includes the days of services described in Section 2, as well as periodic VLSC training or events for which VLSC has provided at least 72 hours' notice and the City's Parks and Recreation Department has provided advanced approval. The City

reserves the right to revoke any Beach Driving Pass for cause, which shall be determined by the Ocean Rescue Supervisor.

- d) The VLSC agrees to defend, hold harmless, and indemnify the City, its past and current elected and appointed officials, employees, agents, and volunteers from, without limitations, all losses, claims, demands, and liability, including actual attorneys' fees and costs, without regard to foreseeability or whether such is brought as an action in law or equity or as an administrative investigation, review, or proceeding, and which arises out of, from, or is/are in any way related to any term of this Agreement or the services provided hereunder, and any decision related thereto, including third-party claims against the City, its elected and appointed officials, employees, agents, contractors, and volunteers for losses, claims, demands, and liability for bodily injury, death, and/or property damage arising from the negligence of the VLSC or a VLSC Member performing services hereunder.

## **8) Documentation**

- a) The following documentation shall be submitted by the VLSC to the City's Director of Parks and Recreation prior to the Service Date of this Agreement, and for any extended term thereafter, by no later than Opening Day of the Beaches. Annual document submission shall not be required for those documents that are valid for 3 years. Such documents shall be resubmitted upon renewal.
  - i) VLSC Annual Report filed with the Florida Department of State, Division of Corporations, which shows that the VLSC is registered to conduct lawful activities in the State of Florida for the relevant reporting year, or the substantive equivalent thereof.
  - ii) Proof of the VLSC's accreditation as a USLA Advanced Agency.
  - iii) Written By-Laws and Policies formally adopted by the VLSC by which individuals employed by the City to provide ocean rescue and lifeguard services are rendered ineligible to serve as a VLSC lifeguard or to provide volunteer ocean rescue services with the VLSC for the City.
  - iv) Proof that the VLSC has an active account with CJIS, or similar background screening organization, and the name(s) of the VLSC Member(s) holding current applicable certification.
  - v) A Certificate of General Liability Insurance naming the City as additional insured.
  - vi) A Certificate of Automobile Insurance for all VLSC vehicles naming the City as additional insured.
- b) The VLSC shall not submit any document hereunder that contains materially false information and, at the time of submission, the VLSC knew or should have known such information was false.

## **9) Termination For Cause by the City.**

- a) This Agreement may be terminated before the expiration of the Term by the City should the VLSC: (i) fail to provide coverage of assigned towers for an entire day on a Day of Service on three separate Days of Service within one calendar year; or (ii) knowingly permit a VLSC Member who does not have a valid Beach Driving Pass to drive a vehicle on the beach without consent of the Ocean Rescue Supervisor or their designee; (iii) knowingly permits a VLSC Member who has not received required training and certifications to provide lifeguarding or ocean rescue services under this Agreement; (iv) knowingly permits a VLSC Member who failed either the background check or drug screening test to provide ocean rescue or lifeguarding services on Jacksonville Beach, or any combination of these events.
- b) The City may also terminate this Agreement before the expiration of the Term for a "Terminable Offense." For purposes of this Agreement Terminable Offense shall be defined as a failure to comply with any term herein, exclusive of the terms for which termination can occur under paragraph 9(a), which has not been cured by the VLSC within 20 calendar days from the date on which City provided VLSC written notice of the Terminable Offense.
- c) The City shall provide the VLSC written notice of the Terminable Offense and provide the VLSC twenty (20) calendar days to cure the breach. The Parties agree that the VLSC may sufficiently cure a Terminable Offense by, among other ways, disciplining or discharging any VLSC Member responsible for committing the Terminable Offense in accordance with VLSC's constitution.
- d) The City and the VLSC shall maintain a record of any alleged Terminable Offenses claimed by the City or identified by the VLSC on its own, including all documents and communications from the claim through the final disposition.

## **10) Use of Station After Termination**

- a) If this Agreement is terminated, the VLSC may continue to occupy, use and access the Station for an additional eighteen (18) months from the date of Termination but must vacate the Station by no later than 11:59 p.m. Eastern on the final day and leave the Station in broom clean condition. Shall VLSC fail to vacate the Station as required by this section, the VLSC shall pay the City "holdover rent" in the amount of \$250.00 per day until such time as VLSC vacates the station.

## **11) Third Party Provision of Lifeguard Services.**

- a) This Agreement shall not be interpreted to prevent the City from turning over responsibility for providing lifeguarding services along Jacksonville Beach seven days per week and holidays to a third party engaged to provide such services, nor from accepting volunteer lifeguarding services from other individuals or organizations. Should the City decide to discontinue providing lifeguarding services or to turn such services over to be performed by a third party, such decision shall constitute the termination of this Agreement and the VLSC's continued occupation and use of the Station shall be in accordance with the provisions contained in Section 10 (Use of Station After Termination). For purposes of this Section 11, this Agreement will terminate upon the start date for the third party provider, unless this Agreement is otherwise terminated as provided herein.

## 12) General Provisions

- a) Headings. Section headings are for the convenience of the parties and not to be construed as creating or limiting any contractual expectation or obligation set forth herein.
- b) Amendments. This Agreement may only be amended in writing and executed by both parties.
- c) Entire Agreement. This Amended and Restated Agreement, including any Addendums thereto, constitutes the entire agreement between the parties. All prior written and oral agreements between the parties are hereby superseded by this Agreement, and no oral representation or warranty, whether first occurring prior or subsequent to this Agreement, shall be considered binding hereunder unless in writing and signed by both parties.
- d) Assignment. The VLSC shall not assign or transfer any of its rights and obligations under this Agreement.
- e) Public Records. The VLSC is required to comply with the requirements contained in Chapter 119, Florida Statutes, as amended, pertaining to public records.

**IF THE VLSC HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE VLSC'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (904) 247-6250, [CityClerk@jaxbchfl.net](mailto:CityClerk@jaxbchfl.net), 11 N. THIRD STREET, CITY HALL, 1<sup>st</sup> FLOOR, JACKSONVILLE, FL 32250.**

VLSC must specifically:

- i) Keep and maintain public records required by the City to perform the service.
- ii) Upon request from City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
- iii) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if VLSC does not transfer the records to the City.

- iv) Upon completion of the contract, transfer, at no cost, to the City all public records in possession of VLSC or keep and maintain public records required by the public agency to perform the service. If VLSC transfers all public records to the City upon completion of the contract, VLSC shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If VLSC keeps and maintains public records upon completion of the contract, VLSC shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the City.
- f) Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Florida and the venue shall be in Duval County, Florida.
- g) Severability. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permissible under the law. Accordingly, if any provision of this Agreement is determined to be partially or wholly invalid, illegal or unenforceable, then the provision shall be modified or restricted to the extent necessary to make the provision valid, binding and enforceable. Notwithstanding the foregoing, if the United States Department of Labor ("DOL") determines that VLSC Members are employees and that the City of Jacksonville Beach is their employer or joint employer for purposes of Fair Labor Standards Act or other laws administered by the DOL, then the VLSC and the City shall attempt to renegotiate the terms of this Agreement to comply with those laws. While the VLSC and City attempt negotiate compliant terms, the VLSC shall not be permitted to provide ocean rescue services in Jacksonville Beach under this Agreement. Nothing herein shall prohibit nor require the VLSC from challenging any decision by the DOL to the full extent of the law and through all available appeals.
- h) The VLSC and the City agree that nothing herein constitutes or shall be construed to constitute any suggestion that-for purposes of any local, state, or federal law, including but not limited to wage-and-hour laws:
  - i) VLSC Members are employees of the VLSC, the City, or any other putative employer or joint employer, or that VLSC Members are anything other than bona fide volunteers;
  - ii) Any other of their respective volunteers are employees of the VLSC, the City, or any other putative employer or joint employer; or
  - iii) The VLSC and the City are joint employers of any of each's respective employees.
- i) The VLSC and the City agree that nothing in this Agreement creates, or shall be construed to create, a partnership of any kind, including a public-private partnership.

- j) Notices. Unless otherwise expressly provided herein, any notice or document required by this Agreement shall be delivered to:

City of Jacksonville Beach  
c/o City Manager's Office  
11 North Third Street  
Jacksonville Beach, FL 32250

Volunteer Life Saving Corps  
c/o Registered Agent  
427 North 3<sup>rd</sup> Street  
Jacksonville Beach, FL 32250

- k) The City's failure to exercise any of its rights or discretion hereunder shall not constitute or be construed as a waiver of any right of the City or any breach by the VLSC.
- l) Authority to sign. Each party hereby certifies that the person executing this Agreement on its behalf is authorized to do so and agrees to be legally bound by said execution. At all times relevant to the performance of this Agreement, the City hereby authorizes the City Manager to take any necessary action in the furtherance of its terms, including the execution of any document necessary or advisable, as determined by the City Manager in his sole discretion. This authorization shall not extend to the amendment of any substantive terms of the Agreement.

**REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

CITY OF JACKSONVILLE BEACH

By:

Sign: \_\_\_\_\_

Print: Christine Hoffman

Title: Mayor

Date: \_\_\_\_\_

By:

Sign: \_\_\_\_\_

Print: Michael J. Staffopoulos

Title: City Manager

Date: \_\_\_\_\_

Attest:

Sign: \_\_\_\_\_

Print: Molly Alleger

Title: City Clerk

Date: \_\_\_\_\_

Approved as to form and legal sufficiency:

Sign: \_\_\_\_\_

Print: David Migut

Title: City Attorney

Date: \_\_\_\_\_

VOLUNTEER LIFE SAVING CORPS

By:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

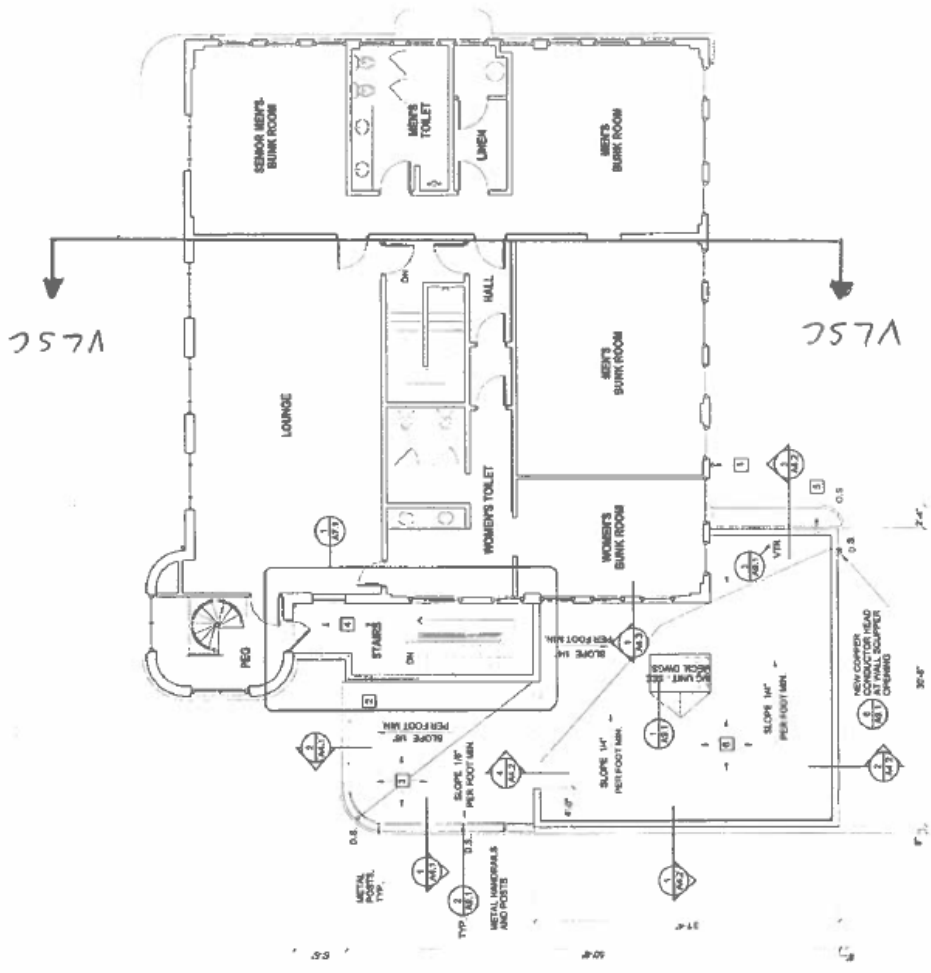
Title: \_\_\_\_\_

Date: \_\_\_\_\_

# ADDENDUM A Designated Portions of the Second Floor

|   |   |  |   |                  |
|---|---|--|---|------------------|
| <b>Ebert Norman Brady Architects</b><br><small>1811 13th Avenue South, Suite 200, Jacksonville, Florida 32218<br/>         Tel: 904.391.8887 Fax: 904.391.7538 www.ebertnormanbrady.com</small> | <b>FLOOR PLAN - 2ND FLOOR</b><br>RED CROSS LIFE SAVING CORP STATION ADDITION<br><small>1811 STREET NORTH AND BEACH BOULEVARD<br/>         JACKSONVILLE BEACH, FLORIDA</small> |  | PROJECT NO.:<br>ISSUE DATE:<br>10-10-11<br>10-10-11 | DRAWN BY:<br>RCB |
|---|---|--|---|------------------|

- KEYED NOTES:**
- 1 NEW 1/2" THICK CONCRETE DOWNPOUT CONNECT TO EXISTING CONCEALED BUTTER NEW DRAIN DOWN
  - 2 4" HIGH x 8" THICK OVERLAP DRAINAGE OPENING IN STAIR LANDING WALL. BOTTOM OF DRAINAGE OPENING FLUSH WITH CONCRETE STAIR LANDING FINISHED SURFACE. EXTEND AND APPLY ROOF COATING INTO OVERLAP OPENING SURFACES.
  - 3 FLUID APPLIED ROOF MEMBRANE SYSTEMS INSTALLED OVER CONCRETE ROOF MEMBRANE SYSTEMS AND MANUFACTURED BY SIKU® - TERAPROOF ROOF MEMBRANE SYSTEMS.
  - 4 LIQUID APPLIED PROFESSIONAL TRAFFIC WATERPROOF SYSTEM PRODUCT OVER CONCRETE STAIR LANDING, TRAILS AND RISERS (MANUFACTURED BY SIKU® - TERAPROOF WATERPROOFING SYSTEM).
  - 5 4" HIGH x 8" WIDE STAINLESS STEEL OVERFLOW DRAINAGE (CLIPPER IN PROFILE) WALL. SEE DETAIL S.M.2
  - 6 FLUID APPLIED ROOF MEMBRANE SYSTEMS INSTALLED OVER LIGHT-WEIGHT INSULATING CONCRETE ROOF SYSTEMS. SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH MANUFACTURER'S RECOMMENDATIONS AND ALL MATERIALS SHALL BE INSTALLED IN ACCORDANCE WITH ROOFING MANUFACTURERS' REQUIREMENTS.




**FLOOR PLAN - 2ND FLOOR**  
 SCALE: 3/16" = 1'-0"

2nd Floor Area for VLSA  
Access and Use

**ADDENDUM B  
Equipment List**

**City-owned Equipment Authorized to be Shared by the  
City of Jacksonville Beach and the Volunteer Life Saving Corps**

| <b>ASSET CLASS</b> | <b>ASSET DESCRIPTION</b>   |
|--------------------|--|
| Communications     | Motorola Radios (from P.D.; x2)<br>West Marine Radio   |
| Equipment          | Soft Buoy (x12)<br>Burnside Buoys (x52)<br>Warning Flags   |
| Furnishings        | Coke Machine (leased)<br>Ice Machine (leased)<br>Office Furniture<br>Refrigerator (donated)<br>Workout Equipment |
| Towers             | Lifeguard Towers<br>Tower Poles<br>Tower Umbrellas (x32)   |

**Equipment Owned by the City of Jacksonville Beach Authorized for  
Use Exclusively by Employees of the City of Jacksonville Beach  
or for Rent by the Volunteer Life Saving Corps**

| <b>ASSET CLASS</b> | <b>ASSET ID.</b>       | <b>ASSET DESCRIPTION</b> |
|--------------------|------------------------|--------------------------|
| Communications     | 000000000004203        | Motorola Handheld Radio  |
|                    | 000000000011270        | Motorola APX1000 Radio   |
|                    | 000000000011271        | Motorola APX1000 Radio   |
|                    | 000000000003362        | Motorola MTS2000 Radio   |
|                    | 000000000003363        | Motorola MTS2000 Radio   |
|                    | 000000000003368        | Motorola MTS2000 Radio   |
|                    | 000000000003370        | Motorola MTS2000 Radio   |
|                    | 000000000003374        | Motorola MTS2000 Radio   |
|                    | 000000000003376        | Motorola MTS2000 Radio   |
|                    | 000000000003379        | Motorola MTS2000 Radio   |
|                    | 000000000003381        | Motorola MTS2000 Radio   |
|                    | 000000000003389        | Motorola MTS2000 Radio   |
|                    | 000000000003390        | Motorola MTS2000 Radio   |
|                    | 000000000003398        | Motorola MTS2000 Radio   |
|                    | 000000000003403        | Motorola MTS2000 Radio   |
|                    | 000000000003409        | Motorola MTS2000 Radio   |
| 000000000003415    | Motorola MTS2000 Radio |                          |

|           |                 |  |
|-----------|-----------------|--|
|           | 000000000003418 | Motorola MTS2000 Radio   |
|           | 000000000003425 | Motorola MTS2000 Radio   |
|           | 000000000003434 | Motorola MTS2000 Radio   |
|           | 000000000003437 | Motorola MTS2000 Radio   |
|           | 000000000003443 | Motorola MTS2000 Radio   |
|           | 000000000003446 | Motorola MTS2000 Radio   |
|           | 000000000003452 | Motorola MTS2000 Radio   |
|           | 000000000003455 | Motorola MTS2000 Radio   |
|           | 000000000003456 | Motorola MTS2000 Radio   |
|           | 000000000005691 | Motorola MTS2000 Radio   |
|           | 000000000011816 | Motorola APX900 7/800 Radio  |
|           | 000000000011817 | Motorola APX900 7/800 Radio  |
|           | 000000000011818 | Motorola APX900 7/800 Radio  |
|           | 000000000011819 | Motorola APX900 7/800 Radio  |
|           | 000000000011820 | Motorola APX900 7/800 Radio  |
|           | 000000000011821 | Motorola APX900 7/800 Radio  |
|           | 000000000011822 | Motorola APX900 7/800 Radio  |
|           | 000000000011823 | Motorola APX900 7/800 Radio  |
|           | 000000000011824 | Motorola APX900 7/800 Radio  |
|           | 000000000011825 | Motorola APX900 7/800 Radio  |
|           | 000000000011826 | Motorola APX900 7/800 Radio  |
|           | 000000000011827 | Motorola APX900 7/800 Radio  |
|           | 000000000002202 | Radio MTS2000 I Portable 800M                                      |
|           | 000000000005398 | Radio Portable MTS2000 Series                                      |
| Equipment |                 | Backboards (x8)  |
|           | 000000000007517 | Zoll Defibrillator AED Plus  |
|           | 000000000007518 | Zoll Defibrillator AED Plus  |
|           | 000000000007519 | Zoll Defibrillator AED Plus  |
|           | 000000000009476 | Zoll Defibrillator AED Plus<br>Defibrillator AED Plus (from Fire)  |
|           | 000000000011669 | Phantom 4 Pro + Quadcopter   |
|           |                 | Jet Ski Gear (multiple pieces)                                     |
|           | 000000000005430 | Lifesled and IT with Nose guard<br>Lifesled and IT with Nose guard |
|           | 000000000007395 | Rescue Board (Yellow 10'x6")                                       |
|           | 000000000003854 | Rescue Board (10'x6")  |
|           | 000000000011475 | Rescue Board (Big Red 11'x9")                                      |
|           |                 | Rescue Boards (x11)  |
|           | 000000000010324 | Ski Fenn Lifesaving Surf Ski                                       |
|           | 000000000010292 | Trailer (Kayak Carrier)  |
|           | 000000000007628 | Utility Trailer with Ramp (82"x21')                                |

|                  |                 |   |
|------------------|-----------------|---|
|                  |                 | Medical Equipment Boxes (x26, vital, transport, 02, trauma) |
|                  |                 | Miscellaneous Ladders                                       |
|                  |                 | Miscellaneous Tools (drivers, drills, etc.)                 |
| Office Equipment | 000000000012528 | Dell Latitude 5420 XCTO Base                                |
|                  | 000000000012529 | Dell Latitude 5420 XCTO Base                                |
|                  |                 | ExecuTime Time Clock  |
|                  |                 | IT Equipment (Desktop and Printer)                          |
|                  |                 | Miscellaneous Cabinets (x4)                                 |

**Vehicles Owned by the City of Jacksonville Beach and Authorized  
for Exclusive Use by City of Jacksonville Beach Employees**

| <b>ASSET CLASS</b> | <b>ASSET ID.</b> | <b>ASSET DESCRIPTION</b>             |
|--------------------|------------------|--------------------------------------|
| Vehicles           | 000000000012612  | 2022 Club Car Carryall (#614)        |
|                    | 000000000012418  | 2021 Chevrolet Silverado 2500 (#604) |
|                    | 000000000010613  | 2021 Chevrolet Silverado 2500 (#606) |
|                    | 000000000011694  | 2020 Carryall 1700D (#612)           |
|                    | 000000000011695  | 2020 Carryall 1700D (#613)           |
|                    | 000000000011316  | 2018 Chevrolet Colorado (#609)       |
|                    | 000000000010680  | 2014 Yamaha Waverunner Jet Ski       |
|                    | 000000000007602  | Astro Spectra Mobile W4              |
|                    |                  | Yamaha Outboard Motor (25MSHD)       |



| CITY COUNCIL AGENDA ITEM |   |
|--------------------------|---|
| TO:                      | Michael J. Staffopoulos, City Manager         |
| FROM:                    | Molly Alleger, City Clerk                     |
| DATE:                    | March 2, 2026                                 |
| SUBJECT:                 | Board of Adjustment 2nd Alternate Appointment |

**BACKGROUND**

At the December 1, 2025 Council Meeting, the City Council appointed Alex Ertel as 2nd Alternate for the Board of Adjustment. Subsequent to his appointment, Mr. Ertel contacted the City Clerk's Office to decline the appointment due to time constraints. At the February 9 Council Briefing, thirteen applicants were discussed for potential appointment. Staff requests that the Council appoint a new 2nd Alternate for the Board of Adjustment to fill the remainder of the term beginning immediately upon approval and expiring December 31, 2029.

**FINANCIAL IMPACT**

No financial impact

**REQUESTED ACTION**

Appoint \_\_\_\_\_ as the 2nd Alternate on the Board of Adjustment

**ATTACHMENTS**

1. Feb 2026 Board Applicants

February 2026 Board of Adjustment Applicants

| Applicant Name         | Address                   | Board interest         | Application date | Interview date    | Comments   |
|------------------------|---------------------------|------------------------|------------------|-------------------|--|
| Anthony Recco          | 508 9th Ave N.            | 1 - BOA<br>2 - CRA     | 1/2/2025         | 8/9/2023          | 2/2/26 - Interested in BOA 2nd Alt.  |
| Raymond Bragg          | 2002 Oceanfront S.        | 1 - CRA<br>2 - BOA     | 1/27/2025        | 8/9/2023          | 2/2/26 - No response to voicemail or email   |
| Brent Knauff           | 514 Palm Tree Rd          | 1 - PC<br>2 - BOA      | 3/7/2024         | 6/21/2024         | 2/2/26 - Stated he was unsure but would respond to email at later date - no response |
| Michelle Gaudins       | 1741 1st Street N.        | 1 - BOA<br>2 - PC      | 3/11/2024        | 6/20/2024         | 2/2/26 - No response to email and phone number disconnected                          |
| Robert (Bobby) Knudsen | 1655 The Greens Way #2511 | 1 - BOA<br>2 - CRA     | 3/11/2024        | 6/20/2024         | 2/2/26 - Interested in BOA 2nd Alt.  |
| Mary Ostroska          | 2793 St. John's Blvd      | 1 - BOA<br>2 - CRA     | 3/18/2024        | 6/21/2024         | 2/2/26 - Interested in BOA 2nd Alt.  |
| Margarete Vest *       | 615 4th Ave N.            | 1 - PC<br>2 - BOA      | 7/2/2024         | 7/25/2024         | 2/2/26 - Interested in BOA 2nd Alt.  |
| David Weisblatt        | 116 19th Ave N. Apt. 501  | 1 - Pension<br>2 - BOA | 7/2/2024         | 7/24/2024         | 2/2/26 - Interested in BOA 2nd Alt.  |
| Erica Cassidy          | 1027 24th St. N           | 1 - PC<br>2 - BOA      | 7/15/2024        | 7/25/2024         | 2/2/26 - Interested in BOA 2nd Alt.  |
| James Groark           | 113 3rd Ave S.            | 1 - CRA<br>2 - BOA     | 11/18/2024       | 10/10/2025        | 2/2/26 - Interested in BOA 2nd Alt.  |
| Victor Melone          | 3544 Bay Island Circle    | 1 - CRA<br>2 - BOA     | 8/27/2025        | 10/10/2025        | 2/2/26 - Interested in BOA 2nd Alt.  |
| Gregory Hicks          | 522 6th Ave S.            | 1 -BOA<br>1 - CRA      | 9/2/2025         | Pending Interview |  |

\* CIA participant



| CITY COUNCIL AGENDA ITEM |   |
|--------------------------|---|
| TO:                      | Michael J. Staffopoulos, City Manager   |
| FROM:                    | Trevor Hughes, Chief of Parks Development and Maintenance                         |
| DATE:                    | March 2, 2026   |
| SUBJECT:                 | Resolution No. 2204-2025 Adopting the Amended Jacksonville Beach Golf Club Bylaws |

**BACKGROUND**

At the City Council meeting on November 17, 2025, the City Council reviewed a proposed resolution to amend the Jacksonville Beach Golf Club Bylaws. It was the City Council’s consensus to table the resolution for future consideration with a recommendation to pursue a balanced approach that would improve fair access to prime tee times for the broader community, while continuing to honor recognized league traditions.

Staff met with representatives from each of the leagues and established agreeable compromises that preserve all recognized league play, while making 26 prime tee times per week available to the public. Prime tee times are between the hours of 7:30 AM and 9:30 AM.

The following is a summary of the current and proposed changes in league hours and prime tee times (1 tee time = 4 golfers):

| Day                          | League         | Current   |           | Proposed  |           | Gain in Tee Times |
|------------------------------|----------------|-----------|-----------|-----------|-----------|-------------------|
|                              |                | AM Hours  | Tee Times | AM Hours  | Tee Times |                   |
| Monday                       | Senior Men's   | 7:30-9:30 | 14        | 10 - noon | -         | 14                |
| Tuesday                      | Ladies         | 9 - 10    | 8         | no change | 8         | -                 |
| Wednesday                    | Senior Men's   | 7:30-9:30 | 17        | no change | 17        | -                 |
| Thursday                     | Ladies         | 9 - 10    | 8         | no change | 8         | -                 |
| Saturday                     | Saturday Mixer | 7:30-9:30 | 22        | no change | 14        | 8                 |
| Sunday                       | Sunday Mixer   | 7:30-9:30 | 13        | no change | 9         | 4                 |
| <b>Total Prime Tee Times</b> |                |           | <b>82</b> |           | <b>56</b> | <b>26</b>         |

To further improve competitive access to prime tee times, staff recommend the advance booking window should be reduced from 21 days to 10 days for Beach Pass holders, and from 14 days to 7 days for other golfers.

**FINANCIAL IMPACT**

There is no financial impact projected for the City for the implementation of these changes.



REQUESTED ACTION

Adopt/Deny Resolution No. 2204-2025 Adopting the Amended Jacksonville Beach Golf Club Bylaws

ATTACHMENTS

1. Resolution No. 2204-2025
2. Amended Golf Club Bylaws (Markup)

Introduced by: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**RESOLUTION NO. 2204-2025**

**A RESOLUTION OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, ADOPTING THE AMENDED JACKSONVILLE BEACH GOLF CLUB BYLAWS; REPEALING PRIOR POLICIES AND PROCEDURES IN CONFLICT HERewith; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, the City of Jacksonville Beach (“City”) operates the Jacksonville Beach Golf Club (“Golf Club”); and

**WHEREAS**, the City Council previously adopted Bylaws for the Golf Club in 2011; and

**WHEREAS**, the City has determined it is in the best interests of the City and the public to amend the Golf Club Bylaws to update policies governing membership, play, tournaments, conduct, course care, and administration; and

**WHEREAS**, the adoption of these amended Bylaws will provide a comprehensive and consistent framework for operations, safety, fairness, and enjoyment at the Golf Club, and will supersede any prior conflicting rules or procedures.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, THAT:**

**SECTION 1. ADOPTION OF RECITALS.** The foregoing recitals are deemed true and are fully incorporated herein by reference.

**SECTION 2. ADOPTION OF AMENDED GOLF CLUB BYLAWS.** The City Council of the City of Jacksonville Beach hereby adopts the amended “Jacksonville Beach Golf Club Bylaws,” attached hereto as Attachment “A” and incorporated herein by reference, to govern the operation, use, and management of the Jacksonville Beach Golf Club.

**SECTION 3. AUTHORITY DELEGATED TO CITY MANAGER.** The City Manager is authorized to implement and enforce the provisions of the Golf Club Bylaws and to make administrative updates consistent with their intent, subject to City Council approval for substantive amendments.

**SECTION 4. REPEAL OF CONFLICTING POLICIES.** All prior rules, resolutions, or administrative procedures governing the operation of the Jacksonville Beach Golf Club that are inconsistent with the amended Golf Club Bylaws attached hereto as Attachment “A” are hereby repealed to the extent of such conflict.

**SECTION 5. SEVERABILITY.** If any section, sentence, clause, or phrase of this resolution should be held invalid, unlawful, or unconstitutional, said determination shall not be held to invalidate or impair the validity, force, or effect of any other section, sentence, phrase, or portion of this resolution not otherwise determined to be invalid, unlawful, or unconstitutional.

**SECTION 6. EFFECTIVE DATE.** This Resolution shall become effective April 1, 2026.

**AUTHENTICATED** this \_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Christine H. Hoffman, Mayor

\_\_\_\_\_  
Molly Alleger, City Clerk

Approved as to form and legal sufficiency:

\_\_\_\_\_  
David Migut, City Attorney

## ATTACHMENT "A" TO RESOLUTION 2204-2025

### **2026 BYLAWS OF THE CITY OF JACKSONVILLE BEACH D/B/A JACKSONVILLE BEACH GOLF CLUB**

#### **PURPOSE OF CLUB**

The Jacksonville Beach Golf Club is established to provide accessible, affordable, and high-quality recreational golfing opportunities for residents and visitors. These bylaws govern the use of the course and promote safe, fair, and enjoyable play.

#### **AUTHORITY**

The City Manager shall establish policies for the golf course and Golf Club. The following definitions shall be incorporated in the policies:

**ADVANCED GROUP RATE:** A rate provided for groups with 12 or more participants seeking to book tee times in advance of the standard period. The rate shall be the prevailing rate plus the group rate premium per golfer.

**ANNUAL PASS:** Prepayment of Greens Fees in advance. No new passes shall be issued as of January 1, 2002. Passes that exist on the effective date of these Bylaws may be renewed on the annual anniversary of the date of purchase. Any passes not renewed within 30 days of the annual anniversary date will expire and will not be eligible for renewal. Annual Pass fees are \$395 for residents and \$600 for non-residents. Cart fees for Annual Pass holders are \$20 for 18 holes and \$15 for 9 holes. Annual Passes are not transferable.

**BEACH PASS:** A person who is an active Beaches Energy Services (BES) residential customer. All applicants will be verified through Utility Billing and a current Driver's License. If utilities are not listed in applicant's name, applicant's name is required to be listed as a third party at that residential address in the Utility Billing system. BES Residential Customers qualify for the Beach Pass, which is valid for 365 days from date of purchase.

**COLLEGE GOLFER:** A full-time college student currently participating on a collegiate golf team.

**FIRST RESPONDER:** Active or retired military personnel, or active police, EMT or fire fighter personnel. First Responder rates apply Monday through Thursday only (walking or riding). First Responder rates do not apply on Holidays that fall on weekdays.

**GOLF STAFF EMPLOYEES:** Golf staff employees may play with their guests only during unused tee times and at the discretion of the Head Golf Professional. The golf staff employee rate is stipulated in the Rate Resolution and their guests may pay the Beach Pass rate.

**JUNIOR:** A person 15 years of age or under. Junior rates apply after 12:00 p.m. (noon) weekdays and weekends (walking or riding).

**LEAGUE FEE:** An annual fee, paid per golfer, to join one of the recognized leagues at Jax Beach Golf Club. It does not include greens fees or cart fees.

**SENIOR:** A person, age 65 or over, regardless of the location of the senior's residence. Senior rates apply Monday through Thursday only (walking or riding). Senior rates do not apply on Holidays that fall on weekdays.

**SPECTATOR CART:** A golf cart used by a non-golfer wishing to accompany a playing golfer in a separate golf cart.

**SHOTGUN START:** Groups or tournaments wishing to include shotgun starts must have a minimum of 80 golfers and will be charged the prevailing rate plus shotgun premium per golfer.

**TOURNAMENT:** A scheduled, organized event that is approved by the Parks and Recreation Department and coordinated with the Head Golf Professional.

### **GENERAL RULES OF PLAY**

1. USGA Rules: All play shall be governed by the current rules of the United States Golf Association (USGA), except where modified by local rules posted by the course.
2. Tee Times: Tee times must be scheduled in advance via phone, online booking, or in person. Golfers must arrive at least 15 minutes before their scheduled tee time.
3. No Call/No Show: One no call/no show results in online booking being disabled. The Head Golf Professional or Assistant Golf Professionals may reinstate online booking with written explanation on the no show.
4. Pace of Play: Groups must maintain pace with the group ahead. Maximum time for 18 holes is 4 hours and 15 minutes, unless otherwise authorized.
5. Dress Code: Proper golf attire is required—collared shirts, golf shoes or soft spikes. Swimwear, tank tops, cut-offs, or offensive graphics are prohibited.
6. Alcohol & Conduct: Alcoholic beverages must be purchased on-site. Disorderly conduct, profanity, or harassment will result in removal from the premises.
7. Rain Checks: A Rain Check is only issued when the Head Golf Professional or designee decides to suspend play or close the course due to rain, lightning, or unsafe conditions. It allows golfers to return and play the remaining holes at a later date without paying the full green fee again. Monetary value credit will be issued in the form of a Rain Check that may be applied to future play. The value of the Rain Check is prorated based on the number of holes that have been played. For example, a golfer that has played 5 holes of an 18-hole round might receive a Rain Check for the remaining 13 holes. Rain Checks are not transferable and are valid for 90 days. A Rain Check may not be offered if a golfer voluntarily chooses to stop playing without official closure.

## **GOLF CARTS**

1. All operators of riding carts must hold a valid motor vehicle operator's license. This includes Junior Golfers even though they may have an adult in the cart.
2. Each riding cart, no matter the number of seats, is limited to two players and two bags of clubs.
3. Golf carts must remain on designated paths and avoid restricted zones. Players must keep carts on cart paths where provided, away from all teeing areas and 50 feet from all greens.
4. Physically disabled players may be authorized by the Head Golf Professional to drive their carts within 30 feet of the greens. This exception does not permit riding carts to be driven between a bunker and the putting green.
5. Carts should not be driven in muddy areas or in areas under repair.
6. Carts are not allowed in the parking lot.

## **CARE OF THE COURSE**

1. All players are required to rake the bunkers from the low side, retracing their steps so as to disturb the surface as little as possible. Rakes are to be left with the head of the rake in the bunker and approximately 1 foot of the handle resting outside the bunker.
2. Every player must repair ball marks on the greens.
3. Players are responsible for filling divot holes with dirt/sand/seed mixture. All walking players must carry tubes of the mixture as specified by the Club.
4. Pull carts and motorized pull carts are to be kept off tees and at least 15 feet away from greens. These carts are not allowed between bunkers and greens. They should be pulled or propelled below and around bunkers.

## **HOLIDAYS AND SPECIAL HOURS**

1. Holiday Rate: Weekend rates apply to all public holidays. In addition, weekend rates may apply to TPC week, Florida-Georgia week, the Friday after Thanksgiving, and the week between Christmas and New Years.
2. Observed Holidays: The Jacksonville Beach Municipal Golf Course observes all public holidays including Christmas Eve. The golf course may be closed on Christmas Day, December 25<sup>th</sup>.
3. Modified Hours: On holidays or days of extreme weather, the Head Golf Professional may authorize modified hours of operation, closures, or special play arrangements.

4. Cart Usage: Golf cart usage will be required prior to 12:00 p.m. (noon) on all holidays.
5. Advance Notification: Any changes to holiday hours or closures will be posted on the official course website and club-house bulletin board at least 7 days in advance when possible.
6. Tournament Blackout Dates: Certain holidays may be designated as blackout dates where no tournament or group events are permitted unless pre-approved by the City Manager or his or her designee.

### **GROUP & LEAGUE PLAY**

1. All League play is monitored by the Head Golf Professional or a designated staff member.
2. Tee times are reserved in advance for League use. However, tournaments, holidays, or course maintenance may cause a deviation in the schedule. The Head Golf Professional may alter these times to work in the best interests of the golf course.
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4. Group: A group outing is defined as a reservation of 12 or more golfers for a block of tee times. Tee times for group bookings are allowed after 10:00 AM, subject to availability at the discretion of the Head Golf Professional. The Head Golf Professional may allow an occasional group booking before 10:00 AM based on availability, as long as it is not a re-occurring group.
5. Conduct & Etiquette: All participants must adhere to course rules. Chronic slow play or misconduct may result in suspension of booking privileges.

### **TOURNAMENT PLAY**

1. Tournament Approval: All tournaments must be approved by the Jacksonville Beach Parks & Recreation Department and scheduled with the Head Golf Professional.
2. Tournament Format: Formats (stroke play, scramble, etc.) must be declared upon registration. Shotgun starts require at least 80 players and must be pre-authorized by the Head Golf Professional.
3. Rules Enforcement: Tournament directors must appoint a rules official or rely on course staff. Disputes are resolved using USGA rules and course staff guidance.
4. Cancellations: Must be submitted in writing.

## **DISCIPLINARY ACTION**

1. Violations: Infractions—such as rule violations, harassment, tardiness, or property damage—may result in warnings, suspension, or financial charges.
2. Appeals: Disciplinary actions may be appealed in writing to the Parks & Recreation Director within 10 business days of notification.

## **FOOD AND BEVERAGE**

All purchases of food and beverages consumed at the golf course must be made through the golf course concessionaire. Consumption of food and beverages purchased through outside sources is not allowed.

## **WAIVER OF FEES**

1. Daily greens fees may be waived for all PGA professionals, golf course managers, and golf course superintendents upon presentation of proper identification. Visiting professionals, managers, and superintendents will be permitted to bring up to three guests with the greens fees waived, however cart fees are required.
2. Daily greens fees and surcharge will be waived for students who are designated as members of the Duncan U. Fletcher Middle School or High School golf team during a practice or competitive match. This will be applicable only during their interscholastic season and is subject to availability of space and will not include any weekends or holidays.

## **DONATIONS**

1. Donation Quantity: A maximum of 12 tee times per calendar year for non-profit organizations. This number may be subject to adjustment based on operational considerations. (One tee time is equivalent to 4 golfers playing together in a group).
2. Eligibility: Non-profit organizations within our community that align with our values and mission may apply for tee time donations.
3. Application Process: Eligible organizations may submit a formal request for tee time donations to the Head Golf Professional or the Director of Parks and Recreation. This request should include details about the event, its purpose, and how the tee times will be utilized. Eligible requests shall be submitted to the City Manager for approval.
4. Donation Schedule: Tee times will be donated on a first-come, first-served basis, subject to availability, and will be scheduled during non-peak hours to minimize disruption to regular paying customers.
5. Conditions:

- a) Donated tee times are non-transferable and non-refundable.
  - b) The receiving organization is responsible for promoting the golf course as a sponsor and should acknowledge our support in their event materials.
  - c) Any additional services or equipment required for the event will be the responsibility of the receiving organization.
6. Reporting: The Head Golf Professional shall maintain records of all tee time donations, including the recipient organization, date, and purpose of the donation.

### **ADMINISTRATION & AMENDMENTS**

1. Authority: The Head Golf Professional, together with the Jacksonville Beach Parks & Recreation Department, is responsible for enforcing these bylaws.
2. Amendments: These bylaws may be modified by the Jacksonville Beach City Council through public notice and hearing.

**2026 BYLAWS OF THE CITY OF JACKSONVILLE BEACH D/B/A  
JACKSONVILLE BEACH GOLF CLUB AND WHOMEVER HOLDS THE  
MOST CURRENT CONTRACT LISTING THEM AS “PERMITTEE” FOR  
THE FOOD AND BEVERAGE OPERATION**

**PURPOSE OF CLUB**

~~To provide recreational facilities and activities for the benefit, pleasure and health of its members and their guests.~~

~~To provide a convivial year round social environment in which members and their guests can relax in the company of their friends.~~

The Jacksonville Beach Golf Club is established to provide accessible, affordable, and high-quality recreational golfing opportunities for residents and visitors. These bylaws govern the use of the course and promote safe, fair, and enjoyable play.

**AUTHORITY**

The City Manager shall establish policies for the golf course and Golf Club. The following definitions shall be incorporated in the policies:

**ADVANCED GROUP RATE:** A rate provided for groups with 12 or more participants seeking to book tee times in advance of the standard period. The rate shall be the prevailing rate plus the group rate premium per golfer.

**ANNUAL PASS:** Prepayment of Greens Fees in advance. No new passes shall be issued as of January 1, 2002. Passes that exist on the effective date of these Bylaws may be renewed on the annual anniversary of the date of purchase. Any passes not renewed within 30 days of the annual anniversary date will expire and will not be eligible for renewal. Annual Pass fees are \$395 for residents and \$600 for non-residents. Cart fees for Annual Pass holders are \$20 for 18 holes and \$15 for 9 holes. Annual Passes are not transferrable.

**BEACH PASS:** A person who is an active Beaches Energy Services (BES) residential customer. All applicants will be verified through Utility Billing and a current Driver's License. If utilities are not listed in applicant's name, applicant's name is required to be listed as a third party at that residential address in the Utility Billing system. BES Residential Customers qualify for the Beach Pass, which is valid for 365 days from date of purchase.

**COLLEGE GOLFER:** A full-time college student currently participating on a collegiate golf team.

**FIRST RESPONDER:** Active or retired military personnel, or active police, EMT or fire fighter personnel. First Responder rates apply Monday through Thursday only (walking or riding). First Responder rates do not apply on Holidays that fall on weekdays.

**GOLF STAFF EMPLOYEES:** Golf staff employees may play with their guests only during unused tee times and at the discretion of the Head Golf Professional. The golf staff employee rate is stipulated in the Rate Resolution and their guests may pay the Beach Pass rate.

**JUNIOR:** A person 15 years of age or under. Junior rates apply after 12:00 p.m. (noon) weekdays and weekends (walking or riding).

**LEAGUE FEE:** An annual fee, paid per golfer, to join one of the recognized leagues at Jax Beach Golf Club. It does not include greens fees or cart fees.

**SENIOR:** A person, age 65 or over, regardless of the location of the senior's residence. Senior rates apply Monday through Thursday only (walking or riding). Senior rates do not apply on Holidays that fall on weekdays.

**SPECTATOR CART:** A golf cart used by a non-golfer wishing to accompany a playing golfer in a separate golf cart.

**SHOTGUN START:** Groups or tournaments wishing to include shotgun starts must have a minimum of 80 golfers and will be charged the prevailing rate plus shotgun premium per golfer.

**TOURNAMENT:** A scheduled, organized event that is approved by the Parks and Recreation Department and coordinated with the Head Golf Professional.

## **GENERAL RULES OF PLAY**

1. **USGA Rules:** All play shall be governed by the current rules of the United States Golf Association (USGA), except where modified by local rules posted by the course.
2. **Tee Times:** Tee times must be scheduled in advance via phone, online booking, or in person. Golfers must arrive at least 15 minutes before their scheduled tee time.
3. **No Call/No Show:** One no call/no show results in online booking being disabled. The Head Golf Professional or Assistant Golf Professionals may reinstate online booking with written explanation on the no show.
4. **Pace of Play:** Groups must maintain pace with the group ahead. Maximum time for 18 holes is 4 hours and 15 minutes, unless otherwise authorized.
5. **Dress Code:** Proper golf attire is required—collared shirts, golf shoes or soft spikes. Swimwear, tank tops, cut-offs, or offensive graphics are prohibited.
6. **Alcohol & Conduct:** Alcoholic beverages must be purchased on-site. Disorderly conduct, profanity, or harassment will result in removal from the premises.

7. Rain Checks: A Rain Check is only issued when the Head Golf Professional or designee decides to suspend play or close the course due to rain, lightning, or unsafe conditions. It allows golfers to return and play the remaining holes at a later date without paying the full green fee again. Monetary value credit will be issued in the form of a Rain Check that may be applied to future play. The value of the Rain Check is prorated based on the number of holes that have been played. For example, a golfer that has played 5 holes of an 18-hole round might receive a Rain Check for the remaining 13 holes. Rain Checks are not transferable and are valid for 90 days. A Rain Check may not be offered if a golfer voluntarily chooses to stop playing without official closure.

## **GOLF CARTS**

1. All operators of riding carts must hold a valid motor vehicle operator's license. This includes Junior Golfers even though they may have an adult in the cart.
2. Each riding cart, no matter the number of seats, is limited to two players and two bags of clubs.
3. Golf carts must remain on designated paths and avoid restricted zones. Players must keep carts on cart paths where provided, away from all teeing areas and 50 feet from all greens.
4. Physically disabled players may be authorized by the Head Golf Professional to drive their carts within 30 feet of the greens. This exception does not permit riding carts to be driven between a bunker and the putting green.
5. Carts should not be driven in muddy areas or in areas under repair.
6. Carts are not allowed in the parking lot.

## **CARE OF THE COURSE**

1. All players are required to rake the bunkers from the low side, retracing their steps so as to disturb the surface as little as possible. Rakes are to be left with the head of the rake in the bunker and approximately 1 foot of the handle resting outside the bunker.
2. Every player must repair ball marks on the greens.
3. Players are responsible for filling divot holes with dirt/sand/seed mixture. All walking players must carry tubes of the mixture as specified by the Club.
4. Pull carts and motorized pull carts are to be kept off tees and at least 15 feet away from greens. These carts are not allowed between bunkers and greens. They should be pulled or propelled below and around bunkers.

**HOLIDAYS:** ~~Defined as follows and will be recognized at the Jacksonville Beach Golf Club. (Golf cart usage will be required prior to 12:00 on all holidays):~~

- ~~a. Columbus Day~~
- ~~b. Veterans Day~~

- c. ~~Thanksgiving Day~~
- d. ~~Friday after Thanksgiving~~
- e. ~~Christmas Day~~
- f. ~~New Year's Day~~
- g. ~~Martin Luther King Day~~
- h. ~~President's Day~~
- i. ~~Memorial Day~~
- j. ~~Independence Day~~
- k. ~~Labor Day~~

## **HOLIDAYS AND SPECIAL HOURS**

1. Holiday Rate: Weekend rates apply to all public holidays. In addition, weekend rates may apply to TPC week, Florida-Georgia week, the Friday after Thanksgiving, and the week between Christmas and New Years.
2. Observed Holidays: The Jacksonville Beach Municipal Golf Course observes all public holidays including Christmas Eve. The golf course may be closed on Christmas Day, December 25<sup>th</sup>.
3. Modified Hours: On holidays or days of extreme weather, the Head Golf Professional may authorize modified hours of operation, closures, or special play arrangements.
4. Cart Usage: Golf cart usage will be required prior to 12:00 p.m. (noon) on all holidays.
5. Advance Notification: Any changes to holiday hours or closures will be posted on the official course website and clubhouse bulletin board at least 7 days in advance when possible.
6. Tournament Blackout Dates: Certain holidays may be designated as blackout dates where no tournament or group events are permitted unless pre-approved by the City Manager or his or her designee.

**GOLF ASSOCIATIONS:** ~~Defined as groups recognized by the City of Jacksonville Beach Golf Course. Tee times are reserved in advance for their use. However, tournaments or holidays or course maintenance may cause a deviation in their schedule. The golf professional can alter these times to work in the best interests of the golf course. The recognized associations are: Men's/Ladies/Seniors/Juniors.~~

## **GROUP & LEAGUE PLAY**

1. All League play is monitored by the Head Golf Professional or a designated staff member.
2. Tee times are reserved in advance for League use. However, tournaments, holidays, or course maintenance may cause a deviation in the schedule. The Head Golf Professional may alter these times to work in the best interests of the golf course.
3. League play is limited to the following recognized Leagues:
  - Ladies League: Tuesday and Thursday – tee times from 9:00 AM to 10:00 AM

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  5. Conduct & Etiquette: All participants must adhere to course rules. Chronic slow play or misconduct may result in suspension of booking privileges.

### **TOURNAMENT PLAY**

1. Tournament Approval: All tournaments must be approved by the Jacksonville Beach Parks & Recreation Department and scheduled with the Head Golf Professional.
2. Tournament Format: Formats (stroke play, scramble, etc.) must be declared upon registration. Shotgun starts require at least 80 players and must be pre-authorized by the Head Golf Professional.
3. Rules Enforcement: Tournament directors must appoint a rules official or rely on course staff. Disputes are resolved using USGA rules and course staff guidance.
4. Cancellations: Must be submitted in writing.

### **DISCIPLINARY ACTION**

1. Violations: Infractions—such as rule violations, harassment, tardiness, or property damage—may result in warnings, suspension, or financial charges.
2. Appeals: Disciplinary actions may be appealed in writing to the Parks & Recreation Director within 10 business days of notification.

**COUPON BOOK:** Defined as a book available to be purchased with varying numbers of coupons for use at the golf course.

**DAILY MEMBERSHIP:** Definition of Membership for Consumption of Alcoholic Beverages:

Golfers, guests, and visitors are prohibited from bringing any alcoholic beverage onto the premises of the City of Jacksonville Beach Golf Course. Consumption of alcoholic beverages lawfully purchased on the premises is limited to adult members (21 or older) of the City of Jacksonville Beach Golf Course. The following persons will be considered members for purposes of consumption of alcoholic beverages:

1. ~~A golfer that pays a posted fee to establish a Daily Membership;~~
2. ~~A golfer with a valid annual membership to the City of Jacksonville Beach Golf Club;~~

3. ~~A golfer that pays greens fees as a pass holder;~~
4. ~~A person who purchases one or more items from the Jacksonville Beach Pro Shop; and/or~~
5. ~~A person who purchases one or more food items in the Jacksonville Beach Golf Club restaurant, d/b/a/ Hero's 19<sup>th</sup> Hole.~~

### **SPECIAL GOLF RATES:**

~~The City Manager has the authority to offer a promotional rate based on time and season to increase daily play. This will keep our golf course competitive with other facilities that offer specials during these periods. The City Manager per recommendation of the golf professional will set these rates.~~

### **CONSUMPTION OF ALCOHOL:**

~~Consumption of alcoholic beverages is limited to daily members (21 or older).~~

### **FOOD AND BEVERAGE**

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### **WAIVER OF FEES**

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