SEACOAST UTILITY AUTHORITY

PALM BEACH GARDENS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDING SEPTEMBER 30, 2025 & 2024

SEACOAST UTILITY AUTHORITY
PALM BEACH GARDENS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED
September 30, 2025 and 2024

Prepared by:

Danielá E. Russell, CPA
Chief Financial Officer

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Years Ended September 30, 2025 and 2024

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Seacoast Utility Authority

Mailing Address:
4200 Hood Road
Palm Beach Gardens, FL 33410-2174

April 22, 2026

Honorable Chair, Members of the
Seacoast Utility Authority Board, and the Customers of
Seacoast Utility Authority
Palm Beach Gardens, Florida

We are pleased to submit the Annual Comprehensive Financial Report with the Independent Auditor's Report of Seacoast Utility Authority (the Authority) for the fiscal years ended September 30, 2024, and 2025. The Finance Department, in accordance with state statutes, the Bond Trust Resolution, and U.S. generally accepted accounting principles for governments, prepared this report.

The Authority's financial statements have been audited by Mauldin & Jenkins, LLC, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the Authority's financial statements for the fiscal years ending September 30, 2024, and 2025 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that Seacoast Utility Authority's financial statements for the fiscal years ended September 30, 2024, and 2025 are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is located at the front of the Financial Section of this report on page 1.

However, responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. The Authority's Finance Department is responsible for the overall operation of the Authority's accounting system and for establishing and maintaining the Authority's internal control structure. The Authority's internal control system is routinely monitored to ensure its adequacy, and if any material weaknesses are identified, corrective action is taken to address them. Nevertheless, internal controls inherently have limitations, and the Authority, at times, must consider the cost of controls and the benefits to be derived, as the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included. Significant financial information has been prepared in accordance with financial reporting promulgated by the Governmental Accounting Standards Board and should be considered an integral part of the financial information presented.

FINANCIAL PERFORMANCE

The Authority has adopted the provisions of GASB 34, "Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments". GASB 34 requires the Management's Discussion and Analysis (MD&A) of the Authority's financial performance to be included as an integral part of the financial statements. The Authority's MD&A can be found immediately following the Independent Auditors' Report.

THE AUTHORITY

Seacoast Utility Authority was created as a separate legal entity pursuant to an "Inter-local Agreement" entered into, by and among the City of Palm Beach Gardens, Palm Beach County, the Village of North Palm Beach, the Town of Lake Park and the Town of Juno Beach, all in Florida, under and in accordance with the provision of Chapter 163, Florida Statutes. In compliance with the requirements of such chapter, the Inter-local Agreement was filed with the Clerk of the Circuit Court of the Fifteenth Judicial Circuit of Florida, in and for Palm Beach County, on August 24, 1988.

On December 20, 1988, pursuant to the Inter-local Agreement, the Authority acquired, by eminent domain, substantially all the utility assets of Seacoast Utilities, a water and wastewater utility formerly owned and operated as a separate division by the John D. and Catherine T. MacArthur Foundation. The Authority now owns, operates, and maintains the utility.

The governance of the Authority resides in the Authority Board, which is comprised of five (5) members, one member appointed by each of the participating public entities. The members of the Authority Board serve for terms of four (4) years or until replaced by action of the respective members of the participating public entities. Voting by the Authority Board members is by weighted percentage, as specified in the Inter-local Agreement.

SYSTEM DESCRIPTION

Seacoast Utility Authority, a regional water and wastewater utility, furnishes potable water services to 54,814 households and 3,241 commercial establishments. Wastewater collection, treatment, and disposal services are provided to 51,573 residential dwellings and 1,955 businesses. The Authority's service area, which covers approximately 65 square miles, consists of certain unincorporated areas of Palm Beach County and the incorporated areas of the City of Palm Beach Gardens, the Village of North Palm Beach, and the Town of Lake Park, and a portion of the unincorporated areas of the Town of Juno Beach, all in South Florida.

ECONOMIC CONDITIONS AND OUTLOOK

The Authority service area is nearly built out. New meter connections during FY2024 were 909, relatively close to the 995 set in FY2024. The recent commencement of large-scale land development projects has accelerated and will sustain system growth over the next few years. Most new connections are in the Authority's Western Service Area, which is served through bulk service connections with Palm Beach County Water Utility Department.

Recognizing the need to synchronize revenue with rising costs, the Authority enacted an annual rate-indexing ordinance in 2009. This ordinance authorizes rate adjustments each October 1st, consistent with the U.S. Department of Labor Water and Sewer Maintenance Index, allowing the Authority Board to apply a lesser percentage if it chooses.

MAJOR INITIATIVES

The Authority's program to replace at-risk water pipeline segments weakened by age or wear is fully underway. The Authority has awarded engineering and/or construction contracts for the most vulnerable areas and, in FY 2026, will accelerate community pipeline replacement projects prioritized based on pipeline age, material, and repair history.

As critically important wastewater infrastructure ages and demand for irrigation-quality reclaimed water increases, the Authority has invested in replacement equipment that is more durable, efficient, and technologically advanced. Several PGA Regional Wastewater Reclamation Facility projects were approaching completion in FY2025 that will expand recycling capability, improve worker safety and materials storage areas, and enhance instrumentation, control, and data reporting systems. Similar projects, including major lift stations, sludge recirculating and dewatering equipment, and plant headworks renovations, are presently in various stages of planning and construction.

LONG-TERM FINANCIAL PLANNING

The Authority's annual operating budget includes a three-year projection of revenue, expenses, and capital needs. These estimates incorporate growth projections, inflation, anticipated changes in water, sewer, and reclaimed water flow, board-approved multi-year capital improvement programs, targeted renewal and replacement projects, and an allowance for asset renewal and replacement costs not specifically identified.

The Authority's current rate structure and cash reserves are sufficient to fund asset replacement costs, precluding the need for debt financing. The three-year budget covers operating costs for the water treatment plant, sewer plant, and related infrastructure, as well as the essential renewal and replacement of other Authority assets. Planned indexed revenue increases consistent with the Board's direction are also included. Current Board-approved budgets can be accessed at www.sua.com.

Consistent with prudent financial management practices, the Authority's Cash Reserve Policy requires the Authority to maintain a minimum of cash reserves equal to 90 days of operating and debt service costs. The Authority's current financial position complies with this policy.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The Authority's financial reporting is on an accrual basis. In developing and evaluating the Authority's accounting system, the adequacy of internal accounting controls is paramount. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be achieved, and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe the Authority's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

The Authority maintains budgetary controls at the department level, with line-item expenses managed through issuing approved purchase orders. The objective of these controls is to help ensure adherence to the legally adopted operating and capital budget approved by the Authority Board. As demonstrated by information provided in the Annual Financial Report, the Authority continues to meet its responsibility for sound financial management.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Seacoast Utility Authority for its annual financial report for the September 30, 2024, fiscal year. This was the 21st consecutive year that Seacoast Utility Authority achieved this prestigious award. Requirements to receive a Certificate of Achievement include the government publishing an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for only one year. We believe that our current annual financial report 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.

ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report on a timely basis could not have been accomplished without the dedicated efforts of the entire Authority staff. Their assistance and cooperation have facilitated the preparation of a report that provides a comprehensive view of the Authority's results of operations and its strong financial position.

We want to thank the Authority Board and customers of Seacoast Utility Authority for their continued interest, support, and assistance in enabling the Authority to achieve its goal of providing quality water and wastewater service in a cost-effective and responsible manner.

Respectfully submitted,

Rim Bishop
Executive Director

Danielá E. Russell, CPA
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Seacoast Utility Authority
Florida

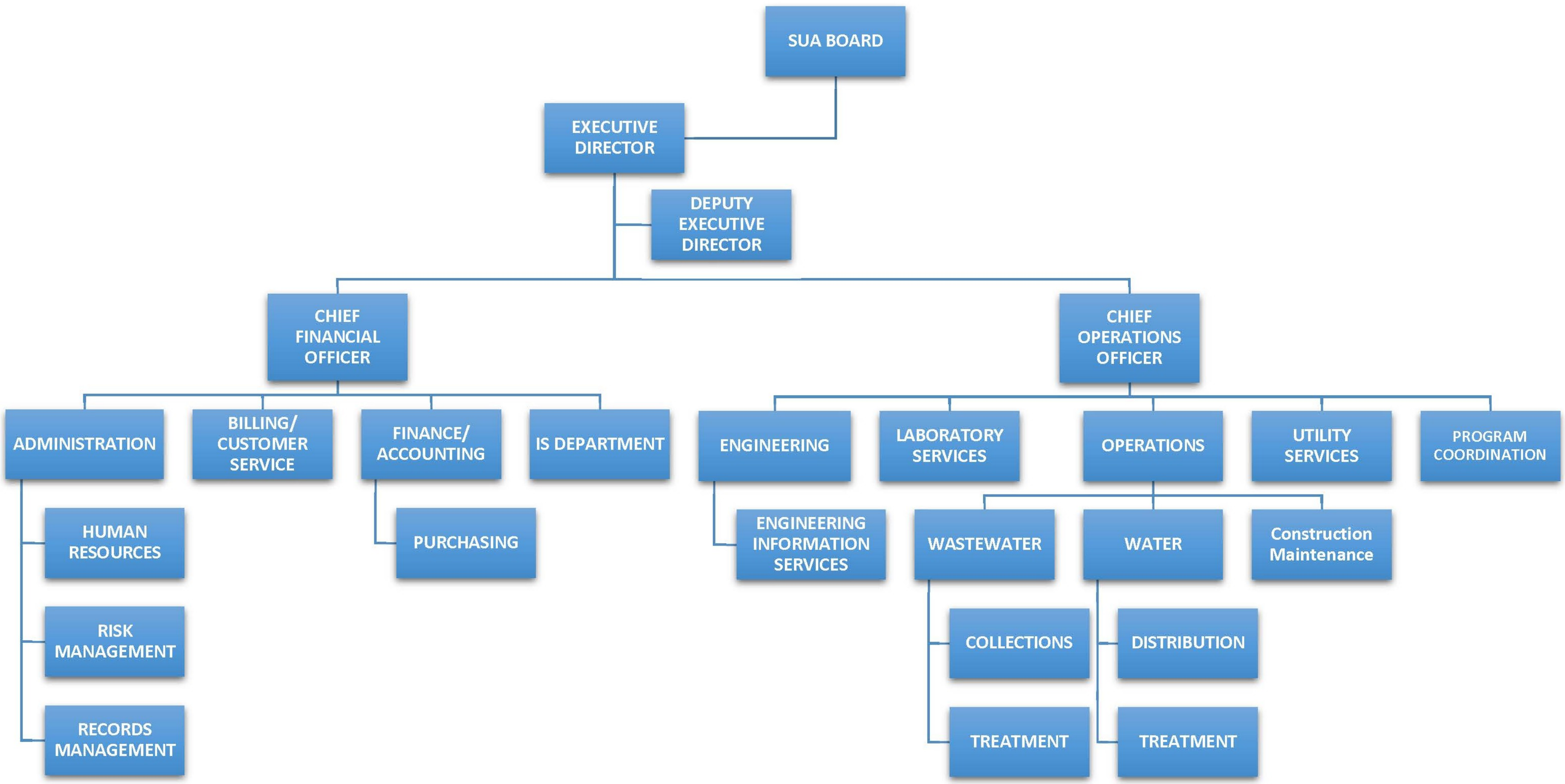
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

SEACOAST UTILITY AUTHORITY
ORGANIZATIONAL CHART
As of September 30, 2025



SEACOAST UTILITY AUTHORITY
LIST OF PRINCIPAL OFFICIALS
As of September 30, 2025

AUTHORITY BOARD MEMBERS

Name	Jurisdiction
Mr. Ron Ferris, Chair	City of Palm Beach Gardens
Mr. Robert Weisman, Vice-Chair	Palm Beach County
Mr. Richard Reade	Town of Lake Park
Ms. Karen Marcus	Village of North Palm Beach
Mr. Robert Cole	Town of Juno Beach

AUTHORITY STAFF

Name	Title
Richard K. Bishop	Executive Director
Bruce Gregg, CAO	Deputy Executive Director
Danielá E. Russell, CPA	Chief Financial Officer
Brandon Selle, PE	Chief Operations Officer
Jessica Moore, CMC, SHRM-CP	Authority Clerk
Nason, Yeager, Gerson, White & Lioce, P.A.	Authority Counsel
Holtz Consulting Engineers, Inc.	Consulting Engineers
Mauldin & Jenkins, LLC, CPA	Independent Auditors

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

Board of Directors
Seacoast Utility Authority
Palm Beach Gardens, Florida

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the Seacoast Utility Authority (the "Authority") as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 Authority as of September 30, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audits 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 Authority 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 Authority'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 Responsibility 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 Authority'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 Authority'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 (on pages 4 through 16), the Schedule of Changes in Total OPEB Liability and Related Ratios on page 45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying comparative schedules of operating revenues – budget and actual, the comparative schedules of operating expenses – budget and actual, and comparative schedule of operating expenses, 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 comparative schedules of operating revenues – budget and actual, the comparative schedules of operating expenses – budget and actual, and comparative schedule of operating expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2026, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 16, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) intends to highlight the Authority's financial activities for the fiscal years ended September 30, 2025, and 2024. This information should be read with the accompanying audited financial statements.

Overview of the Financial Statements

Seacoast Utility Authority (the Authority) uses a single enterprise fund to provide water and wastewater services. The Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical, and Compliance. The Introductory Section includes a Transmittal Letter, a List of Principal Officials and Staff, and the Authority's Organizational Chart. The Financial Section consists of the MD&A, audited basic financial statements and accompanying notes, and the report of the independent certified public accountant on the financial statements. The Statistical Section includes unaudited financial and demographic information, and the Compliance Section includes supplemental auditors' reports.

The MD&A represents management's examination, analysis, and report on the Authority's financial condition and performance. The financial statements and other available operational and financial information, budget, debt statements, etc., were used for this analysis. The MD&A should be used with the audited financial statements and accompanying notes to those statements.

Required Financial Statements

The Authority's financial statements and accounting methods closely resemble those of a business operating like an Enterprise Fund. These statements provide short and long-term financial information about its activities. The required financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, a Statement of Cash Flows, and Notes to Basic Financial Statements.

The Statement of Net Position includes all of the Authority's assets and liabilities and provides information on the investment in those assets. It presents the financial position on a full accrual cost basis. It can be used for analyses of liquidity and the structure of the Authority's assets and liabilities. Over time, increases or decreases indicate whether the financial position is improving.

The Statement of Revenues, Expenses, and Changes in Net Position contains the current year's revenue and expenses. This can be used to evaluate operations during the past year by comparing operating revenue with income and showing other income sources and the overall effectiveness of cost recovery. While the Statement of Net Position discussed offers a snapshot of balances as of a specific date, the Statement of Revenues, Expenses, and Changes in Net Position focuses on changes in the fiscal operating period.

The last required statement is the Statement of Cash Flows. This statement shows cash activity during the fiscal year. Divided into three categories, it presents cash flows from operating, capital, and investing activities. This statement can answer where the cash came from, how that cash was used, and the resulting cash balance change from the previous reporting period.

Finally, the accompanying Notes to the Financial Statements provide required disclosures and other information pertinent to understanding and explaining the financial statements. These notes contain accounting policies, explanations, descriptions of significant account balances, expanded detail on summarized data in the financial statements, and required disclosures about the Authority.

The analysis below shows the Authority's net position (Table 1) and changes in net position (Table 2) during the year in a condensed format.

Table 1
Net Position
(Condensed)

		FY2025		FY2024	% Change		FY2023	%
Assets:								
Current assets	$	130,458,249	$	106,563,433	22.4	$	101,069,309	5.4
Lease receivable		1,661,570		1,795,692	(7.5)		1,920,574	(6.5)
Capital assets, net		362,972,125		345,580,130	5.0		323,636,602	6.8
Total assets	$	495,091,944	$	453,939,255	9.1	$	426,626,485	6.4
Deferred Outflows of Resources:								
OPEB related items	$	546,905	$	316,616	72.7	$	331,717	(4.6)
Liabilities:								
Current liabilities								
Payable from current assets	$	9,694,782	$	8,358,354	16.0	$	8,461,344	(1.2)
Bonds payable - current, net							12,141,474	100.0
Non-current liabilities		3,005,507		2,757,919	9.0		3,288,035	(16.1)
Lease liability		160,436		348,910	(54.0)			100.0
SBITA liability		213,284		443,815	(51.9)			100.0
Total liabilities	$	13,074,009	$	11,908,998	9.8	$	23,890,853	(50.2)
Deferred Inflows of Resources:								
OPEB related items	$	331,511	$	239,890	38.2	$	305,657	(21.5)
Lease obligations		1,703,661		1,838,835	(7.4)		1,974,009	(6.8)
Total deferred inflows of resources	$	2,035,172	$	2,078,725	(2.1)	$	2,279,666	(8.8)
Net Position:								
Net investment in capital assets	$	357,997,962	$	341,215,267	4.9	$	306,712,347	11.2
Restricted							2,000,000	(100.0)
Unrestricted		122,531,706		99,052,881	23.7		92,075,336	7.6
Total net position	$	480,529,668	$	440,268,148	9.1	$	400,787,683	9.9

Table 2
Statement of Revenues, Expenses, and Change in Net Position
(Condensed)

	FY2025	FY2024	%	FY2023	%
Operating revenues:					
Charges for services	$ 79,416,462	$ 73,989,542	7.3	$ 69,746,251	6.1
Miscellaneous	931,282	959,129	(2.9)	838,412	14.4
Total operating revenues	$ 80,347,744	$ 74,948,671	7.2	$ 70,584,663	6.2
Operating expenses:					
Plant operation and maintenance	$ 32,947,568	$ 32,615,500	1.0	$ 30,444,298	7.1
General and administrative	9,392,730	8,906,102	5.5	7,732,669	15.2
Depreciation and amortization	23,233,698	22,527,313	3.1	22,297,813	1.0
Total operating expenses	$ 65,573,996	$ 64,048,915	2.4	$ 60,474,780	5.9
Operating Income	$ 14,773,748	$ 10,899,756	35.5	$ 10,109,883	7.8
Non-operating Revenues (Expenses):					
Investment income:					
Interest income	$ 3,396,533	$ 2,706,538	25.5	$ 2,048,801	32.1
Net increase (decrease) in FMV	1,540,452	3,776,025	(59.2)	677,205	457.6
Grant revenue	123,867	692,449	(82.1)	25,481	2,617.5
Other revenue	341,440	533,422	(36.0)	408,564	30.6
Developer and other contributions	20,344,790	21,694,778	(6.2)	16,040,717	35.2
Amortization		201,474	(100.0)	594,636	(66.1)
Interest expense	(50,806)	(299,231)	(83.0)	(883,111)	(66.1)
Other expense	(208,504)	(724,746)	(71.2)	(85,094)	751.7
Total non-operating revenues (expenses), net	$ 25,487,772	$ 28,580,709	(10.8)	$ 18,827,199	51.8
Change in net position	$ 40,261,520	$ 39,480,465	2.0	$ 28,937,082	36.4
Net Position, beginning of year, as restated	$ 440,268,148	$ 400,787,683	9.9	$ 371,850,601	7.8
Net Position, end of year	$ 480,529,668	$ 440,268,148	9.1	$ 400,787,683	9.9

Summary of Financial Position and Results of Operations (FY2023–FY2025)

The Authority's financial position continued to improve over the three-year period ending Fiscal Year 2025 (FY2025). Total Net Position increased consistently due to stable operating revenues, continued capital investment, including significant donated infrastructure, declining long-term debt obligations, and prudent financial management. Net Position reached **$480.5 million** at the close of FY2025, an increase of **9.1%** over FY2024 and **19%** since FY2023. These changes reflect the Authority's commitment to maintaining a sound financial framework while addressing the service area's long-term infrastructure needs.

Statement of Net Position

Assets

Total assets increased steadily by **15.5%** from FY2023 through FY2025, with current assets increasing by 27.8% over the same period. Increases are attributable primarily to higher cash and investment balances, significant contributions of developer-constructed infrastructure, and capital improvements completed under the Authority's long-term asset renewal and replacement program. Net capital assets rose by approximately **$39** million across the three-year period, reflecting both new infrastructure placed into service and ongoing rehabilitation of existing assets.

Liabilities

Total liabilities decreased significantly from FY2023 to FY2024 following the retirement of all remaining Bond Debt. The final payment on the 2016B Bonds was made in FY2024, further lowering interest costs and strengthening the Authority's overall financial position. Although current liabilities increased modestly in FY2025 due to normal year-end operating and capital infrastructure activity, total liabilities remained comparatively low. Lease and Subscription-Based Information Technology Arrangement (SBITA) liabilities continued to decline as scheduled obligations were satisfied.

Deferred Outflows and Inflows

Deferred Outflows and Deferred Inflows of Resources fluctuated from FY2023 to FY2025 due to actuarial changes associated with the Authority's GASB 75 OPEB obligations and ongoing accounting requirements under GASB 87 (Leases). These annual variations are consistent with established reporting standards.

Statement of Revenues, Expenses, and Changes in Net Position

Operating Revenues

FY2025 Operating revenues increased by approximately **$5.4 million** from FY2024 and 13.4% from FY2023 through FY2025. This growth resulted primarily from board-approved indexed rate increases of **4.0% in FY2023**, **4.9% in FY2024**, and **5.2% in FY2025**, along with a contractually authorized adjustment for a master-metered customer. Additional revenue was generated due to increased water consumption attributable to an on-site bottling operation at the same customer's property.

Investment Income and Market Value Changes

Investment income increased significantly during the period as higher interest rates enabled the reinvestment of maturing low-yield securities at more favorable returns. Interest earnings have increased by more than 300% since FY2023. Contributing to this growth, the Authority implemented a sweep account structure in early FY2024 to invest idle operating cash, generating over **$200,000** of additional interest income in FY2025 alone while preserving daily liquidity for operational requirements.

Consistent with standard governmental reporting, the Authority recognized unrealized market-value losses during periods of rising interest rates, as lower-yield investments were temporarily valued below par. These losses are expected to diminish as holdings mature and are replaced with higher-yield securities. Investment decisions remain guided by preservation of principal, liquidity management, and compliance with statutory requirements.

Operating Expenses

Operating expenses, including depreciation, increased due to inflationary pressures on materials, chemicals, and labor. Cost-of-living adjustments for personnel and rising costs for bulk water and wastewater services in the western service area also contributed to the overall increases. Purchased water and wastewater expenditures rose from **$4.3** million in FY2023 to **$4.4** million in FY2024 and to **$5** million in FY2025. Retail rates were adjusted to ensure adequate recovery of these higher wholesale costs.

Depreciation expense continued to rise from FY2023 to FY2025, reaching $23.2 million in FY2025, as new or donated assets were placed into service and older infrastructure was replaced. Higher construction costs, significant donated infrastructure from new developments, and the addition of shorter-lived mechanical components contributed to the upward trend in depreciation.

Non-Operating Revenues and Capital Contributions

Grant revenue received during FY2023–FY2025 consisted primarily of FEMA reimbursements. These revenues are inherently variable and are recognized as eligible recovery expenditures are approved.

Significant developer contributions and connection fee revenues fluctuated in alignment with construction levels within the Authority's western service area. While it has been typical to record donated infrastructure every fiscal year, during FY2025, it was discovered that significant assets already in service had not been recorded. The process to record these assets has been evaluated, and all assets known as of the end of FY2025 have been recorded. Furthermore, while development activity remains, these revenues are contingent on developer timelines, so future revenues may fluctuate, and over time, this source of non-cash revenue is expected to decline as the region approaches full build-out.

Interest Expense and Debt Service

Interest expense decreased annually from FY2023 through FY2025 due to the Authority's reduced outstanding bond obligations, consistent with the objectives of the December 2016 bond refunding. The final payoff of the 2016B Bonds in FY2024 further reduced future interest obligations and improved the Authority's long-term financial flexibility.

Asset Disposal Activity

Gains and losses on the disposal of capital assets continued to vary year-to-year, consistent with the Authority's asset management and replacement cycle. While proceeds from surplus asset sales are maximized to the extent possible, gains are infrequent. Losses recorded during FY2023 and FY2024 reflected the retirement of assets with remaining undepreciated values.

GASB Implementations

The Authority continued to comply with applicable governmental accounting standards, implementing the following in FY2025:

- **GASB 102** – Certain Risk Disclosures
- **GASB 103 –** Financial Reporting Model Improvements
- **GASB 104 –** Disclosure of Certain Capital Assets

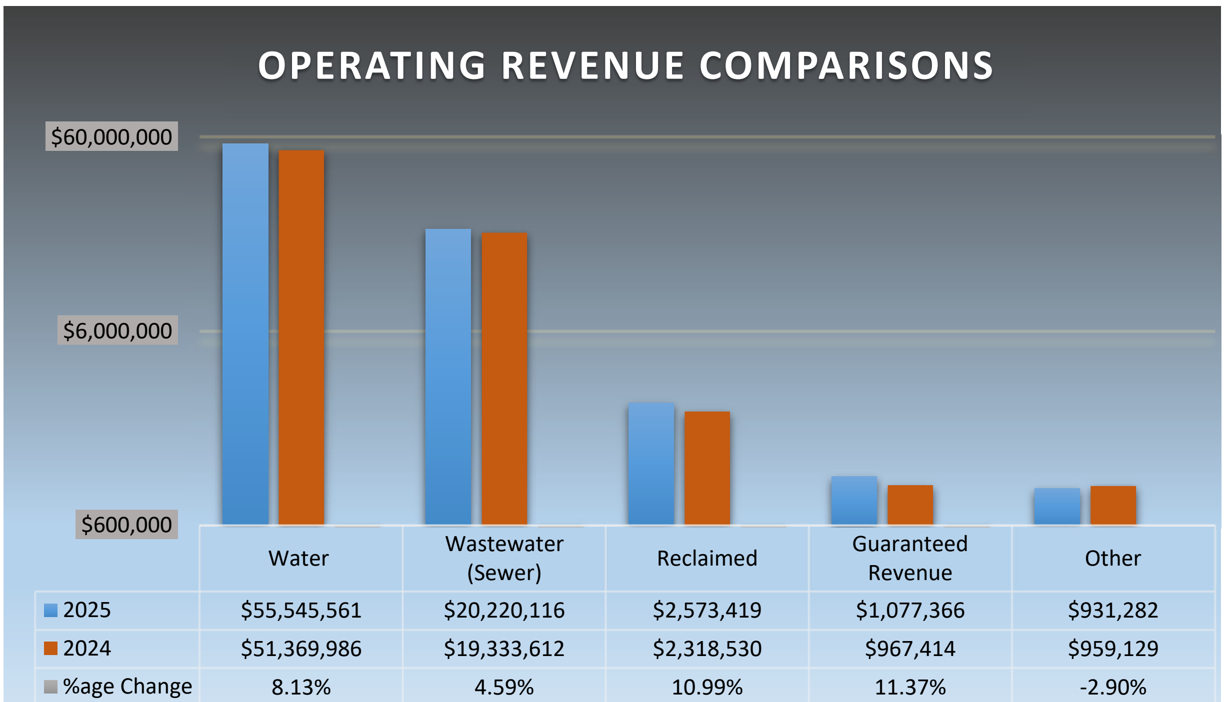
Conclusion

The Authority’s financial performance from FY2023 through FY2025 reflects continued operational stability, consistent revenue growth, disciplined capital investment, and a significant reduction in long-term liabilities. The Authority remains financially well-positioned to support the water and wastewater needs of its service area and to continue reinvesting in critical system infrastructure.

Financial Highlights & Analysis

Operating Revenues

The following chart depicts the Authority's Operating Revenues for the fiscal years ending September 30, 2025, and 2024.



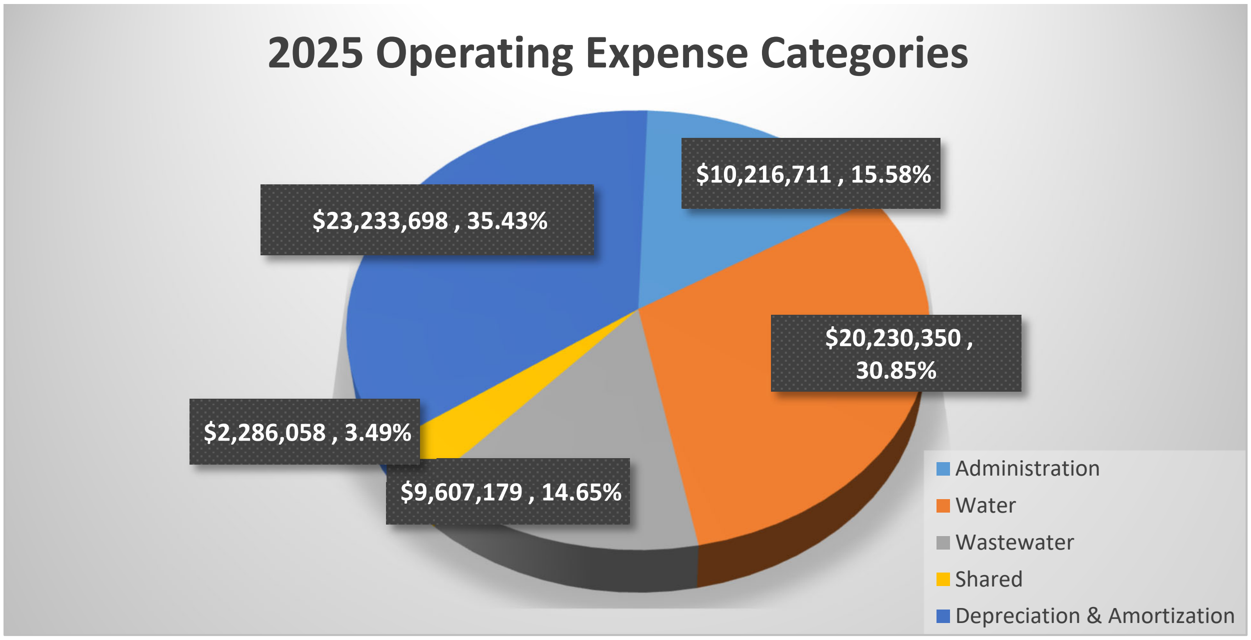
	Water	Wastewater (Sewer)	Reclaimed	Guaranteed Revenue	Other
2025	$55,545,561	$20,220,116	$2,573,419	$1,077,366	$931,282
2024	$51,369,986	$19,333,612	$2,318,530	$967,414	$959,129
%age Change	8.13%	4.59%	10.99%	11.37%	-2.90%

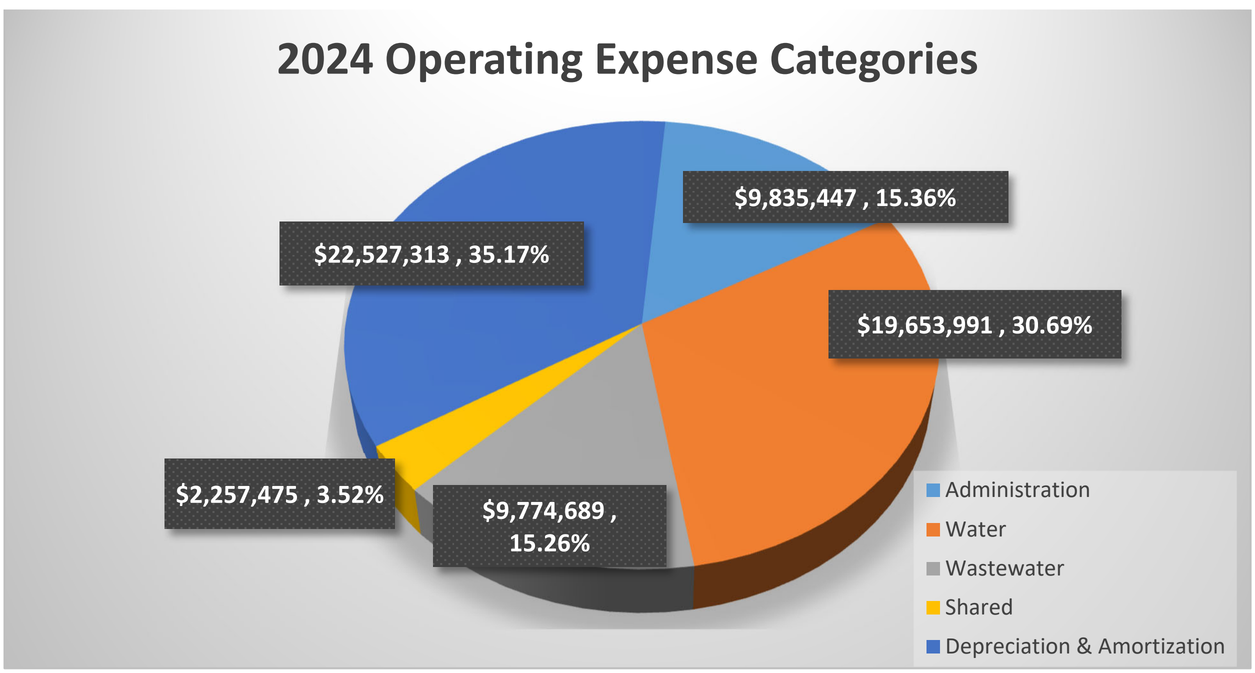
Operating revenues increased across most service categories from FY2024 to FY2025, reflecting both indexed rate adjustments and sustained customer demand. **Water Service Charges** rose 8.13%, driven primarily by the Authority’s inflationary index adjustments of 4.9% in FY2024 and 5.2% in FY2025, along with increased bulk water deliveries to the western service area. **Wastewater Service Charges** increased 4.59%, consistent with approved indexed rate changes but moderated by set residential billing caps. **Reclaimed Water/Effluent Charges** grew 10.99%, reflecting annual indexed rate adjustments allowed for in multi-year contractual agreements; however, consumption remained weather-sensitive due to the use of reclaimed water for irrigation of HOA common areas and golf courses.

Guaranteed Revenue Charges, which are dependent on land development activity and meter set timing, increased by 11.37% from FY2024, reflecting continued—but gradually slowing—development activity within the Authority’s western service area. As the region matures toward build-out, these revenues are expected to moderate. **Other Charges**, a relatively small revenue category made up of fire line protection fees, land development-related fees, private system maintenance charges, and various administrative fees, decreased modestly due to normal year-to-year variation among a limited customer base.

Operating Expenses

The Operating Expense charts depict the costs of the various functions of the Authority's Operating Expenses for the comparative years ending September 30, 2025, and 2024.





Overall operating expenses increased 6.5% from FY2024 to FY2025, excluding depreciation, following a 22.3% increase from FY2023 to FY2024. The most significant increases occurred within **Water Operations**, where rising wholesale water purchases, unexpected, significant inflationary pressures on key inputs, and sharp increases in non-payroll operating costs, such as chemicals, electricity, and operational repairs, contributed materially to higher expenses. Several critical water system operating costs increased by more than 100% from the prior fiscal year, reflecting broader market conditions and heightened service demand in the western service area.

Wastewater Operating Expenses remained relatively stable year over year, with only modest increases in system repairs, energy usage, and inflationary adjustments. **Administrative Expenses** increased moderately due to cost-of-living adjustments, software and system upgrades, and higher professional service costs associated with compliance, cybersecurity, and replacement of legacy systems.

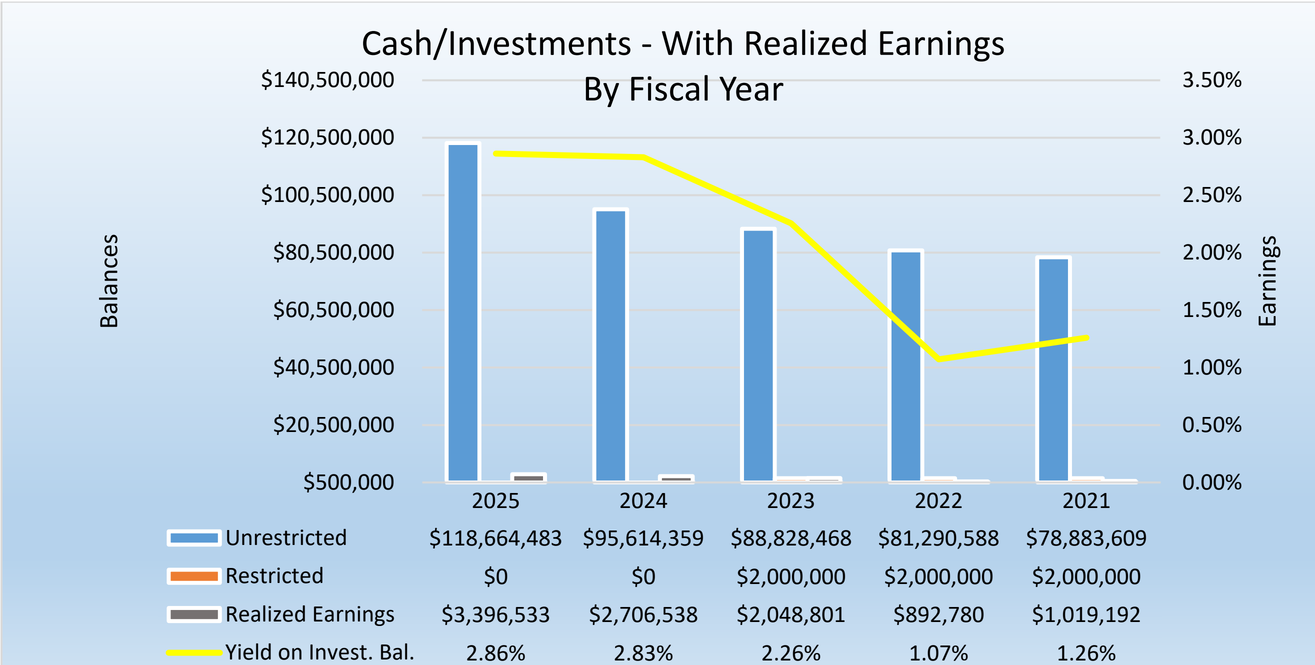
Shared Services Expenses, which include cross-functional support activities, increased slightly due to escalating supply and utility costs. **Depreciation and Amortization**—the largest component of total operating expenses—continued its upward trajectory, reflecting the Authority's ongoing capital reinvestment program and replacement of older, fully depreciated assets with newer infrastructure, including shorter-lived mechanical components and significant developer-donated assets received. As the Authority proceeds with its accelerated renewal and replacement initiatives, depreciation is expected to continue rising in future years.

Cash/Investments and Related Income

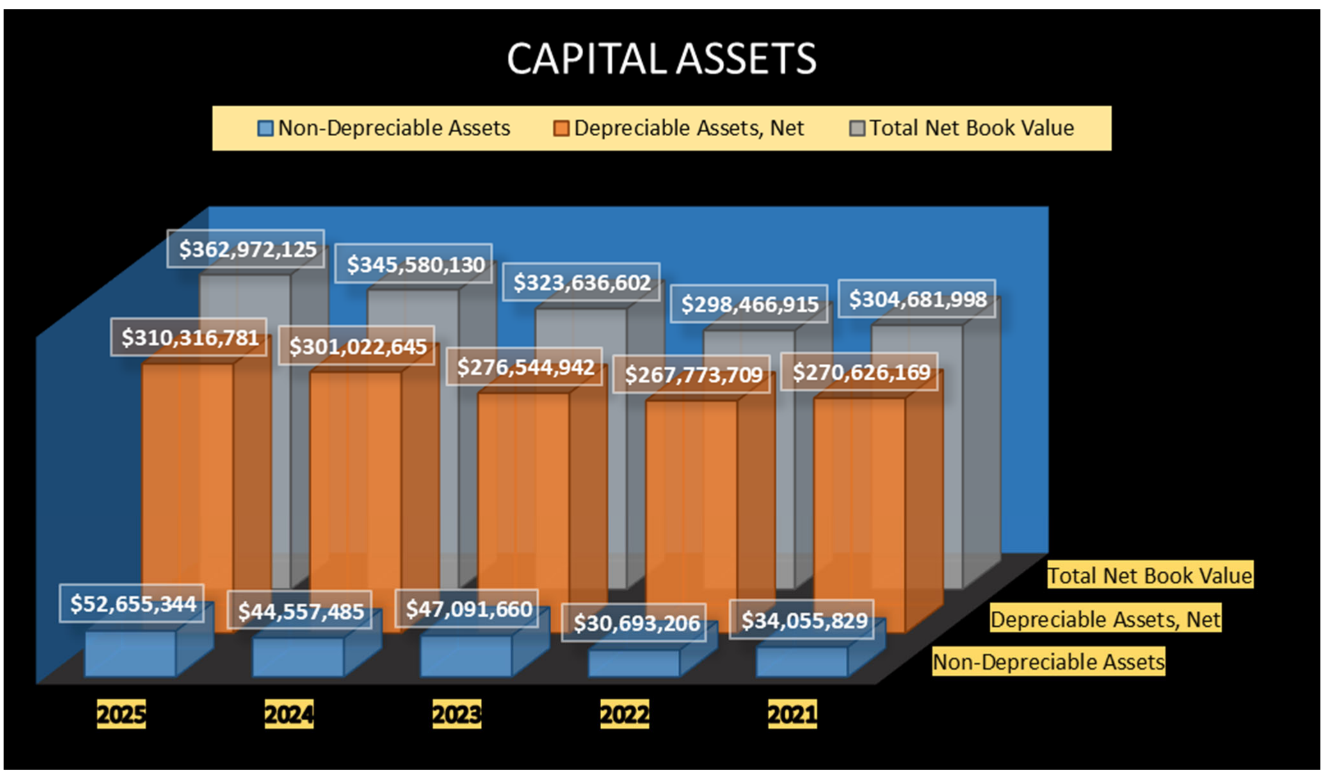
Unrestricted investment balances increased from FY2023 through FY2025 as the Authority maintained disciplined cash management practices despite significant inflationary cost pressures. Bond yields, which had decreased sharply during the COVID-19 period, began recovering in FY2022, peaked during mid-FY2024, and moderated during FY2025 in response to Federal Reserve actions. These changes directly influenced the Authority's investment earnings, which rose substantially as maturing low-yield securities were reinvested at higher market rates.

Realized investment earnings increased each year and more than tripled since FY2023 due to higher market yields and the implementation of a nightly sweep account, previously discussed. Restricted investments declined to zero in FY2024 following the final debt service payment and retirement of all bond-related reserves. Overall, the investment portfolio continues to prioritize principal preservation, adequate liquidity, and compliance with statutory and board-approved investment policies.

The following table summarizes investment balances as of September 30th and realized earnings over the past five fiscal years.



Capital Assets



In accordance with the Authority's capitalization policy, all disbursements of less than $1,500 are classified as operating expenses. Recorded capital assets include purchased, lease-purchased, and donated assets comprised of land, easements, rights of way, structures and improvements, transmission, collection, distribution mains, accessories, plant, and equipment. Net Book Values increased as older and fully depreciated infrastructure improvements were replaced with newly acquired assets. Furthermore, asset values were restated for donated infrastructure acquired in prior years that were discovered and recorded in FY2025. Accordingly, both newly installed equipment and infrastructure caused significant increases in depreciation expense.

The Authority remains committed to its aggressive renewal and replacement program, spending approximately $30 million annually on more modern and durable infrastructure. This infrastructure trend will continue throughout the next 10-15 years. The Authority's long-term capital improvement plan is presented in the Annual Budget posted at www.sua.com. Also shown in Note 4 to the financial statements are additional details of the Authority's Capital Assets, including restated balances.

Long Term Debt, Debt Service, and Debt Management

The Authority completed its final debt service payment in FY2024, retiring all remaining outstanding bonded debt. Prior to retirement, the Authority's debt obligations followed fixed, predictable amortization schedules established at issuance. The final payment of **$12.14 million**, including unamortized premiums, eliminated the annual debt service burden—previously averaging approximately $13 million—and significantly strengthened the Authority's financial position by freeing up cash for reinvestment in capital infrastructure.

The 2016 crossover refunding, which generated $29 million in net present value savings and $41 million in total customer benefit, accelerated the Authority's ability to extinguish debt. As a result, the Authority now operates on a pay-as-you-go capital financing model, reducing financial risk and supporting strong credit ratings from Fitch (AAA) and Moody's (Aa1-equivalent system profile). Debt elimination continues to provide long-term financial capacity for major renewal and replacement initiatives planned over the next 10–15 years.

The following chart displays the principal and interest payments along with annual changes over the past three years.

Fiscal Year (FY)	Principal Balance Beginning of FY	Principal Paid	Balance Remaining End of FY	Interest Paid
2025	$	$	$	$
2024	11,940,000	(11,940,000)		289,500
2023	23,300,000	(11,360,000)	580,000	1,179,500

For further details on the changes to the Authority's outstanding debt, please refer to Note 6 in the Financial Statements.

Events, Economic Factors, and Trends

The Authority continues to operate within a region experiencing moderate but sustained development, incremental system demands, and ongoing infrastructure renewal needs. These conditions shape the Authority's operational priorities, capital planning, and long-term financial strategies. Several key trends and external factors influenced FY2025 results and will continue to guide decision-making in future years.

System Growth

Real estate activity within and near the Authority's service area continues to support incremental system expansion. Proposed development projects represent approximately 6,500 additional Equivalent Residential Connections (ERCs). Nearly half of this projected demand lies in areas distant from existing Authority pipelines and will be served through bulk-service agreements with neighboring utilities. Within the core service area, a conceptual redevelopment of the Town of Lake Park's U.S. Highway 1 corridor would add approximately 2,000 ERCs, requiring renewal and reinforcement of aging water and wastewater infrastructure to support additional flows and pressures.

System Renewal and Replacement

The Authority has advanced several major renewal and replacement initiatives to enhance reliability, reduce service disruptions, and extend asset life cycles. These projects include multi-year rehabilitation of water distribution systems, wastewater collection and pumping facilities, reclaimed water delivery systems, and key pressure-enhancing improvements along major transportation corridors. Additional details on active and planned projects are available on the Authority's website.

Authority's Bond Rating and Financial Strength

The Authority's financial performance continues to be recognized by national credit rating agencies. The 2016 crossover refunding yielded $41 million in customer savings and enabled early retirement of all outstanding debt by March 2024—15 years ahead of schedule. Fitch affirmed the Authority's **AAA Stable** rating during its latest published review, citing extremely low leverage, strong financial performance, and a stable, affluent service area. Moody's similarly identified an exceptionally strong system profile, robust liquidity (including days cash on hand significantly above sector medians), and conservative financial management. The Authority's strong credit position is supported by its debt-free status, healthy operating margins, stable management, and disciplined capital and rate-setting practices.

Operational Trends

Operational trends continued to influence FY2025 activities, including:

- ***Software Modernization:***

  The Authority implemented replacements of several critical software platforms—most notably SCADA system enhancements for wastewater operations and a full replacement of the 22-year-old billing and customer service system.

- ***Administrative Performance*:**

  Despite widespread market challenges, the Authority successfully negotiated a moderate increase in projected 2025 benefit costs—approximately 6.4% over calendar year 2024. Customer Service maintained exceptionally low uncollectible accounts (0.038% of billed revenue) and continued to meet high service standards. Employee turnover remained minimal, and the Authority maintained an **AAA** credit rating—higher than the federal government's.

- ***Water Treatment:***

  The Authority's drinking water quality continued to be recognized regionally, earning "Best Tasting Drinking Water" in 2022 and 2024, and runner-up in 2025. The Authority's membrane treatment process effectively removes PFAS compounds, resulting in finished water with non-detectable levels.

- ***Water Transmission and Distribution:***

  Several multi-year neighborhood infrastructure replacements progressed in FY2025, including in the Juno Isles, Captain's Key, and Pirates Cove communities. Additional projects improved circulation and pressure along U.S. 1 in North Palm Beach and Lake Park.

- ***Wastewater Collection and Transmission:***

  Numerous projects were initiated to rehabilitate older infrastructure, expand capacity for redevelopment, and replace aging mechanical and structural components. Improvements included expanded low-pressure sewer service in areas currently served by septic systems and rehabilitation of manholes, pipelines, and lift stations.

- ***Wastewater Treatment:***

  Significant capital improvements began at the Wastewater Treatment Plant to modernize mechanical, electrical, biosolids, pumping, and control systems as the facility enters its third decade of service. Replacement of the Return/Waste Activated Sludge pumping system and structural coatings for headworks facilities is underway.

- ***Reclaimed Water:***

  The reclaimed water system continued to operate at full capacity and in compliance with regulatory requirements. Deliveries averaged 10.3 million gallons per day—a 17% increase from FY2024 due to extended dry weather conditions.

Looking to the Future

With the retirement of all outstanding debt on March 1, 2024, the Authority entered a new phase focusing on long-term system resiliency, cost stability, and renewal of critical infrastructure. The absence of annual debt service obligations—previously averaging approximately $13 million—provides greater financial flexibility to support long-range capital initiatives while maintaining affordability for customers.

The Authority's strategic priority over the next decade is the systematic renewal and replacement of aging water and wastewater infrastructure, including neighborhood distribution systems, major transmission mains, pumping facilities, mechanical equipment, and process controls. These improvements are intended to reduce maintenance costs, enhance operational reliability, and mitigate community impacts associated with emergency repairs. Complementary investments in the Authority's treatment plants, fleet, and administrative technologies will support efficient operations and ensure that the Authority continues to meet or exceed regulatory requirements. Details of planned infrastructure expenditure can be found in the Authority's comprehensive budget document at www.sua.com.

The Authority also remains committed to maintaining high levels of customer service and to the financial discipline necessary to preserve its strong credit ratings. Prudent rate-setting practices, continued investment in staff development, ongoing modernization of information technology systems, and robust long-term capital planning will support these objectives. By maintaining focus on system renewal, financial stability, and operational excellence, the Authority is well-positioned to meet the needs of its customers and community for decades to come.

Contacting the Authority's Financial Management Team

This financial report is designed to provide the Seacoast Utility Authority's Board, customers, investors, creditors, and employees with a general overview of the Authority's finances and accountability. Direct questions concerning this report to the Authority's Finance Department at 4200 Hood Road, Palm Beach Gardens, Florida, 33410.

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SEACOAST UTILITY AUTHORITY
STATEMENTS OF NET POSITION
As of September 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 12,292,118	$ 14,187,447
Investments	106,372,365	81,426,912
Accounts receivable, net	7,512,367	7,285,144
Interest receivable	583,967	414,538
Lease receivable	134,123	124,882
Other receivable	715,572	300,456
Inventory	2,847,737	2,778,048
Prepaid expenses		46,006
Total current assets	130,458,249	106,563,433
Non-Current Assets:		
Lease receivable	1,661,570	1,795,692
Capital assets:		
Non-depreciable:		
Land	1,709,095	1,709,095
Easements and right of ways	18,364,430	15,331,416
Intangible asset	10,194,654	9,624,654
Construction in progress	22,387,165	17,892,320
Depreciable:		
Buildings	62,344,888	58,105,845
Utility plants and pipelines	470,766,913	449,450,725
Equipment	95,382,103	92,719,680
Right to use lease	286,252	459,738
Right to use SBITA	1,937,321	1,707,043
Accumulated depreciation/amortization	(320,400,696)	(301,420,386)
Total non-current assets	364,633,695	347,375,822
Total Assets	$ 495,091,944	$ 453,939,255
DEFERRED OUTFLOW OF RESOURCES		
OPEB related items	$ 546,905	$ 316,616
Total Deferred Outflows of Resources	$ 546,905	$ 316,616

(Continued)

The accompanying notes are an integral part of these financial statements.

SEACOAST UTILITY AUTHORITY
STATEMENTS OF NET POSITION
As of September 30, 2025 and 2024

	2025	2024
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 4,849,059	$ 4,179,490
Accrued liabilities	470,425	389,923
Retainage payable	796,716	599,672
Customer deposits	3,021,892	2,686,364
Compensated absences	198,259	194,105
Lease liability	52,428	82,572
SBITA liability	231,190	139,342
Total OPEB liability	59,500	48,600
Accrued interest	15,313	38,286
Total current liabilities	9,694,782	8,358,354
Non-Current Liabilities:		
Compensated absences	1,784,340	1,746,947
Total OPEB liability	1,130,005	923,316
Unearned revenue	91,162	87,656
Lease liability	160,436	348,910
SBITA liability	213,284	443,815
Total non-current liabilities	3,379,227	3,550,644
Total Liabilities	$ 13,074,009	$ 11,908,998
DEFERRED INFLOW OF RESOURCES		
OPEB related items	$ 331,511	$ 239,890
Lease	1,703,661	1,838,835
Total Deferred Inflows of Resources	$ 2,035,172	$ 2,078,725
NET POSITION		
Net investment in capital assets	$ 357,997,962	$ 341,215,267
Unrestricted	122,531,706	99,052,881
Total Net Position	$ 480,529,668	$ 440,268,148

The accompanying notes are an integral part of these financial statements.

SEACOAST UTILITY AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Years Ended September 30, 2025 and 2024

	2025	2024
Operating Revenues:		
Charges for services	$ 79,416,462	$ 73,989,542
Miscellaneous	931,282	959,129
Total operating revenues	80,347,744	74,948,671
Operating Expenses:		
Plant operation and maintenance	32,947,568	32,615,500
General and administrative	9,392,730	8,906,102
Depreciation and amortization	23,233,698	22,527,313
Total operating expenses	65,573,996	64,048,915
Operating Income	14,773,748	10,899,756
Other Non-Operating Revenues (Expenses):		
Investment income:		
Interest income	3,396,533	2,706,538
Net increase in the fair value of investments	1,540,452	3,776,025
Grant revenue	123,867	692,449
Other revenues	341,440	533,422
Developer and other contributions	20,344,790	21,694,778
Amortization of bond costs		201,474
Interest expense	(50,806)	(299,231)
Other expense	(208,504)	(724,746)
Total other non-operating revenues (expenses), net	25,487,772	28,580,709
Change in Net Position	40,261,520	39,480,465
Total Net Position, Beginning of Year, as previously reported	440,268,148	379,112,410
Omission correction		21,675,273
Total Net Position, Beginning of Year, as Restated	440,268,148	400,787,683
Total Net Position, End of Year	$ 480,529,668	$ 440,268,148

The accompanying notes are an integral part of these financial statements.

SEACOAST UTILITY AUTHORITY
STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended September 30, 2024 and 2023

	2025	2024
Cash Flows From Operating Activities:		
Receipts from customers and users	$ 79,971,203	$ 74,544,074
Payments to suppliers for goods and services	(24,007,485)	(24,517,352)
Payments to or for the benefit of employees	(16,953,385)	(16,891,378)
Net cash provided by operating activities	39,010,333	33,135,344
Cash Flows From Non-Capital Financing Activities:		
Grants received	100,987	616,039
Net cash provided by non-capital financing activities	100,987	616,039
Cash Flows From Capital and Related Financing Activities:		
Principal paid on bonds		(11,940,000)
Interest paid on bonds		(298,500)
Interest paid on customer deposits	(1,021)	(6,346)
Payments to acquire and construct plant property	(24,418,387)	(27,953,347)
Capital contributions	3,903,838	5,245,723
Proceeds from the sale of capital assets	87,496	129,030
Lease payments received	126,797	119,962
Lease interest received	43,956	45,724
Payments to acquire lease		(14,811)
Payments to acquire SBITA	(235,550)	(562,015)
Principal paid on SBITA	(168,091)	(184,826)
Interest paid on SBITA	(38,286)	
Lease payments paid	(71,696)	(13,445)
Lease interest paid	(13,852)	(2,944)
Net cash (used in) capital and related financing activities	(20,784,796)	(35,435,795)
Cash Flows From Investing Activities:		
Purchases of investments	(44,224,001)	(22,684,020)
Proceeds from sale of investments	20,819,000	21,306,884
Interest income on investments	3,183,148	2,694,278
Net cash provided by (used in) investing activities	(20,221,853)	1,317,142
Net decrease in cash and cash equivalents	(1,895,329)	(367,270)
Cash and cash equivalents, beginning of year	14,187,447	14,554,717
Cash and cash equivalents, end of year	$ 12,292,118	$ 14,187,447
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:		
Cash and cash equivalents - unrestricted	$ 12,292,118	$ 14,187,447
	$ 12,292,118	$ 14,187,447

(Continued)

The accompanying notes are an integral part of these financial statements.

SEACOAST UTILITY AUTHORITY
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2024 and 2023

	2025	2024
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	$ 14,773,748	$ 10,899,756
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	23,233,698	22,527,313
Other receipts	272,585	506,543
Changes in assets and liabilities:		
Net (increase) decrease in assets and deferred outflows of resources:		
Accounts and other receivables	(517,458)	(729,494)
Inventory	(69,689)	38,739
Prepaid expenses	46,006	73,940
Deferred outflows	(230,289)	15,101
Net increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and other accrued expenses	988,662	(138,832)
Customer deposits payable	335,528	96,862
Total OPEB liability	217,589	92,829
Deferred inflows	(43,553)	(200,941)
Unearned revenue	3,506	(46,472)
Net cash provided by operating activities	$ 39,010,333	$ 33,135,344
Noncash Investing, Capital, and Financing Activities:		
Change in fair value of investments	$ 1,540,452	$ 3,776,025
Developer contributions of transmission and collection mains and lift stations	16,440,952	16,449,055
	$ 17,981,404	$ 20,225,080

The accompanying notes are an integral part of these financial statements.

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(1) Summary of Significant Accounting Policies:

(a) Reporting Entity - Seacoast Utility Authority (the "Authority") was created as a separate legal entity pursuant to an Interlocal Agreement entered into by and among the City of Palm Beach Gardens, Florida; Palm Beach County, Florida; the Village of North Palm Beach, Florida; the Town of Lake Park, Florida; and the Town of Juno Beach, Florida, under and in accordance with the provision of Chapter 163, *Florida Statutes*. In compliance with the requirements of such chapter, the Interlocal Agreement was filed with the Clerk of the Circuit Court of the Fifteenth Judicial Circuit of Florida in and for Palm Beach County, Florida on August 24, 1988.

On December 20, 1988, the Authority acquired, by eminent domain, substantially all the utility assets of Seacoast Utilities, a water and wastewater utility formerly owned and operated as a separate division by the John D. and Catherine T. MacArthur Foundation. The Authority is located within certain unincorporated areas of Palm Beach County and within the incorporated boundaries of the other members of the participating public entities. The Authority now owns, operates, and maintains the utility system.

The governance of the Authority resides in the Authority Board, which is comprised of five (5) members, one (1) member appointed by each of the participating public entities. The members of the Authority Board serve for a term of four (4) years or until such time as an Authority Board member's replacement has been appointed. Voting by the members of the Authority Board is by weighted percentage as specified in the Interlocal Agreement. All entities for which the Authority is financially accountable are included in the financial reporting entity.

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation - All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Authority's water and sewer utility systems are proprietary fund operations.

A proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with principal ongoing operations. The Authority's principal operating revenues are charges for water and sewer services. The Authority also recognizes as operating revenues certain administrative fees associated with the utility system. Operating expenses include the costs to maintain and repair the water and sewer treatment plants, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The accounting and financial reporting treatment applied by the Authority is determined by "measurement focus." Measurement focus is a term used to describe which transactions are recorded within the financial statements. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, financial activity is reported in essentially the same manner as in commercial accounting where net income and capital maintenance are measured. All assets and all liabilities (whether current or non-current) are included in the financial statements. Net position (i.e., total assets and deferred outflows net of total liabilities) is segregated into three categories on the Statement of Net Position.

(1) <u>Summary of Significant Accounting Policies</u>: (Continued)

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

Basis of accounting refers to the timing when transactions are recognized in the accounts and reported in the financial statements. The transactions of the Authority are accounted for using the accrual basis of accounting in accordance with the Governmental Accounting Standards Board (GASB). Under the accrual basis of accounting, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Water and sewer customers are billed at varying intervals during the period. Accounts receivable represent various revenues earned but not yet collected. Management has established an allowance for doubtful accounts and has estimated the potential uncollectible amounts. Included in accounts receivable are unbilled amounts which represent the estimated portion of water and sewer services through the end of the fiscal year.

Unearned revenues arise when resources are received by the Authority before it has legal claim to them. In subsequent periods, when the Authority has legal claim to the resources, the liability for unearned revenues is removed from the statement of net position and revenue is recognized. The Authority recognizes unearned revenue for funds received for the purpose of reserving capacity.

(c) Budgetary Accounting - The Annual Operating and Capital Budget is prepared and controlled on a departmental level. The Executive Director is authorized to transfer budgeted amounts within the departments. Budget amendments which require a change in total appropriations of any department are approved by the Authority's Board. The budgets are prepared on the accrual basis of accounting, which is consistent with the basis utilized for proprietary funds.

(d) Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has OPEB related items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will, if required, report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has OPEB related items and lease related items that qualify for reporting in this category.

(e) Estimates - The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred outflows/inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventories, and useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

(1) Summary of Significant Accounting Policies: (Continued)

(f) Reclassifications - Certain accounts in the prior year information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

(g) Cash, Cash Equivalents, and Investments - Cash and cash equivalents consist of cash on hand and deposits in banks and money market accounts. Investments with a maturity of three months or less when purchased are considered to be cash equivalents. Money market accounts are stated at cost, which is fair value. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost, which is fair value. The Authority categorized its investments according to the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on observable and unobservable inputs used in establishing the fair value of a financial asset or liability. In accordance with state legislation, the Authority has a written policy that places investment priorities on the safety of principal, liquidity of funds, and investment income (in that order of importance). The policy authorizes investments in obligations of the U.S. Government, its agencies and instrumentalities, repurchase agreements, interest bearing time deposit or savings accounts, certificates of deposits, the treasurers investment pool (The Local Government Surplus Funds Trust Fund), corporate notes or bonds, municipal bonds (taxable and tax-exempt), and certain highly rated commercial paper.

(h) Utility Plant in Service and Depreciation - Property acquired through purchase or internal construction is stated at cost. Property contributed in aid of construction is recorded at acquisition value on the date received. In addition to contributed facilities, plant capacity and connection charges are collected from developers and customers who connect to existing water and sewer lines. These funds are used to construct additional facilities or are applied towards past debt service costs.

Expenditures of $1,500 or more for system additions and improvements are capitalized. Professional services relative to construction projects are capitalized. The Authority’s policy is to record the fees as construction in progress on a progress-billing basis. Maintenance and repairs, which do not significantly extend the value or life of capital assets, are expensed as incurred.

(1) Summary of Significant Accounting Policies: (Continued)

(i) Utility Plant in Service and Depreciation (Continued)

The Authority utilizes the composite straight-line depreciation method with normal retirements charged to accumulated depreciation, and a gain or loss recognized on such retirements. Estimated useful lives of capital assets are as follows:

Asset	Years
Buildings	10 to 33
Utility Plants and Pipelines	7 to 50
Equipment	3 to 15

Intangible assets consists of easements and the right to use additional potable water capacity and wastewater capacity in Palm Beach County's potable water system and wastewater system. These assets have an indefinite life per the underlying agreements or nature.

(j) Inventories - Inventories consist of general supplies and are valued at normal average cost.

(k) Accrued Leave - It is the Authority's policy to permit all employees to accumulate limited amounts of paid time-off (PTO). Any unused PTO is payable upon termination, and thus is accrued as a liability.

(l) Unamortized Premiums - Premiums related to long-term debt are amortized over the life of the debt using the effective interest method. Long-term debt is shown net of unamortized premiums.

(m) Capital Contributions - The Authority receives contributions of cash, easements, and water or sewer lines from customers and developers who connect to the system. Contributions are recognized in the Statement of Revenues, Expenses, and Changes in Net Position when earned.

(n) Net Position - Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets is intended to reflect the portion of net position which is associated with nonliquid, capital assets net of accumulated depreciation and net of outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized discounts, premiums, or deferred refunding losses.

Restricted assets are liquid assets which have third-party (statutory or bond resolution covenant) limitations on their use. When both restricted and unrestricted, resources are available, restricted resources will be used first for incurred expenses, and then unrestricted as needed.

Unrestricted assets consist of all other net positions not included in the previous categories.

(1) <u>Summary of Significant Accounting Policies</u>: (Continued)

(o) Operating Revenues and Expenses - Operating revenues and expenses for enterprise funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

(p) Non-Operating Revenues and Expenses - Non-operating revenues and expenses represent revenue and expense items that are not incurred from the normal user activity of the Authority. This classification includes revenue received from grants and contributions, interest earned on bank accounts and investments, interest paid on debt service, lease proceeds, bond amortization, and the gain or loss on the sale or disposal of Authority property.

(q) Implemented Accounting Pronouncements - The Authority has implemented the following new Statements issued by the Governmental Accounting Standards for the fiscal year ending September 30, 2025:

1. GASB Statement No. 102, *Certain Risk Disclosures.* This statement enhances the consistency, comparability, and reliability related to the information required to be disclosed and continues to meet the objective of focusing the disclosures on those circumstances that make the government vulnerable to a heightened possibility of loss or harm. This statement is effective for the Authority's fiscal year ending September 30, 2025.
2. GASB Statement No. 103, *Financial Reporting Model Improvements.* This Statement improves key components of the financial reporting model (Management's Discussion & Analysis; Unusual or Infrequent Items; Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position) to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.
3. GASB Statement No. 104, *Disclosure of Certain Capital Assets.* This statement improves financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

(r) Recent Accounting Pronouncements - The Governmental Accounting Standards Board has issued GASB Statement No. 105, *Subsequent Events,* which will be effective in future years. Management has not completed its analysis of the effects, if any, of these GASB statements on the financial statements of the Authority.

(2) Deposits and Investments:

(a) Deposits - As of September 30, 2025 and 2024, the carrying amount of the Authority's deposits was \$12,290,368 and \$14,185,697, respectively, and the related bank balance totaled \$11,954,408 and \$13,986,379, respectively. The Authority also had cash on hand of \$1,750 and \$1,750 in FY2025 and FY2024, resulting in a total carrying amount of \$12,292,118, at September 30, 2025, and \$14,187,447 at September 30, 2024.

As of September 30, 2025 and 2024, the Authority's deposits are insured by the Federal Depository Insurance Corporation. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or a banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Authority's deposits at year-end, except for the demand deposits in trust accounts, are considered insured for custodial credit risk purposes.

(b) Investments - Investment of funds is governed by a written policy. The policy limits investment of funds to the following:

1. United States Securities (U.S. Treasury Notes, Bonds, or Bills) or any other instrument unconditionally guaranteed by the U.S. Government;

2. Government Sponsored Agencies and Instrumentalities;

3. State and local taxable and/or tax-exempt debt with a credit rating of at least AA, at the time of purchase, by at least one nationally recognized rating agency;

4. Corporate notes issued by U.S. Corporations that have a long-term debt rating, at the time of purchase, of at least AA by at least one nationally recognized rating agency;

5. Prime commercial paper of any United States company that is rated, at the time of purchase, "P-1" or "A-1", by Moody's and Standard & Poor's, respectively;

6. Negotiable certificates of deposits ("Brokered CD's") up to the amount guaranteed by the U.S. Government under FDIC limits;

7. Supra-national bonds issued by one of the three Supra-nationals – World Bank (IBRD), International Finance Corporation (IFC), or the InterAmerican Development Bank (IADB), which were established by international treaties, incorporated into U.S. federal law by congressional acts and headquartered in Washington, D.C.;

(2) Deposits and Investments: (Continued)

(b) Investments (Continued)

8. Non-negotiable certificates of deposit, money market funds, or interest-bearing time deposits or savings accounts in banks and thrifts placed with commercial banks doing business and situated in this State and approved under Florida Statute 280, by the State Treasurer for public deposits;

9. Secured repurchase agreements can be entered into only with qualified Florida public depositories or qualified principal dealers in U.S. Government securities. Repurchase agreements must be fully collateralized by direct obligations of the U.S. Treasury or of United States sponsored agencies/instrumentalities. An executed master purchase agreement is required;

10. Participation in any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes and the Florida Municipal Investment Trust pursuant to Section 218.415, Florida Statutes;

11. Security of, or other interests in, any open-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 1S U.S.C. 55.80a-1, et. Seq., as amended from time to time, provided the portfolio of such investment company or trust is limited to money market instruments consisting of United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations and provided such investment company or trust takes delivery of such collateral either directly or through an authorized custodian.

The Authority categorizes its investments according to the fair value hierarchy established by this statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs to include quoted prices for similar assets in active and non-active markets; Level 3 inputs are significant unobservable inputs. U.S. Agency Debentures, Corporate Bonds, and U.S. Treasury Obligations are recorded at fair value based on institutional bond quotes with various market and industry inputs on a daily basis. Negotiable Certificates of Deposits are recorded at fair value based on market prices on a monthly basis. Non-negotiable Certificates of Deposit are recorded at fair value using a cost-based measure and have not been classified in the fair value hierarchy. Money Market Accounts are recorded at cost and have not been classified in the fair value hierarchy.

(2) Deposits and Investments: (Continued)

(b) Investments (Continued)

As of September 30, 2025, the Authority had the following investments:

Investments by Level:	**Weighted Average Maturity**		**Fair Value**		**Fair Value Measurement Level 2**	
U.S. Agency Debentures	2.45 years	$	45,913,015		$	45,913,015
Corporate Bonds	3.08 years		16,755,689			16,755,689
Negotiable Certificates of Deposit	2.97 years		22,796,865			22,796,865
Municipal Bonds	3.48 years		5,891,026			5,891,026
Treasury Bonds	5.06 years		15,015,770			15,015,770
Total investments		$	106,372,365		$	106,372,365
Investments Reported at Cost:						
U.S. Treasury Money Market	N/A	$	438,645	*		
Florida CLASS	42.34 days		765,565	*		
Other Collateralized Money Market	N/A		8,298,041	*		
		$	9,502,251			
Total Investments		$	115,874,616			

* Cash and cash equivalents for statements of cash flows.

(2) Deposits and Investments: (Continued)

(b) Investments (Continued)

As of September 30, 2024, the Authority had the following investments:

Investments by Level:	Weighted Average Maturity	Fair Value	Fair Value Measurement Level 2
U.S. Agency Debentures	1.96 years	$ 48,653,381	$ 48,653,381
Corporate Bonds	2.58 years	8,057,429	8,057,429
Negotiable Certificates of Deposit	3.30 years	19,877,485	19,877,485
Municipal Bonds	3.11 years	1,542,787	1,542,787
Treasury Bonds	5.92 years	2,295,830	2,295,830
Total investments		$ 80,426,912	$ 80,426,912
Investments Reported at Cost:			
Non-negotiable Certificates of Deposit	0.84 years	$ 1,000,000	
U.S. Treasury Money Market	N/A	1,764,062 *	
Other Collateralized Money Market	N/A	7,958,309 *	
		$ 10,722,371	
Total Investments		$ 91,149,283	

* Cash and cash equivalents for statements of cash flows.

(c) Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policies limit its investments to high quality investments to control credit risk as discussed in Note 2. The table below outlines the Authority's credit ratings for investments with certain investments not specifically rated by both S&P and Moody's. The negotiable certificates of deposit are covered under the FDIC.

(2) <u>Deposits and Investments</u>: (Continued)

(c) Credit Risk (Continued)

As of September 30, 2025, the Authority had the following investment credit ratings:

Investments	S&P Rating	Moody's Rating	Fair Value
U.S. Agency Debentures	AA+	Aaa	$ 45,913,015
Corporate Bonds	AAA+ to AA-	Aaa to Aa	16,755,689
Negotiable Certificates of Deposit	NR	NR	22,796,865
Municipal Bonds	AAA to AA-	Aaa to Aa	5,891,026
Treasury Bonds	AA+	Aaa	15,015,770
U.S. Treasury Money Market	NR	NR	438,645
Florida CLASS	AAAm	NR	765,565
Other Collateralized Money Market	NR	NR	8,298,041
Total Investments			$ 115,874,616

As of September 30, 2024, the Authority had the following investment credit ratings:

Investments	S&P Rating	Moody's Rating	Fair Value
U.S. Agency Debentures	AA+	Aaa	$ 48,653,381
Corporate Bonds	AAA+ to AA-	Aaa to Aa	8,057,429
Negotiable Certificates of Deposit	NR	NR	19,877,485
Municipal Bonds	AAA to AA-	Aaa to Aa	1,542,787
Treasury Bonds	AA+	Aaa	2,295,830
U.S. Treasury Money Market	NR	NR	1,764,062
Other Collateralized Money Market	NR	NR	7,958,309
Non-negotiable Certificates of Deposit	NR	NR	1,000,000
Total Investments			$ 91,149,283

NR - Not Rated

(d) Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority has a formal investment policy that limits investment maturities, up to six years depending on the type of investment, as a means of managing exposure to fair value losses arising from increasing interest rates. Furthermore, in order to meet ongoing obligations, a minimum of 5% of idle cash is held in readily available funds such as checking, money market funds, or overnight repurchase agreements.

(2) Deposits and Investments: (Continued)

(e) Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In order to manage the custodial credit risk, the Authority's investment policy specifies certain requirements to pre-qualify financial institutions and brokers/dealers and does an annual review of the institutions used. The Authority's investments are held by a third-party custodian, not in the name of the Authority. Investments are held in book entry form at the Federal Reserve by Depository Trust Company (DTC) via the custodian. The custodian further segregates the Authority's investments in their trust accounting system.

(3) Accounts Receivable:

Customer accounts receivable consist of the following at September 30, 2025 and 2024:

	2025	2024
Accounts Receivable - Billed	$ 3,696,253	$ 3,527,580
Accounts Receivable - Unbilled	3,850,177	3,800,192
Gross Accounts Receivable	7,546,430	7,327,772
Less Allowance for doubtful accounts	(34,063)	(42,628)
Net Total Receivables	$ 7,512,367	$ 7,285,144

(4) Capital Assets:

A summary of changes in capital assets for the year ended September 30, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Remeasurements	Ending Balance
Capital assets not being depreciated:					
Land	$ 1,709,095	$	$	$	$ 1,709,095
Easements and right of ways	15,331,416	3,038,413	(5,399)		18,364,430
Intangible asset	9,624,654	570,000			10,194,654
Construction in progress	17,892,320	17,148,446	(12,653,601)		22,387,165
Total	44,557,485	20,756,859	(12,659,000)		52,655,344
Capital assets, being depreciated:					
Buildings	58,105,845	4,312,119	(73,076)		62,344,888
Utility plants and pipelines	449,450,725	24,909,209	(3,593,021)		470,766,913
Equipment	92,719,680	3,513,753	(851,330)		95,382,103
Lease asset	459,738			(173,486)	286,252
SBITA asset	1,707,043	256,550		(26,272)	1,937,321
Total	602,443,031	32,991,631	(4,517,427)	(199,758)	630,717,477
Less accumulated depreciation for:					
Buildings	(22,270,351)	(2,186,450)	56,308		(24,400,493)
Utility plants and pipelines	(216,828,248)	(16,500,914)	3,358,623		(229,970,539)
Equipment	(62,218,964)	(4,210,503)	809,543		(65,619,924)
Lease asset	(14,831)	(77,420)		28,914	(63,337)
SBITA asset	(87,992)	(258,411)			(346,403)
Total	(301,420,386)	(23,233,698)	4,224,474	28,914	(320,400,696)
Total capital assets, net, restated	$ 345,580,130	$ 30,514,792	$ (12,951,953)	$ (170,844)	$ 362,972,125

(4) Capital Assets: (Continued)

A summary of changes in capital assets for the year ended September 30, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Remeasurements	Ending Balance
Capital assets, not being depreciated:					
Land	$ 1,709,095	$	$	$	$ 1,709,095
Easements and right of ways	11,538,807	3,792,609			15,331,416
Intangible asset	8,674,654	950,000			9,624,654
Construction in progress	25,169,104	21,365,074	(28,641,858)		17,892,320
Total	47,091,660	26,107,683	(28,641,858)		44,557,485
Capital assets, being depreciated:					
Buildings	57,745,029	1,001,243	(640,427)		58,105,845
Utility plants and pipelines	412,629,503	40,612,787	(3,791,565)		449,450,725
Equipment	88,478,037	5,258,988	(1,017,345)		92,719,680
Lease asset		459,738			459,738
SBITA asset	1,181,007	583,015		(56,979)	1,707,043
Total	560,033,576	47,915,771	(5,449,337)	(56,979)	602,443,031
Less accumulated depreciation for:					
Buildings	(20,210,277)	(2,330,644)	270,570		(22,270,351)
Utility plants and pipelines	(205,004,623)	(15,250,164)	3,426,539		(216,828,248)
Equipment	(58,229,738)	(4,887,678)	898,452		(62,218,964)
Lease asset		(14,831)			(14,831)
SBITA asset	(43,996)	(43,996)			(87,992)
Total	(283,488,634)	(22,527,313)	4,595,561		(301,420,386)
Total capital assets, net, restated	$ 323,636,602	$ 51,496,141	$ (29,495,634)	$ (56,979)	$ 345,580,130

Depreciation and amortization expense for the years ended September 30, 2025 and 2024, was $23,233,698 and $22,527,313, respectively.

(5) Intangible Asset:

The Authority has entered into Interlocal Agreements to purchase the right to use additional potable water and wastewater capacity in Palm Beach County's potable water system and wastewater system. The assets have an indefinite life per the underlying agreements. Purchases are detailed in the following table:

Agreement Date	Amount	Capacity Purchased (in gallons) Water	Wastewater
December 1, 2010	$ 522,100	110,000	90,000
October 1, 2017	1,506,554	400,000	100,000
April 19, 2019	474,500	50,000	50,000
May 24, 2019	474,500	50,000	50,000
July 9, 2019	474,500	50,000	50,000
February 11, 2020	1,804,500	400,000	50,000
July 27, 2020	1,519,000	250,000	100,000
July 1, 2021	474,500	50,000	50,000
May 17, 2022	474,500	50,000	50,000
July 15, 2022	950,000	250,000	250,000
October 12, 2023	950,000	250,000	250,000
March 17, 2025	190,000	50,000	
September 23, 2025	380,000	100,000	
Total	$ 10,194,654		

(6) Long-Term Debt:

(a) Bonds Payable – On December 5, 2016, the Authority issued $42,855,000 of Water and Sewer Utility System Revenue Refunding Bonds, Series 2016B. Repayments of principal (annual) and interest (semi-annual at 5%) were made through March 1, 2024, when the bonds matured.

(b) Right to Use Lease – In April 2024, the Authority entered into a right to use lease for certain biofilter and odor control scrubber equipment. Under the terms of the agreement, the lease is paid monthly with a term of 59 months. Per GASB 87, the Authority recorded a lease asset and a lease liability at the commencement of the lease term measured at the present value of payments per the agreement excluding any nonlease components. The discount rate was 4% using the Authority's estimated incremental borrowing rate. The lease asset is amortized using the straight-line method over the term of the lease.

In July 2018 and June 2020, the Authority entered into right to use lease agreements for certain biofilter and odor control scrubber equipment. Under the terms of the agreements, the leases were paid monthly with term of 59 and 47 months, respectively. Per GASB 87, the Authority recorded lease assets and lease liabilities at the commencement of the lease term measured at the present value of payments per the agreement excluding any nonlease components. The discount rate were 3.75% and 4.0%, respectively, using the Authority's estimated incremental borrowing rate. The lease assets are amortized using the straight-line method over the term of the lease. In fiscal year 2024, the lease agreements were terminated.

(6) Long-Term Debt: (Continued)

(c) SBITA – The Authority entered into a right to use SBITA for its budget software. Under the terms of the agreements, the SBITA is paid monthly with a term of 56 months. Per GASB 96, the Authority recorded a SBITA liability at the commencement of the lease term measured at the present value of payments per the agreement excluding any nonlease components. A SBITA asset was also recorded for the present value of payments per the agreement, plus implementation costs. The discount rate was 5% using the Authority's estimated incremental borrowing rate. The SBITA asset is amortized using the straight-line method over the term of the lease. The Authority has also entered into an additional right to use SBITA for a customer service platform. Under the terms of that agreement, the SBITA is paid monthly with a term of 55 months. Per GASB 96, the Authority recorded a SBITA liability at the commencement of the lease term measured at the present value of payments per the agreement excluding any nonlease components. A SBITA asset was also recorded for the present value of payments per the agreement, plus implementation costs. The discount rate was 5% using the Authority's estimated incremental borrowing rate.

(d) Long-Term Debt - Changes in long-term debt for the year ended September 30, 2025, were as follows:

	Beginning Balance	Additions	Remeasurements	Reductions	Ending Balance	Due Within One Year
Lease Liability	431,482			(218,618)	212,864	52,428
SBITA Liability	583,157		(26,272)	(112,411)	444,474	231,190
Compensated Absences	1,941,052	41,547 *			1,982,599	198,259
Total	$ 2,955,691	$ 41,547	$ (26,272)	$ (331,029)	$ 2,639,937	$ 481,877

Changes in long-term debt for the year ended September 30, 2024, were as follows:

	Beginning Balance	Additions	Remeasurements	Reductions	Ending Balance	Due Within One Year
Refunding and Revenue Bonds:						
Refunding Bonds, Series 2016B ($42,855,000 term bonds maturing 2021-2024 with interest at 5.00%)	$ 11,940,000	$	$	$ (11,940,000)	$	$
Plus unamortized premiums	201,474			(201,474)		
Total bonds payable	12,141,474			(12,141,474)		
Lease Liability		444,927		(13,445)	431,482	82,572
SBITA Liability	824,962		(56,979)	(184,826)	583,157	139,342
Compensated Absences	1,814,728	126,324 *			1,941,052	194,105
Total	$ 14,781,164	$ 571,251	$ (56,979)	$ (12,339,745)	$ 2,955,691	$ 416,019

* Presented net in accordance with GASB 101, *Compensated Absences*

(e) Annual Maturities - The principal and interest requirements to maturity for all long-term debt as of September 30, 2025, are as follows:

Year	Lease Liability			SBITA Liability		
Ending	Principal	Interest	Total	Principal	Interest	Total
2026	$ 52,428	$ 7,560	$ 59,988	$ 231,190	$ 15,313	$ 246,503
2027	54,564	5,424	59,988	213,284	10,631	223,915
2028	56,787	3,201	59,988			
2029	49,085	904	49,989			
	$ 212,864	$ 17,089	$ 229,953	$ 444,474	$ 25,944	$ 470,418

(6) Long-Term Debt: (Continued)

(f) Events of Default - In the event of a default, of any of the Authority's outstanding bonds, the bondholders may, and, upon the written request of the holders of not less than 25 percent in aggregate principal amount of the outstanding obligations, shall, declare the principal of and premium, if any, on all the outstanding obligations (if not then due and payable), and the interest accrued thereon, to be due and payable immediately.

(7) Other Post-Employment Benefits (OPEB):

(a) General Information about the OPEB Plan - Retirees of the Authority pay an amount equal to the actual premium for health insurance charged by the carrier. The premium charged includes an implied rate subsidy, as the amount charged for all participants (active employee or retiree) is the same, regardless of age. Under GASB 75, an implied rate subsidy is considered other post-employment benefits (OPEB).

The following describes the Authority's OPEB Provisions:

Plan Description - The Authority provides a single employer defined benefit health care plan to all of its employees and the plan is administered by the Authority. The plan has no assets and does not issue a separate financial report.

Benefits Provided - The plan allows its employees and their beneficiaries, at their own cost, to obtain health, dental and other insurance benefits upon retirement. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan.

(7) <u>Other Post-Employment Benefits (OPEB)</u>: (Continued)

(a) General Information about the OPEB Plan (Continued)

<u>Employees Covered by Benefit Terms</u> - For the most recent valuation with a valuation date of October 1, 2024, the following employees were covered by benefit terms:

Participants	
Active Employees	125
Inactive Employees Currently Receiving Benefits	1
Total	126

<u>Contribution Requirements</u> - The Authority does not make direct contributions to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group health rates as active employees. However, the Authority's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an employer contribution, based upon an implicit rate subsidy. This offset equals the total annual age-adjusted costs paid by the Authority, or its active employees, for coverage of the retirees and their dependents net of the retiree's own payments for the year.

(b) Total OPEB Liability - The Authority's Total OPEB Liability was $1,189,505 as of September 30, 2025, and was determined from the valuation with a valuation date of October 1, 2024, and was determined using a roll-forward calculation based on the valuation with valuation date of October 1, 2022. The Authority's Total OPEB Liability was $971,916 as of September 30, 2024, and was determined from the valuation with a valuation date of October 1, 2022, and was determined using a roll-forward calculation based on the valuation with valuation date of October 1, 2022.

<u>Actuarial Assumptions and Other Inputs</u> - The total OPEB liability in the October 1, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs. These assumptions apply to the September 30, 2025, fiscal year:

Health Care Trend Rates:	
Initial Health Care Cost Trend Rate:	
HMO Plan	9.00%
PPO Plan	9.00%
Ultimate Health Care Cost Trend Rate	4.50%
Fiscal Year the Ultimate Rate is Reached	Fiscal Year 2040
Additional Information	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	3.00%
Salary Rate Increase	4.00%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	0.00%
Covered-Employee Payroll	$ 11,003,179
Total OPEB Liability as a Percentage of Covered Payroll	10.81%

(7) Other Post-Employment Benefits (OPEB): (Continued)

(b) Total OPEB Liability (Continued)

The total OPEB liability in the October 1, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs. These assumptions apply to the September 30, 2024, fiscal year:

Health Care Trend Rates:	
Initial Health Care Cost Trend Rate:	
HMO Plan	8.50%
PPO Plan	8.50%
Ultimate Health Care Cost Trend Rate	4.50%
Fiscal Year the Ultimate Rate is Reached	Fiscal Year 2038
Additional Information	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	3.00%
Salary Rate Increase	4.00%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	0.00%
Covered-Employee Payroll	$ 10,692,145
Total OPEB Liability as a Percentage of Covered Payroll	9.09%

Discount Rate - The Authority does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). As of September 30, 2025, the calculation used a rate of 4.50%, which was the September 30, 2025, S&P Municipal Bond 20 Year High-Grade Rate Index. As of September 30, 2024, the calculation used a rate of 4.06%, which was the September 30, 2024, S&P Municipal Bond 20 Year High-Grade Rate Index.

Mortality Assumptions - Mortality rates were based on the PUBG H-2010 Mortality Table - General.

Experience Study - No experience studies specific to the Authority's group was performed. Reliance was placed on assumptions and experience studies thereof from the Florida Retirement System Pension Plan Actuarial Valuation as of July 1, 2024.

(7) <u>Other Post-Employment Benefits (OPEB)</u>: (Continued)

(c) Changes in the Total OPEB Liability - Changes in the total OPEB liability were as follows:

	2025	2024
Total OPEB liability, beginning of year	$ 971,916	$ 879,087
Changes for the year:		
Service cost	64,144	54,951
Interest on the total OPEB liability	38,625	41,673
Differences between expected and actual experience	(147,218)	
Changes in assumptions and other inputs	303,157	42,952
Benefit payments	(41,119)	(46,747)
Net changes	217,589	92,829
Total OPEB liability, end of year	$ 1,189,505	$ 971,916

<u>Changes of Assumptions</u> - For the September 30, 2025, valuation, all assumptions, methods, and results are based on the fiscal year 2025 GASB 75 actuarial report dated November 18, 2025. Changes to the assumptions since the last actuarial valuation include the discount rate was increased from 4.06% to 4.50%; starting per capita costs were updated using most recent premiums; the health care trend rates were reset based on recent experience; retirement, termination and disability rates were changed to those found in the Florida Retirement System Pension Plan Actuarial Valuation as of July 1, 2024.

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(7) Other Post-Employment Benefits (OPEB): (Continued)

(c) Changes in the Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current discount rate at September 30, 2025:

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Total OPEB liability	$ 1,279,183	$ 1,189,505	$ 1,108,004

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.06%) or 1-percentage-point higher (5.06%) than the current discount rate at September 30, 2024:

	1% Decrease (3.06%)	Current Discount Rate (4.06%)	1% Increase (5.06%)
Total OPEB liability	$ 1,033,190	$ 971,916	$ 913,834

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates - The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trends that are 1-percentage-point lower (HMO 8.00%, PPO 8.00% decreasing to 3.50%) or 1-percentage-point higher (HMO 10.00%, PPO 10.00% decreasing to 5.50%) than the current healthcare cost trend rates at September 30, 2025:

	1% Decrease 3.50% - 8.00%	Healthcare Cost Trend Rate 4.50% - 9.00%	1% Increase 5.50% - 10.00%
Total OPEB liability	$ 1,090,413	$ 1,189,505	$ 1,302,903

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trends that are 1-percentage-point lower (HMO 7.50%, PPO 7.50% decreasing to 3.50%) or 1-percentage-point higher (HMO 9.50%, PPO 9.50% decreasing to 5.50%) than the current healthcare cost trend rates at September 30, 2024:

	1% Decrease 3.50% - 7.50%	Healthcare Cost Trend Rate 4.50% - 8.50%	1% Increase 5.50% - 9.50%
Total OPEB liability	$ 884,509	$ 971,916	$ 1,073,744

(7) Other Post-Employment Benefits (OPEB): (Continued)

(d) OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB - For the year ended September 30, 2025, the Authority recognized OPEB expense of $120,040. At September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 130,969	$ 176,701
Changes of Assumptions and Other Inputs	415,936	154,810
Total	$ 546,905	$ 331,511

For the year ended September 30, 2024, the Authority recognized OPEB expense of $88,909. At September 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 155,110	$ 79,316
Changes of Assumptions and Other Inputs	161,506	160,574
Total	$ 316,616	$ 239,890

Amounts reported as deferred outflows of resources and deferred inflows of resources as of September 30, 2025, will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30:	Amount
2026	$ 17,271
2027	31,995
2028	47,270
2029	41,540
2030	49,071
Thereafter	28,247
	$ 215,394

(8) Related Party Transaction:

In June 2004, the Authority accepted an agreement to operate the First Park South Florida Association, Inc. (FKA Palm Beach Park of Commerce) water and sewer treatment facility. The original operations agreement was with an entity owned by the Authority’s Executive Director. The assignment and assumption of rights and responsibilities associated with operating the facility resulted in a $19,069 net loss and $9,573 net gain for the fiscal years ended September 30, 2025 and 2024, respectively.

(9) Defined Contribution Plan:

The Authority sponsors and administers a defined contribution (money purchase) pension plan, the Seacoast Utility Authority Money Purchase Plan (the "Plan"). At the Plan's inception date of January 1, 1995, all the Authority's existing employees were fully vested in the Plan. Currently, Plan participants may enter the Plan upon hiring, but are subject to the following vesting schedule:

Years of Vesting Service	Vested Percentage
1	20%
2	40%
3	60%
4	80%
5	100%

Plan revisions and contribution requirements are established and may be amended by the Authority Board. The Plan does not allow employee contributions. Effective April 1, 2010, the Authority began making matching contributions on behalf of the plan participants in an amount equal to 100% of the salary deferral made to the Seacoast Utility Authority Deferred Compensation Plan, up to the first 2% of Plan compensation. Employer contributions equal a maximum of 10% of the participants covered employee's salary and totaled $1,246,548 and $1,182,326 for the fiscal years ended September 30, 2025 and 2024, respectively.

(10) Leases:

Lessor - In September 2007, the Authority entered into an agreement with T-Mobile South LLC, which allowed T-Mobile South LLC to use the Authority property to place and operate communication equipment. Under the terms of the agreement, the lease is paid annually with a term of 20 years. The discount rate was 4% using the implicit rate of the lease. In September 2021, the Authority entered into an agreement with Cellco Partnership d/b/a Verizon Wireless, which allowed Verizon Wireless to use the Authority property to place and operate communication equipment. Under the terms of the agreement, the lease is paid annually with a term of 25 years. The discount rate was 2% using the implicit rate of the lease. Annual lease service requirements to term are as follows:

	Principal	Interest	Total
Year Ending September 30:			
2026	$ 134,123	$ 39,845	$ 173,968
2027	143,860	35,410	179,270
2028	55,517	30,634	86,151
2029	58,361	29,513	87,874
2030	61,297	28,335	89,632
2031 - 2035	353,911	121,866	475,777
2036 - 2040	442,618	82,678	525,296
2041 - 2045	546,006	33,962	579,968
Total lease receivable	$ 1,795,693	$ 402,243	$ 2,197,936

(11) Commitments and Contingencies:

The Authority had outstanding purchase orders related to capital projects totaling approximately $39 million and $29 million for the fiscal years ended September 30, 2025 and 2024, respectively.

(12) Risk Management:

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the Authority carries commercial insurance to cover losses or claims. During the past three years, there have been no settlements that exceeded the insurance coverage.

Florida Statutes limit the Authority's maximum loss for most liability claims to $200,000 per person and $300,000 per occurrence under the Doctrine of Sovereign Immunity. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in the Florida Statutes do not apply to claims filed in federal courts.

(13) Correction of an Error in Previously Issued Financial Statements:

During fiscal year 2025, Authority determined that Easements and Utility Plant and Pipeline assets related to new development that were contributed in prior years were not fully reported. Therefore, capital assets, net of depreciation and amortization, were understated. In addition, revenue from contributions and depreciation and amortization expense were understated. The effect of correcting that error is shown in the table below:

	Net Position	
September 30, 2023, as previously reported	$	379,112,410
Omission correction		21,675,273
September 30, 2023, restated	$	400,787,683
September 30, 2024:		
Change in net position, as previously reported		27,376,601
Omission corrections:		
Developer contributions		12,873,739
Depreciation & amortization		(767,717)
Other expense		(2,158)
September 30, 2024, restated	$	440,268,148

(14) Subsequent Events:

The Authority has evaluated subsequent events through April 16, 2026, the date the audit reports were issued.

In March 2026, the Authority received approximately $14 million from a partial settlement related to PFAS class action litigation involving 3M and Dupont. Under the terms of the settlement, the Authority expects to receive additional proceeds of approximately $8 million between the 2nd Quarter 2026 and the 2nd Quarter 2033. The Authority is also a participant in other PFAS-related litigation involving Tyco and BASF; however, the timing and amounts of any potential recoveries from those matters are not currently determinable.

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REQUIRED SUPPLEMENTARY INFORMATION

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SEACOAST UTILITY AUTHORITY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
As of for the Fiscal Years Ended September 30,

	2021	2022	2023	2024	2025
Total OPEB Liability					
Service cost	$ 52,097	$ 51,778	$ 48,201	$ 54,951	$ 64,144
Interest	13,007	16,838	29,736	41,673	38,625
Differences between expected and actual experience	(47,441)		203,395		(147,218)
Changes of assumptions	82,757	(105,289)	(5,463)	42,952	303,157
Changes of benefit terms					
Benefit payments	(5,402)	(25,296)	(40,353)	(46,747)	(41,119)
Other changes					
Net change in total OPEB liability	95,018	(61,969)	235,516	92,829	217,589
Total OPEB liability - beginning	610,522	705,540	643,571	879,087	971,916
Total OPEB liability - ending	$ 705,540	$ 643,571	$ 879,087	$ 971,916	$ 1,189,505
Covered employee payroll	$8,780,574	$ 9,128,667	$10,280,130	$ 10,692,145	$ 11,003,179
Authority's total OPEB liability as a percentage of covered employee payroll	8.04%	7.05%	8.55%	9.09%	10.81%

	2017	2018	2019	2020
Total OPEB Liability				
Service cost	$ 43,668	$ 39,433	$ 34,871	$ 43,577
Interest	23,004	22,767	27,470	18,349
Differences between expected and actual experience	162,380		(182,990)	
Changes of assumptions	(234,515)	(24,958)	(98,410)	49,359
Changes of benefit terms				
Benefit payments	(28,672)	(40,921)	(22,228)	(26,324)
Other changes	46,955	14,604	1,202	(149)
Net change in total OPEB liability	12,820	10,925	(240,085)	84,812
Total OPEB liability - beginning	742,050	754,870	765,795	525,710
Total OPEB liability - ending	$ 754,870	$ 765,795	$ 525,710	$ 610,522
Covered employee payroll	$ 8,242,182	$ 8,815,344	$ 8,342,230	$ 8,342,230
Authority's total OPEB liability as a percentage of covered employee payroll	9.16%	8.69%	6.30%	7.32%

Notes to the Schedule:

This schedule is intended to present data for 10 years. Additional years will be presented as they become available.

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.

Changes of assumptions - For the October 1, 2024, valuation, all assumptions, methods, and results are based on the actuarial report dated November 18, 2025. Changes to the assumptions since the last actuarial valuation include the discount rate was decreased from 4.06% to 4.50% in 2024 and was increased from 4.87% to 4.06% in 2024; starting per capita costs were updated using most recent premiums; the health care trend rates were reset based on recent experience; retirement, termination and disability rates were changed to those found in the most recent FRS pension plan valuation report.

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SUPPLEMENTARY INFORMATION

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SEACOAST UTILITY AUTHORITY
COMPARATIVE SCHEDULES OF OPERATING REVENUES
BUDGET AND ACTUAL
For the Fiscal Years Ended September 30, 2025 and 2024

	2025		
	Budget	**Actual**	**Variance**
Operating revenues:			
Metered water charges	$ 52,422,935	$ 55,545,561	$ 3,122,626
Wastewater charges	20,356,793	20,220,116	(136,677)
Guaranteed revenue	1,240,205	1,077,366	(162,839)
Reclaimed water charges	2,286,370	2,573,419	287,049
Private fire protection	240,253	258,504	18,251
Private system maintenance	69,910	72,454	2,544
Land development fees	175,000	233,462	58,462
Miscellaneous	478,596	366,862	(111,734)
Total operating revenues	$ 77,270,062	$ 80,347,744	$ 3,077,682

	2024		
	Budget	**Actual**	**Variance**
Operating revenues:			
Metered water charges	$ 50,254,349	$ 51,369,986	$ 1,115,637
Wastewater charges	19,029,456	19,333,612	304,156
Guaranteed revenue	1,295,889	967,414	(328,475)
Reclaimed water charges	2,391,650	2,318,530	(73,120)
Private fire protection	240,271	252,769	12,498
Private system maintenance	69,403	79,196	9,793
Land development fees	125,000	217,953	92,953
Miscellaneous	364,859	409,211	44,352
Total operating revenues	$ 73,770,877	$ 74,948,671	$ 1,177,794

SEACOAST UTILITY AUTHORITY
COMPARATIVE SCHEDULES OF OPERATING EXPENSES
BUDGET AND ACTUAL
For the Fiscal Years Ended September 30, 2025 and 2024

	2025		
	Budget	**Actual**	**Variance**
Operating expenses:			
Engineering	$ 2,235,620	$ 1,947,891	$ 287,729
Finance	1,179,619	1,079,096	100,523
Information technology	1,003,080	784,602	218,478
Customer service	2,657,591	2,328,313	329,278
Water treatment	20,203,931	17,349,878	2,854,053
Water distribution	3,531,603	2,880,472	651,131
Sewer treatment	7,035,462	6,251,510	783,952
Sewer distribution	3,904,322	3,355,669	548,653
Utility services	2,290,334	1,715,544	574,790
Administration	2,464,355	2,361,265	103,090
Plant and administrative - shared	3,182,031	2,286,058	895,973
Depreciation and amortization		23,233,698	(23,233,698)
Total operating expenses	$ 49,687,948	$ 65,573,996	$ (15,886,048)

	2024		
	Budget	**Actual**	**Variance**
Operating expenses:			
Engineering	$ 2,089,689	$ 1,820,309	$ 269,380
Finance	1,093,549	1,017,863	75,686
Information technology	995,605	736,851	258,754
Customer service	2,704,289	2,280,017	424,272
Water treatment	19,313,402	16,608,112	2,705,290
Water distribution	3,623,336	3,045,879	577,457
Sewer treatment	6,850,653	6,404,037	446,616
Sewer distribution	3,818,898	3,370,652	448,246
Utility services	2,367,644	1,809,760	557,884
Administration	2,225,543	2,170,647	54,896
Plant and administrative - shared	3,656,251	2,257,475	1,398,776
Depreciation and amortization, restated		22,527,313	(22,527,313)
Total operating expenses, restated	$ 48,738,859	$ 64,048,915	$ (15,310,056)

SEACOAST UTILITY AUTHORITY
COMPARATIVE SCHEDULES OF OPERATING EXPENSES
For the Fiscal Years Ended September 30, 2025 and 2024

	2025	2024
Water costs of sales and services:		
Treatment:		
Personnel services	$ 3,190,372	$ 3,060,427
Operating expenses	14,159,506	13,547,685
Total treatment	17,349,878	16,608,112
Distribution:		
Personnel services	2,083,285	1,992,779
Operating expenses	797,187	1,053,100
Total distribution	2,880,472	3,045,879
Total water costs of sales and services	20,230,350	19,653,991
Sewer costs of sales and services:		
Treatment:		
Personnel services	2,538,951	2,387,764
Operating expenses	3,712,559	4,016,273
Total treatment	6,251,510	6,404,037
Collection:		
Personnel services	1,936,018	1,809,996
Operating expenses	1,419,651	1,560,656
Total collection	3,355,669	3,370,652
Total sewer costs of sales and services	9,607,179	9,774,689
Utility services and fleet:		
Personnel services	857,785	811,566
Operating expenses	857,759	998,194
Total utility services and fleet	1,715,544	1,809,760

(Continued)

SEACOAST UTILITY AUTHORITY
COMPARATIVE SCHEDULES OF OPERATING EXPENSES
For the Fiscal Years Ended September 30, 2025 and 2024

	2025	2024
Administrative and general:		
Engineering:		
Personnel services	$ 1,754,099	$ 1,592,440
Operating expenses	193,792	227,869
Total engineering	1,947,891	1,820,309
Finance:		
Personnel services	904,972	861,241
Operating expenses	174,124	156,622
Total finance	1,079,096	1,017,863
Information technology:		
Personnel services	582,656	514,372
Operating expenses	201,946	222,479
Total information technology	784,602	736,851
Customer service:		
Personnel services	1,572,031	1,491,237
Operating expenses	756,282	788,780
Total customer service	2,328,313	2,280,017
Administrative:		
Personnel services	2,283,205	2,107,026
Operating expenses	78,060	63,621
Total administration	2,361,265	2,170,647
Total administration and general	8,501,167	8,025,687
Plant and administrative shared expenses:		
Personnel services	450,636	525,507
Operating expenses	1,835,422	1,731,968
Total plant and administrative shared expenses	2,286,058	2,257,475
Total operating expenses before depreciation	42,340,298	41,521,602
Depreciation and amortization, restated	23,233,698	22,527,313
Total operating expenses, restated	$ 65,573,996	$ 64,048,915

STATISTICAL SECTION

This part of the Seacoast Utility Authority's annual comprehensive financial report presents detailed information as a context for understanding the information presented in the financial statements, note disclosures, and required supplementary information reports.

Contents **Page**

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year or from data collected from our billing history reports.

SEACOAST UTILITY AUTHORITY
SCHEDULE OF NET POSITION BY COMPONENT
For the Last Ten Fiscal Years

	2016	2017 (1)	2018	2019	2020	2021	2022	2023 (2)	2024(2)	2025
Net investment in capital assets	$ 166,347,112	$ 174,429,093	$ 180,792,821	$ 193,341,324	$ 247,969,264	$ 262,597,570	$ 268,972,416	$ 306,712,347	$ 341,215,267	$ 357,997,962
Restricted for:										
Debt service	4,850,465	4,820,357	5,040,852	5,526,764						
Debt service reserve	11,030,463	20,432,809	19,823,917	18,857,335						
Renewal and replacement	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000		
Special Project				116,120						
Unrestricted	73,377,387	69,610,732	74,880,243	80,278,579	74,099,794	76,645,689	83,003,047	92,075,336	99,052,881	122,531,706
Totals	**$ 257,605,427**	**$ 271,292,991**	**$ 282,537,833**	**$ 300,120,122**	**$ 324,069,058**	**$ 341,243,259**	**$ 353,975,463**	**$ 400,787,683**	**$ 440,268,148**	**$ 480,529,668**
% Change from the prior year	**5.88%**	**5.31%**	**4.14%**	**6.22%**	**7.98%**	**5.30%**	**3.73%**	**13.22%**	**9.85%**	**9.14%**

(1) Net Position for this fiscal year was restated due to the implementation of GASB 75.
(2) FY2023 & FY2024 Net investment in Capital Assets have been restated for an omission in previously issued statements.

SEACOAST UTILITY AUTHORITY
SCHEDULE OF CHANGES IN NET POSITION
For the Last Ten Fiscal Years

	2016	2017(2)	2018(1)	2019	2020	2021	2022	2023(3)	2024(3)	2025(3)
OPERATING REVENUE:										
Metered water sales	$ 29,946,464	$ 32,312,147	$ 31,912,203	$ 33,629,447	$ 34,577,136	$ 36,094,893	$ 44,133,146	$ 47,937,534	$ 51,369,986	$ 55,545,561
Sewer sales	18,465,129	19,104,752	19,530,301	20,586,812	21,470,486	21,746,075	17,471,420	18,756,368	19,333,612	20,220,116
Guaranteed revenue	1,024,180	1,008,373	1,304,046	1,141,744	1,132,859	1,199,613	922,329	862,946	967,414	1,077,366
Reclaimed water revenue	1,145,038	1,304,707	1,183,151	1,298,600	1,773,565	2,058,334	2,223,307	2,189,403	2,318,530	2,573,419
Other	829,542	984,629	680,601	899,654	701,393	817,787	965,445	838,412	959,129	931,282
Total operating revenue	51,410,353	54,714,608	54,610,302	57,556,257	59,655,439	61,916,702	65,715,647	70,584,663	74,948,671	80,347,744
OPERATING EXPENSES:										
Plant operation and maintenance	16,116,589	16,639,482	18,330,442	18,012,593	18,774,759	20,092,742	26,543,136	30,444,298	32,615,500	32,947,568
General and administrative	6,183,057	6,364,338	6,873,146	7,454,413	9,341,138	10,057,296	7,266,897	7,732,669	8,906,102	9,392,730
Depreciation	17,727,911	17,848,181	18,658,291	18,838,327	19,104,598	19,873,611	20,821,271	22,297,813	22,527,313	23,233,698
Total operating expenses	40,027,557	40,852,001	43,861,879	44,305,333	47,220,495	50,023,649	54,631,304	60,474,780	64,048,915	65,573,996
OPERATING INCOME	**11,382,796**	**13,862,607**	**10,748,423**	**13,250,924**	**12,434,944**	**11,893,053**	**11,084,343**	**10,109,883**	**10,899,756**	**14,773,748**
NONOPERATING REVENUE (EXPENSES):										
Investment income:										
Interest income	1,122,509	1,139,967	2,491,940	2,549,434	1,918,035	1,019,192	892,780	2,048,801	2,706,538	3,396,533
Net (decrease) in the fair value of investments	419,896	(648,720)	(1,863,386)	2,361,132	795,908	(707,859)	(5,485,946)	677,205	3,776,025	1,540,452
Grant Revenue			104,821	35,934	339,096	4,472	64,463	25,481	692,449	123,867
Developer and other contributions	6,902,652	6,782,558	3,950,902	5,448,227	10,423,687	5,511,322	6,592,321	16,040,717	21,694,778	20,344,790
Other revenue	108,188	124,554	236,137	942,492	301,501	552,798	305,930	408,564	533,422	341,440
Build America bond rebate	1,392,355	1,390,115	1,395,093	1,401,190	585,862					
Interest expense	(5,584,067)	(6,821,739)	(7,004,641)	(6,192,934)	(3,284,780)	(1,120,126)	(1,404,013)	(883,111)	(299,231)	(50,806)
Bond issuance costs	(139,220)	(547,215)								
Amortization		1,179,483	1,481,246	1,573,181	1,017,945	1,301,953	968,647	594,636	201,474	
Other (expense)	(1,309,422)	(2,364,185)	(295,693)	(3,787,291)	(583,262)	(1,280,604)	(286,321)	(85,094)	(724,746)	(208,504)
Total nonoperating revenue (expenses)	2,912,891	234,818	496,419	4,331,365	11,513,992	5,281,148	1,647,861	18,827,199	28,580,709	25,487,772
CHANGE IN NET POSITION	14,295,687	14,097,425	11,244,842	17,582,289	23,948,936	17,174,201	12,732,204	28,937,082	39,480,465	40,261,520
TOTAL NET POSITION, BEGINNING OF YEAR	243,309,740	257,195,566	271,292,991	282,537,833	300,120,122	324,069,058	341,243,259	371,850,601	400,787,683	440,268,148
TOTAL NET POSITION, END OF YEAR	**$ 257,605,427**	**$ 271,292,991**	**$ 282,537,833**	**$ 300,120,122**	**$ 324,069,058**	**$ 341,243,259**	**$ 353,975,463**	**$ 400,787,683**	**$ 440,268,148**	**$ 480,529,668**

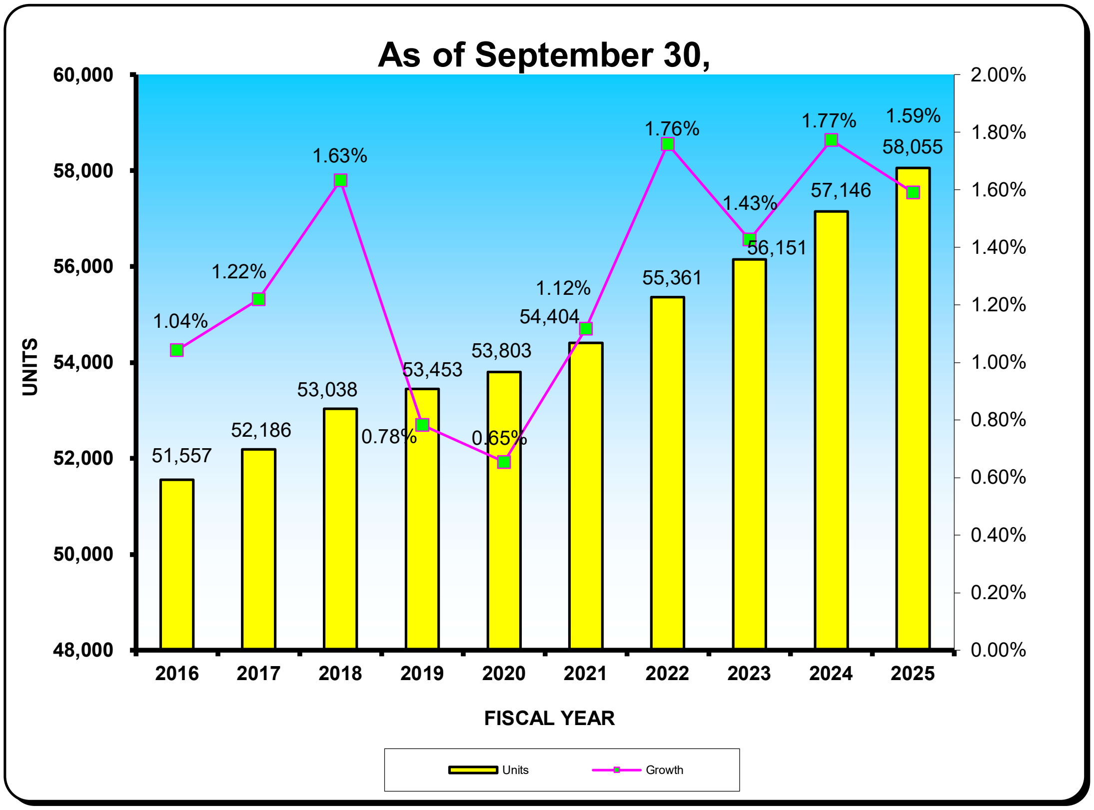
(1) Certain accounts have been reclassified for comparative purposes to conform with the current year presentation.
(2) Beginning Net Position has been restated due to the implementation of GASB 75.
(3) Certain line items have been restated due to omissions in previously issued financial statements. Where applicable, Net Position Beginning of Year has been restated.

SEACOAST UTILITY AUTHORITY
SCHEDULE OF REVENUES BY SOURCE
For the Last Ten Fiscal Years

	Operating Revenues						Nonoperating Revenues					
Fiscal Year Ended September 30,	Metered Water Charges	Wastewater Charges	Guaranteed Revenue	Reclaimed Water Charges	Other	Total Operating Revenues	Investment Income	Capital/ Grant Contributions (1)	Build America Bond Rebate	Other	Total Non-Operating Revenues (1)	Total Revenues (1)
2016	$ 29,946,464	$ 18,465,129	$ 1,024,180	$ 1,145,038	$ 829,542	$ 51,410,353	$ 1,542,405	$ 6,902,652	$ 1,392,355	$ 108,188	$ 9,945,600	$ 61,355,953
2017	32,312,147	19,104,752	1,008,373	1,304,707	984,629	54,714,608	491,247	6,782,558	1,390,115	124,554	8,788,474	63,503,082
2018	31,912,203	19,530,301	1,304,046	1,183,151	680,601	54,610,302	628,554	4,055,723	1,395,093	236,137	6,315,507	60,925,809
2019	33,629,447	20,586,812	1,141,744	1,298,600	899,654	57,556,257	4,910,566	5,484,161	1,401,190	942,492	12,738,409	70,294,666
2020	34,577,136	21,470,486	1,132,859	1,773,565	701,393	59,655,439	2,713,943	10,762,783	585,862	301,501	14,364,089	74,019,528
2021	36,094,893	21,746,075	1,199,613	2,058,334	817,787	61,916,702	311,333	5,515,794		552,798	6,379,925	68,296,627
2022	44,133,146	17,471,420	922,329	2,223,307	965,445	65,715,647	(4,593,166)	6,656,784		305,930	2,369,548	68,085,195
2023	47,937,534	18,756,368	862,946	2,189,403	838,412	70,584,663	2,726,006	16,066,198		408,564	19,200,768	89,785,431
2024	51,369,986	19,333,612	967,414	2,318,530	959,129	74,948,671	6,482,563	22,387,227		533,422	29,403,212	104,351,883
2025	55,545,561	20,220,116	1,077,366	2,573,419	931,282	80,347,744	4,936,985	20,468,657		341,440	25,747,082	106,094,826

(1) Fiscal Years 2023-2025 have been restated.

SEACOAST UTILITY AUTHORITY
TOTAL WATER UNITS BY CATEGORY
For the Last Ten Fiscal Years

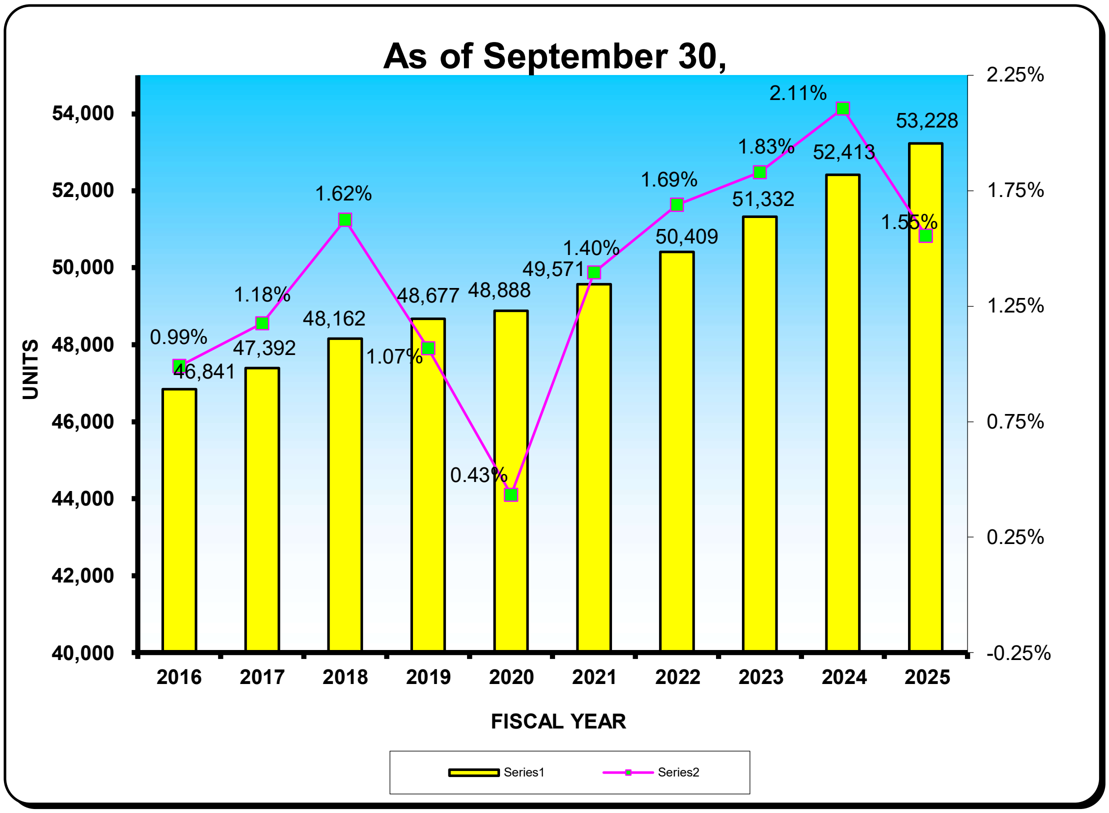


TOTAL UNITS BY CATEGORY

Fiscal Year	Single Family Count	Single Family % of Annual Total	Multi-Family Count	Multi-Family % of Annual Total	Non-Residential Count	Non-Residential % of Annual Total	Total All
2016	31,418	60.94%	17,245	33.45%	2,894	5.61%	**51,557**
2017	31,631	60.61%	17,590	33.71%	2,965	5.68%	**52,186**
2018	31,750	59.86%	18,323	34.55%	2,965	5.59%	**53,038**
2019	31,918	59.71%	18,510	34.63%	3,025	5.66%	**53,453**
2020	32,169	59.79%	18,576	34.53%	3,058	5.68%	**53,803**
2021	32,955	60.57%	18,379	33.78%	3,070	5.64%	**54,404**
2022	33,617	60.72%	18,624	33.64%	3,120	5.64%	**55,361**
2023	34,315	61.11%	18,630	33.18%	3,206	5.71%	**56,151**
2024	34,862	61.01%	19,033	33.31%	3,251	5.69%	**57,146**
2025	35,639	61.39%	19,175	33.03%	3,241	5.58%	**58,055**

Source: Rate information is provided by the Authority's Customer Service Billing System

SEACOAST UTILITY AUTHORITY
TOTAL SEWER UNITS BY CATEGORY
For the Last Ten Fiscal Years



TOTAL UNITS BY CATEGORY

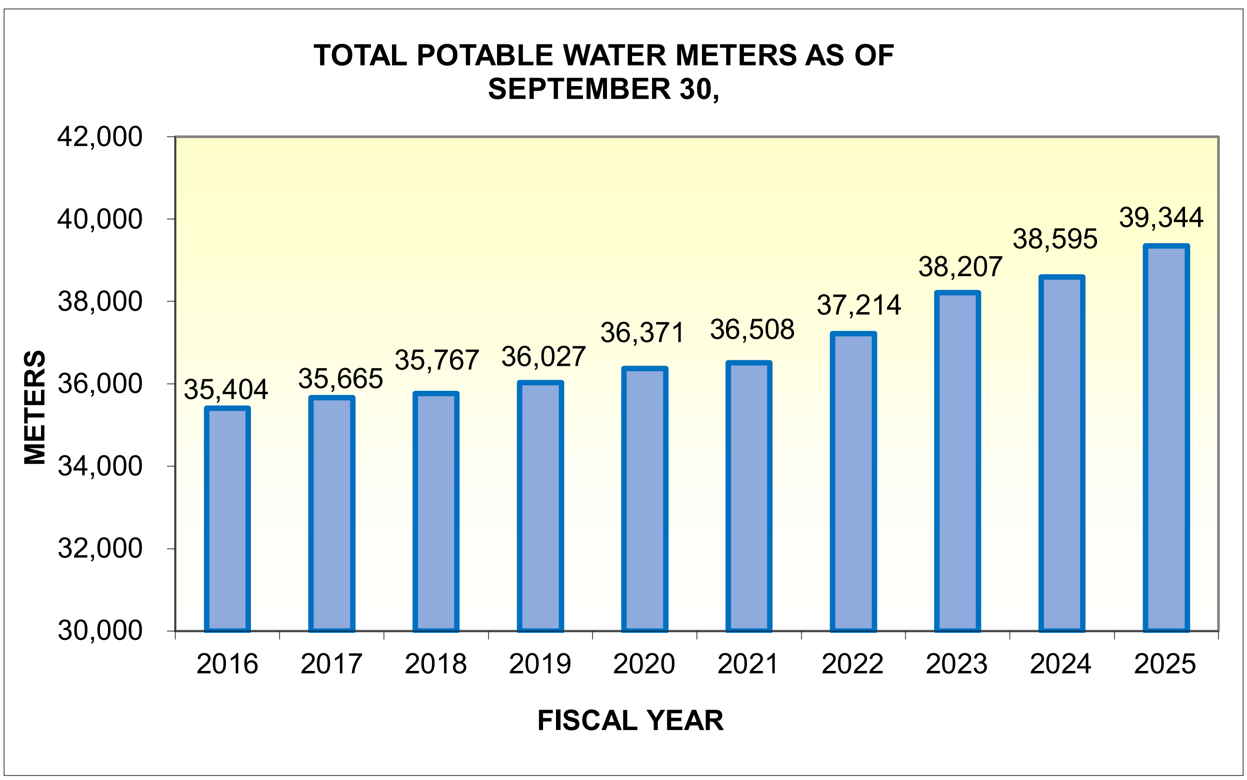
	Single Family		Multi-Family		Non-Residential		
Fiscal Year	Count	% of Annual Total	Count	% of Annual Total	Count	% of Annual Total	**Total All**
2016	28,310	60.44%	16,793	35.85%	1,738	3.71%	**46,841**
2017	28,494	60.12%	17,138	36.16%	1,760	3.71%	**47,392**
2018	28,592	59.37%	17,819	37.00%	1,751	3.64%	**48,162**
2019	28,765	59.09%	18,131	37.25%	1,781	3.66%	**48,677**
2020	28,966	59.25%	18,131	37.09%	1,791	3.66%	**48,888**
2021	29,787	60.09%	17,980	36.27%	1,804	3.64%	**49,571**
2022	30,451	60.41%	18,065	35.84%	1,893	3.76%	**50,409**
2023	31,104	60.59%	18,319	35.69%	1,909	3.72%	**51,332**
2024	31,638	60.36%	18,816	35.90%	1,959	3.74%	**52,413**
2025	32,315	60.71%	18,958	35.62%	1,955	3.67%	**53,228**

Source: Rate information is provided by the Authority's Customer Service Billing System.

SEACOAST UTILITY AUTHORITY
WATER METER DATA
For the Last Ten Fiscal Years

 # OF METERS BY DWELLING TYPE

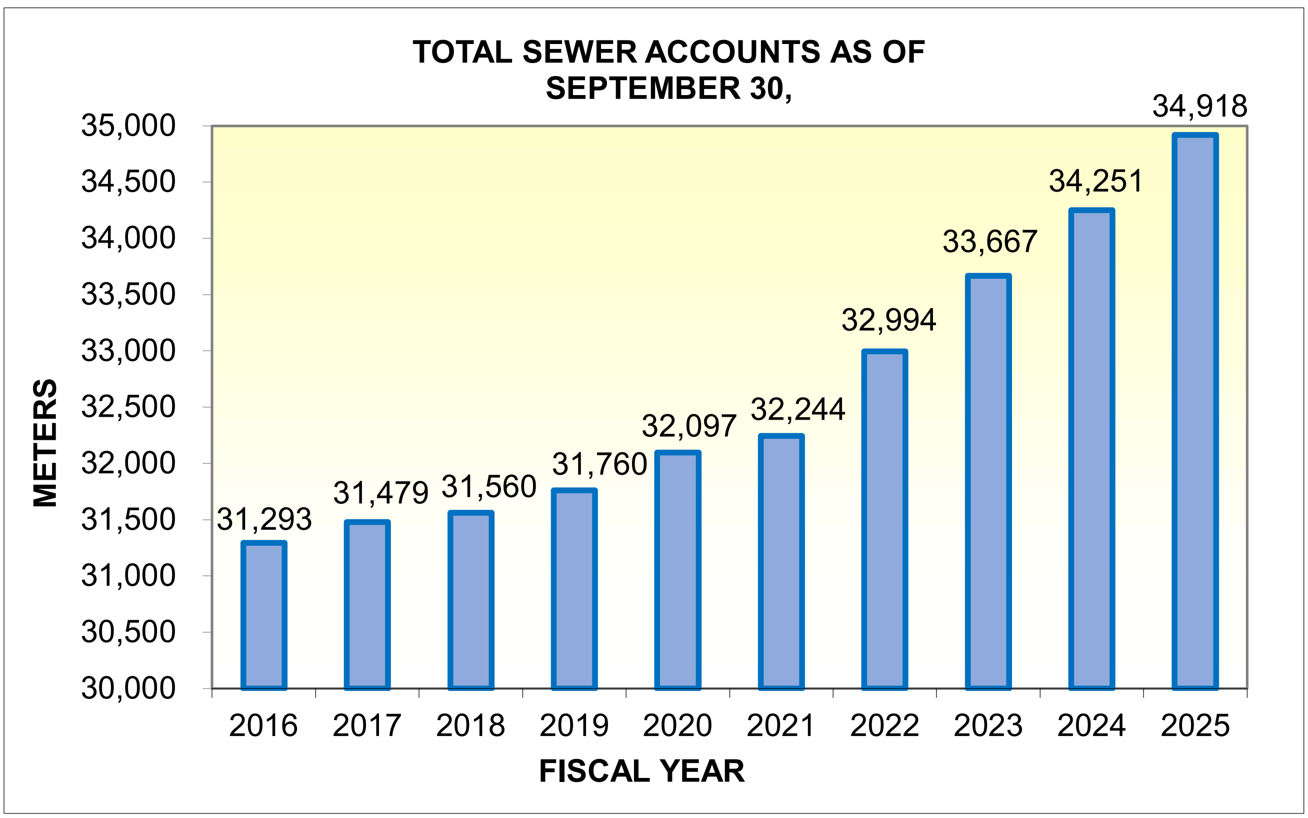
	Single Family		Multi-Family		Non-Residential		
Fiscal Year	**Count**	**% of Annual Total**	**Count**	**% of Annual Total**	**Count**	**% of Annual Total**	**Annual Total**
2016	29,949	84.59%	2,561	7.24%	2,894	8.17%	**35,404**
2017	30,124	84.46%	2,576	7.23%	2,965	8.31%	**35,665**
2018	30,220	84.49%	2,582	7.23%	2,965	8.29%	**35,767**
2019	30,400	84.38%	2,584	7.18%	3,043	8.45%	**36,027**
2020	30,597	84.12%	2,584	7.11%	3,190	8.77%	**36,371**
2021	30,853	84.51%	2,585	7.09%	3,070	8.41%	**36,508**
2022	31,513	84.68%	2,581	6.95%	3,120	8.38%	**37,214**
2023	32,208	84.30%	2,587	6.78%	3,412	8.93%	**38,207**
2024	32,756	84.87%	2,588	6.72%	3,251	8.42%	**38,595**
2025	33,514	85.18%	2,589	6.59%	3,241	8.24%	**39,344**



Source: Rate information is provided by the Authority's Customer Service Billing System.

SEACOAST UTILITY AUTHORITY
SEWER ACCOUNTS DATA
For the Last Ten Fiscal Years

	# OF ACCOUNTS BY DWELLING TYPE						
	Single Family		Multi-Family		Non-Residential		
Fiscal Year	Count	% of Annual Total	Count	% of Annual Total	Count	% of Annual Total	Annual Total
2016	27,019	86.33%	2,536	8.10%	1,738	5.55%	**31,293**
2017	27,168	86.30%	2,551	8.10%	1,760	5.59%	**31,479**
2018	27,252	86.34%	2,557	8.10%	1,751	5.55%	**31,560**
2019	27,419	86.32%	2,560	8.06%	1,781	5.61%	**31,760**
2020	27,744	86.43%	2,560	7.98%	1,793	5.59%	**32,097**
2021	27,879	86.45%	2,561	7.94%	1,804	5.59%	**32,244**
2022	28,542	86.50%	2,559	7.76%	1,893	5.74%	**32,994**
2023	29,194	86.70%	2,564	7.62%	1,909	5.67%	**33,667**
2024	29,727	86.78%	2,565	7.49%	1,959	5.72%	**34,251**
2025	30,397	87.04%	2,566	7.35%	1,955	5.60%	**34,918**

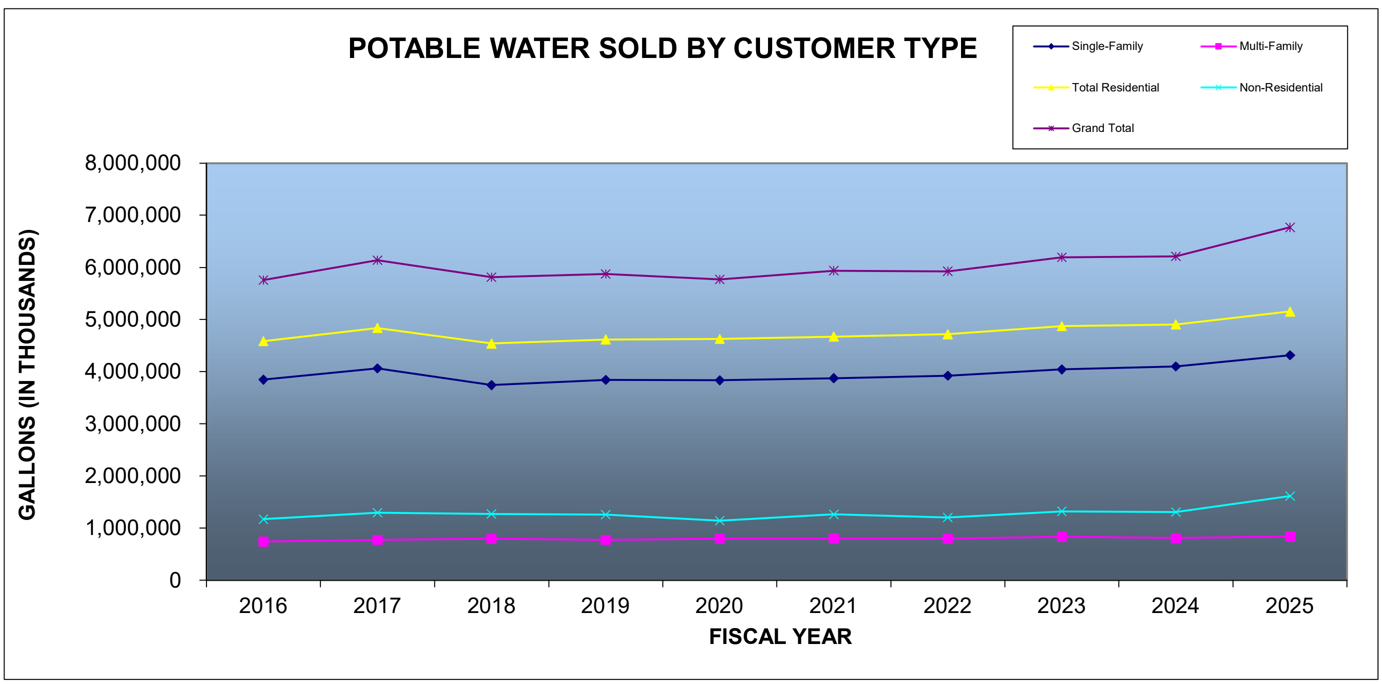


Source: Rate information is provided by the Authority's Customer Service Billing System.

SEACOAST UTILITY AUTHORITY
POTABLE WATER SOLD BY CUSTOMER TYPE
For the Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential:										
Single-Family	3,846,353	4,063,785	3,742,912	3,841,340	3,832,666	3,873,265	3,921,922	4,040,154	4,098,762	4,314,037
Multi-Family	740,264	776,256	796,712	776,352	794,895	801,097	797,031	831,521	806,578	838,794
Total Residential	4,586,617	4,840,041	4,539,624	4,617,692	4,627,561	4,674,362	4,718,953	4,871,675	4,905,340	5,152,831
Non-Residential	1,172,750	1,295,160	1,271,735	1,257,999	1,142,073	1,262,161	1,204,407	1,319,508	1,308,147	1,614,959
Grand Total	5,759,367	6,135,201	5,811,359	5,875,691	5,769,634	5,936,523	5,923,360	6,191,183	6,213,487	6,767,790
Charges for Services	$ 51,410,353	$ 54,714,608	$ 54,610,302	$ 57,556,257	$ 59,655,439	$ 61,916,702	$ 65,715,647	$ 70,584,663	$ 74,948,671	$ 80,347,744
Calculated Total Direct Rate per Thousand Gallons	$ 8.93	$ 8.92	$ 9.40	$ 9.80	$ 10.34	$ 10.43	$ 11.09	$ 11.40	$ 12.06	$ 11.87

The Authority has a complex rate structure. Charges are based on a combination of factors: customer type, meter size, number of units, and level of consumption. Excluding wastewater only customers, both potable water and wastewater are calculated based upon water sold. Therefore, the calculated total direct rate per thousand gallons is the total charges for services divided by water sold in thousands of gallons.



Source: Seacoast Utility Authority's Finance Department

SEACOAST UTILITY AUTHORITY
SCHEDULE OF WATER AND SEWER RATES
As of September 30, 2025

Monthly Base Facility (Minimum) Charge: All Customers

Meter Size	Single Family (per dwelling unit) Water	Single Family (per dwelling unit) Sewer	Multi-Family (per dwelling unit) Water	Multi-Family (per dwelling unit) Sewer	Non-Residential (per meter) Water	Non-Residential (per meter) Sewer
5/8 " & 3/4 "	$ 32.26	$ 22.08	$ 13.43	$ 11.98	$ 29.68	$ 40.81
1"	80.67	22.08	13.43	11.98	74.22	102.02
1-1/2"	161.35	22.08	13.43	11.98	148.40	204.04
2"	258.16	22.08	13.43	11.98	237.46	326.47
3"		22.08	13.43	11.98	474.89	652.92
4"		22.08	13.43	11.98	742.03	1,020.19
6" Compound		22.08	13.43	11.98	1,484.06	2,040.35
6" Turbine		22.08	13.43	11.98	2,374.40	3,264.80
Sewer only		22.08		11.98		

Rates effective October 1, 2024.

(Continued)

SEACOAST UTILITY AUTHORITY
SCHEDULE OF WATER AND SEWER RATES (Continued)
As of September 30, 2025

Point of Service Charge: All Customers
(Per meter, or per sewer connection if no meter)

Single Family (per dwelling unit)		Multi-Family (per dwelling unit)		Non-Residential (per meter)	
Water	Sewer	Water	Sewer	Water	Sewer
$ 2.61	$ 2.34	$ 2.61	$ 2.34	$ 2.61	$ 2.34

Gallonage Charge: All Customers (billed in 1,000 gallon increments)

		Water	Sewer
Single-Family:	1 - 6,000 gallon rate	$ 2.97	
	7,000 - 30,000 gallon rate	5.14	
	Greater than 31,000 gallon rate	6.23	
	0 - 10,000 gallons max		0.99
Multi-Family:	1 - 4,000 gallon rate	4.22	
	5,000 - 20,000 gallon rate	5.73	
	Greater than 21,000 gallon rate	6.51	
	0 - 6,000 gallons max		0.99
Non-Residential:	1 - 6,000 gallon rate	2.38	
	7,000 gallon rate or more	4.95	
	All gallons		0.90

Fire Line Charge Caps: Customers served by separate Fire Line

Fixed Monthly Charge: All Fire Lines $32.26 (includes $2.61 point of service charge) plus $6.51 per 1,000 gallons.

Source: Rate information is provided by the Authority's Customer Service Billing System.

SEACOAST UTILITY AUTHORITY
LARGEST CUSTOMERS
For the Fiscal Year Ended September 30, 2025
and Nine Years Prior

CUSTOMER	2025 Operating Revenues	2025 Rank	2025 %	2016 * Operating Revenues	2016 * Rank	2016 * %
Palm Beach Park of Commerce Assoc. Inc.	$ 2,834,739	1	3.53%	$		
City of Riviera Beach	1,134,109	2	1.41%			
Old Palm Golf Club Inc.	475,117	3	0.59%			
Mirasol Master Maintenance, Assoc. Inc.	470,290	4	0.59%			
Meadows Mobile Home Park	450,831	5	0.56%	298,982	3	11.30%
City of Palm Beach Gardens	421,950	6	0.53%			
Westwood Gardens Devel. Corp.	415,247	7	0.52%	322,612	2	12.19%
Ballenisles Country Club Inc.	396,391	8	0.49%			
University of Florida	379,456	9	0.47%			
Avenir at PGA LLC	366,345	10	0.46%			
San Matera The Gardens Condo Assoc. Inc.	356,187	11	0.44%	330,000	1	12.47%
Forbes/Cohen Fla Properties	342,153	12	0.43%	227,511	8	8.60%
Sreit San Marco Villas LLC	336,110	13	0.42%			
Waterford	289,041	14	0.36%			
Harbour Oaks HOA	272,316	15	0.34%			
GS Palm Beach Owners	269,291	16	0.34%			
Gables Residential	267,580	17	0.33%	227,692	7	8.60%
Windsor Corporation	263,144	18	0.33%			
Frenchman's Reserve Country Club	261,089	19	0.32%			
San Merano at Mirasol	257,570	20	0.32%			
PR Quaye Owner LLC	255,931	21	0.32%			
Palm Beach Gardens Comm. Hospital	254,396	22	0.32%			
Olen Company	249,846	23	0.31%	221,331	9	8.36%
PBG ES Property Owner LLC	213,850	24	0.27%			
Landmark at Garden Square LLC				286,884	4	10.84%
Housing Trust Group of Florida LLC				276,912	5	10.46%
The Realty Associates Fund dba San Merano				234,733	6	8.87%
Magazine Gardens East LP				220,135	10	8.32%
Subtotal	**$ 11,232,979**		**13.98%**	**$ 2,646,792**		**5.15%**
Balance from other customers	69,114,765		86.02%	48,763,561		94.85%
Total All Customers	**$ 80,347,744**		**100.00%**	**$ 51,410,353**		**100.00%**

* Note - This report only presents data for customers with annual revenues over $200,000.
Source: Largest customer information is provided by the Authority's Customer Service Billing System.

SEACOAST UTILITY AUTHORITY
SCHEDULE OF AREA DEMOGRAPHICS
SERVED BY SEACOAST UTILITY AUTHORITY
For the Last Ten Fiscal Years

Fiscal Year		Estimated Population Served	Per Capita Personal Income	Median Age	Unemployment Rate
2016	City of Palm Beach Gardens	54,565	$ 70,136	48.2	3.9%
	Town of Lake Park	9,153	$ 36,358	36.2	8.2%
	Town of Juno Beach	3,555	$ 64,382	61.0	4.5%
	Village of North Palm Beach	12,817	$ 61,653	52.4	4.9%
	Palm Beach County	20,661	$ 55,427	43.3	4.9%
2017	City of Palm Beach Gardens	53,927	$ 75,434	48.8	3.0%
	Town of Lake Park	8,582	$ 47,153	36.2	4.9%
	Town of Juno Beach	3,606	$ 70,272	60.3	3.7%
	Village of North Palm Beach	13,342	$ 69,718	52.0	4.5%
	Palm Beach County	21,074	$ 58,566	43.6	3.6%
2018	City of Palm Beach Gardens	55,124	$ 77,658	49.2	2.9%
	Town of Lake Park	8,749	$ 49,452	36.1	3.7%
	Town of Juno Beach	3,675	$ 93,574	60.4	3.1%
	Village of North Palm Beach	13,316	$ 66,833	52.2	3.1%
	Palm Beach County	21,495	$ 60,150	43.6	3.3%
2019	City of Palm Beach Gardens	56,726	$ 82,736	47.0	2.3%
	Town of Lake Park	8,718	$ 55,054	36.0	3.2%
	Town of Juno Beach	3,780	$ 92,258	60.0	3.5%
	Village of North Palm Beach	13,260	$ 66,898	52.2	2.2%
	Palm Beach County	21,925	$ 63,869	52.3	3.2%
2020	City of Palm Beach Gardens	58,550	$ 82,736	47.7	4.2%
	Town of Lake Park	8,710	$ 55,054	36.2	3.2%
	Town of Juno Beach	3,732	$ 91,037	59.4	3.5%
	Village of North Palm Beach	13,332	$ 66,898	51.8	2.2%
	Palm Beach County	22,583	$ 63,869	43.6	6.1%
2021	City of Palm Beach Gardens	57,761	$ 91,968	47.6	2.9%
	Town of Lake Park	8,481	$ 63,198	36.8	3.2%
	Town of Juno Beach	3,663	$ 89,962	60.1	3.5%
	Village of North Palm Beach	13,096	$ 75,510	52.6	2.2%
	Palm Beach County	23,261	$ 68,107	44.0	4.0%
2022	City of Palm Beach Gardens	59,386	$ 92,277	50.9	2.3%
	Town of Lake Park	9,051	$ 55,514	38.4	3.2%
	Town of Juno Beach	3,846	$ 64,553	61.5	3.5%
	Village of North Palm Beach	13,191	$ 74,666	54.1	2.2%
	Palm Beach County	23,959	$ 68,569	43.7	2.9%
2023	City of Palm Beach Gardens	65,852	$ 110,654	49.3	2.9%
	Town of Lake Park	8,585	$ 67,426	38.2	3.2%
	Town of Juno Beach	4,411	$ 89,402	63.8	3.5%
	Village of North Palm Beach	12,540	$ 96,464	53.1	2.2%
	Palm Beach County	29,960	$ 81,117	45.1	3.3%
2024	City of Palm Beach Gardens	61,634	$ 112,113	52.4	2.8%
	Town of Lake Park	9,048	$ 63,074	37.0	3.2%
	Town of Juno Beach	4,969	$ 77,737	65.3	3.5%
	Village of North Palm Beach	13,568	$ 98,806	55.6	2.2%
	Palm Beach County	30,654	$ 50,180	45.1	3.0%
2025	City of Palm Beach Gardens	64,368	$ 117,772	52.3	2.5%
	Town of Lake Park	9,871	$ 72,819	36.9	3.2%
	Town of Juno Beach	5,211	$ 83,397	65.0	3.5%
	Village of North Palm Beach	13,901	$ 102,268	55.8	2.2%
	Palm Beach County	31,742	$ 88,454	44.7	3.0%

Personal Income and Education Level information is not presented. This information could not be obtained.
Source: 2025 Business Development Board of Palm Beach County

SEACOAST UTILITY AUTHORITY
SCHEDULE OF AREA DEMOGRAPHICS (Continued)
TOP 10 EMPLOYERS SERVED BY SEACOAST UTILITY AUTHORITY
For the Last Ten Fiscal Years

	FY 15/16			FY 16/17			FY 17/18			FY 18/19			FY 19/20		
Top Ten Employers by Number of Employees	Number of Employees	% of Total Service Area Employment	Rank	Number of Employees	% of Total Service Area Employment	Rank	Number of Employees	% of Total Service Area Employment	Rank	Number of Employees	% of Total Service Area Employment	Rank	Number of Employees	% of Total Service Area Employment	Rank
Florida Power & Light	3,658	4.9%	1	4,005	5.4%	1	4,021	5.4%	1	4,404	5.9%	1	4,807	6.1%	1
Wackenhut	3,000	4.0%	2	3,000	4.0%	2	1,501	2.0%	2	1,501	2.0%	2	1,451	1.9%	2
PGA National Resort & Spa	780	1.0%	4	700	0.9%	4	700	0.9%	4	700	0.9%	4	700	0.9%	4
BIOMET 3i, Inc.	519	0.7%	5	471	0.6%	6	471	0.6%	6	651	0.9%	5	659	0.8%	5
Virtual Bank	467	0.6%	6	450	0.6%	7	0*	0.0%	0	0*	0.0%	0	0*	0.0%	0
Belcan Engineering Corp	464	0.6%	7	472	0.6%	5	458	0.6%	7	458	0.6%	7	458	0.6%	7
City of Palm Beach Gardens	277	0.4%	8	154	0.2%	10	496	0.7%	5	496	0.7%	6	496	0.6%	6
Palm Beach Gardens Marriott	242	0.3%	9	242	0.3%	9	154	0.2%	10	154	0.2%	10	154	0.2%	10
Global Care Solutions	807	1.1%	3	807	1.1%	3	0*	0.0%	0	0*	0.0%	0	0*	0.0%	0
Anspach Companies	0*	0.0%	0	0*	0.0%	0	242	0.3%	9	242	0.3%	9	242	0.3%	9
TBC Corporation	215	0.3%	10	285	0.4%	8	750	1.0%	3	800	1.1%	3	870	1.1%	3
Catalfumo Construction	0*	0.0%	0	0*	0.0%	0	0*	0.0%	0	0*	0.0%	0	0*	0.0%	0
LRP Publications	0*	0.0%	0	0*	0.0%	0	292	0.4%	8	292	0.4%	8	292	0.4%	8
Total Employed by Top Ten	10,429	13.0%		10,586	14.2%		9,085	12.2%		9,698	13.0%		10,129	12.9%	

	FY 20/21			FY 21/22			FY 22/23**			FY 23/24			FY 24/25		
Top Ten Employers by Number of Employees	Number of Employees	% of Total Service Area Employment	Rank	Number of Employees	% of Total Service Area Employment	Rank	Number of Employees	% of Total Service Area Employment	Rank	Number of Employees	% of Total Service Area Employment	Rank	Number of Employees	% of Total Service Area Employment	Rank
Florida Power & Light	5,119	6.5%	1	5,330	6.8%	1	5,330	6.8%	1	5,598	7.1%	1	6,139	7.8%	1
Allied Security (G4S)(Wackenhut)	1,451	1.9%	2	1,451	1.8%	2	1,451	1.8%	2	1,451	1.8%	2	1,451	1.8%	2
TBC Corporation	870	1.1%	3	870	1.1%	3	870	1.1%	3	870	1.1%	3	870	1.1%	3
ZimVie (BIOMET 3i, Inc.)	659	0.8%	5	854	1.1%	4	854	1.1%	4	854	1.1%	4	400	0.5%	4
PGA National Resort & Spa	700	0.9%	4	700	0.9%	5	700	0.9%	5	356	0.5%	5	356	0.5%	5
Carrier Corporation	0*	0.0%	0	595	0.8%	6	595	0.8%	6	601	0.8%	6	600	0.8%	6
City of Palm Beach Gardens	501	0.6%	6	539	0.7%	7	539	0.7%	7	606	0.8%	7	632	0.8%	7
Belcan Engineering Corp	315	0.4%	7	306	0.4%	8	306	0.4%	8	396	0.5%	8	396	0.5%	8
LRP Publications	293	0.4%	8	293	0.4%	9	293	0.4%	9	100	0.1%	9	100	0.1%	9
Anspach Companies	242	0.3%	9	242	0.3%	10	242	0.3%	10	242	0.3%	10	242	0.0%	10
Palm Beach Gardens Marriott	154	0.2%	10	0*	0.0%	0	0*	0.0%	0	0*	0.0%	0	0*	0.0%	0
Total Employed by Top Ten	10,304	13.1%		11,180	14.2%		11,180	14.2%		11,074	13.7%		11,186	13.9%	

* Company not in business yet, closed, or ranked outside of the top ten.
**Source information was not updated for 2023
Source: 2025 Business Development Board of Palm Beach County

SEACOAST UTILITY AUTHORITY
RATIO OF OUTSTANDING DEBT
For the Last Ten Fiscal Years

Fiscal Year	1989 Revenue Bonds	2005 Refunding Bonds (2)	2006 Refunding Bonds (3)	2009A Revenue Bonds (6)	2009B Revenue Bonds (6)	2016A Refunding Bonds (5)	2016B Refunding Bonds (6)	2018-2022 Loan Payable (7)	2018-2024 Lease Liability (8)	SBITA Liability	Total Outstanding Debt (4)	Debt Per Customer (1)(9)
2016	10,428,982	6,601,620	6,195,736	11,877,896	65,015,000						100,119,234	1,942
2017	7,176,301	4,485,644	4,208,801	4,019,633	65,015,000	8,499,065	50,049,587				143,454,031	2,749
2018	3,733,618	2,287,761	2,141,164	3,932,777	65,015,000	7,852,603	48,491,687	17,269	262,735		133,751,883	2,522
2019				3,836,219	65,015,000	7,205,754	46,933,787	46,603	251,014		123,334,980	2,307
2020						1,558,706	45,918,372	76,698	185,862		47,816,336	889
2021							35,869,757	106,673	118,494		36,201,597	665
2022							24,096,111	118,451	47,571		24,380,584	440
2023							12,141,474			824,962	12,966,436	231
2024									431,482	583,157	1,014,639	18
2025									212,864	444,474	657,338	11

(1) Number of customers is defined as the number of potable water units.
(2) The 2005 Refunding Bonds issued in 2005 refunded part of the 1992 Refunding Bonds.
(3) The 2006 Refunding Bonds issued in 2006 refunded the remaining portion of the 1992 Refunding Bonds.
(4) An adjustment was made in 2020 to the 1989 Bonds unamortized premium for a clerical error.
(5) The 2016A Bonds were issued to advance refund certain 2009A Bonds. The 2016B Bonds were issued, via a crossover refunding, to refund a majority of the 2009B Bonds.
(6) The 2009 Bonds were issued to construct the replacement of the Water Treatment Plant.
(7) The Authority entered into a lease/purchase loan agreements during these years.
(8) The Authority entered into Right to Use lease agreements during these years.
(9) As of September 30, 2024, the Authority does not have any outstanding debt per customer.

Source: Seacoast Utility Authority's Finance Department

SEACOAST UTILITY AUTHORITY
SCHEDULE OF PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

				Available for Debt Service					Debt Service			Coverage	
Fiscal Year Ended September 30,	Operating Revenue Excluding Guaranteed Revenue, and Connection Fees	75% of Non-Construction Interest Income	Operating Expenses Excluding Depreciation	Net Revenue Available (1)	Guaranteed Revenue	Connection Charges	25% of Non-Construction Interest Income	Net Revenue Available (3)	Principal (6)	Interest	Total Debt Service Requirements (5)	Excluding Guaranteed Revenue and Connection Fees (2)	Including Guaranteed Revenue and Connection Fees (4)
2016	50,386,173	841,882	22,299,646	28,928,409	1,024,180	2,129,539	280,627	32,362,755	7,221,417	6,082,796	13,304,213	2.17	2.43
2017	53,706,235	854,975	23,003,820	31,557,390	1,008,373	1,868,168	284,992	34,718,923	7,567,911	7,235,870	14,803,781	2.13	2.35
2018	53,306,256	1,868,955	25,203,588	29,971,623	1,304,046	2,232,405	622,985	34,131,059	8,250,521	7,531,360	15,781,881	1.90	2.16
2019	56,414,512	1,912,076	25,467,006	32,859,582	1,141,744	2,170,156	637,358	36,808,840	8,643,925	7,135,105	15,779,030	2.08	2.33
2020	58,522,580	1,438,526	28,115,897	31,845,209	1,132,859	4,144,811	479,509	37,602,388	9,430,000	4,577,551	14,007,551	2.27	2.68
2021	60,717,089	764,394	30,150,038	31,331,445	1,199,613	3,043,796	254,798	35,829,652	10,280,000	1,962,250	12,242,250	2.56	2.93
2022	64,793,318	669,585	33,810,033	31,652,870	922,329	2,897,719	223,195	35,696,113	10,805,000	1,435,125	12,240,125	2.59	2.92
2023	69,721,717	1,536,601	38,176,967	33,081,351	862,946	6,376,097	512,200	40,832,594	11,360,000	881,000	12,241,000	2.70	3.34
2024	73,981,257	2,029,904	41,521,602	34,489,559	967,414	5,041,172	676,635	41,174,780	11,940,000	298,500	12,238,500	2.82	3.36
2025	79,270,378	2,547,400	42,340,298	39,477,480	1,077,366	3,737,687	849,133	45,141,666			(7)		

(1) Net revenue available for debt service before guaranteed revenue, connection charges and 25% of non-construction interest income.
(2) Until 3/1/2020 the Bond Trust Indenture required 1.05 times. From 3/1/2020 through 9/30/2023, the Bond Bond Resolution requires 1.0 times.
(3) Net revenue available for debt service including guaranteed revenue, connection charges and 25% of non-construction interest income.
(4) Until 3/1/2020 the Bond Trust Indenture required 1.20 times. From 3/1/2020 through 9/30/2023 the Bond Bond Resolution requires 1.10 times.
(5) Debt service requirements are calculated on a cash basis and interest expense is before capitalization.
(6) The Crossover refunding debt payments are not included in the presented FY2019/2020 principal paid.
(7) The Authority no longer has any outstanding debt.

Source: Seacoast Utility Authority's Finance Department

Further details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

SEACOAST UTILITY AUTHORITY
FULL-TIME EMPLOYEES BY FUNCTION
For the Last Ten Fiscal Years

FUNCTION	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Administration	31	31	30	32	33	32	32	34	36	36
Customer/Field Service	18	18	15	14	15	15	14	15	15	15
Utility Services/Fleet	10	10	10	9	9	8	8	8	8	8
Sewer Treatment	16	16	16	15	16	18	18	17	17	17
Water Treatment	21	21	21	21	20	23	22	21	21	21
Water Distribution	15	15	16	17	17	18	18	18	18	18
Wastewater Collection	14	14	16	17	16	17	17	17	17	17
Total	**125**	**125**	**124**	**125**	**126**	**131**	**129**	**130**	**132**	**132**

Source: Employee count information is provided by the Authority's Human Resource Department.

SEACOAST UTILITY AUTHORITY
OPERATING INDICATORS BY FUNCTION
For the Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
WATER										
Number of accounts	35,404	35,665	35,767	36,027	36,371	36,508	37,214	38,207	38,595	39,344
Average Daily Consumption (in thousands of gallons)	15,779	16,809	15,922	16,098	15,807	16,264	16,228	16,962	17,023	18,542
SEWER										
Number of accounts	31,293	31,479	31,560	31,760	32,097	32,244	32,994	33,667	34,251	34,918
Average Daily Sewer Charged (in thousands of gallons)	9,169	9,680	9,355	9,477	9,364	9,391	9,726	9,930	10,135	10,364

Source: Customer account totals are provided by the Authority's Customer Billing System.

SEACOAST UTILITY AUTHORITY
CAPITAL AND INFRASTRUCTURE STATISTICS BY FUNCTION
For the Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
WATER										
Water main (miles)	488.2	493.6	495.7	497.2	503.2	520.2	526.7	530.9	536.8	549.9
Fire hydrants	3,593	3,614	3,624	3,635	3,809	3,849	3,962	4,026	4,134	4,299
Valves	7,307	7,382	7,450	7,520	7,716	7,926	8,126	8,281	8,522	8,649
SEWER										
Sanitary sewer (miles)	285.0	286.3	286.3	287.1	296.1	302.6	305.1	310.0	316.0	323.0
Force main miles	87.5	87.9	88.9	89.4	92.9	97.4	98.1	99.9	103.0	109.0
Lift stations	152	153	154	156	159	168	169	172	176	180
Utility holes	7,747	7,759	7,771	7,782	8,076	8,279	8,365	8,527	8,751	9,132
Reclaimed water main (miles)	24.3	24.3	24.3	24.3	24.3	24.3	27.7	27.7	27.0	27.0

Source: Infrastructure information is provided by the Authority's Geographical Information System.

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OTHER INDEPENDENT AUDITOR'S 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*
- Independent Auditor's Management Letter
- Schedule of Findings and Responses
- Schedule of Prior Year Findings
- Independent Accountant's Report – Investment Compliance

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MAULDIN & JENKINS
CPAs & ADVISORS

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*

Board of Directors
Seacoast Utility Authority
Palm Beach Gardens, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Seacoast Utility Authority (the "Authority"), as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a material weaknesses.

Report on Compliance and Other Matters

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

Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 16, 2026

MAULDIN & JENKINS

CPAs & ADVISORS

Independent Auditor's Management Letter

Board of Directors
Seacoast Utility Authority
Palm Beach Gardens, Florida

Report on the Financial Statements

We have audited the financial statements of the Seacoast Utility Authority (the "Authority") as of and for the fiscal years ended September 30, 2025 and 2024, and have issued our report thereon dated April 16, 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 Reports and Schedule

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 Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 16, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal District

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 Authority discloses this information in the notes to the financial statements. The Authority has no component units.

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Authority'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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

Mauldin & Jenkins, LLC

Bradenton, Florida
April 16, 2026

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	X Yes ___ No
Significant deficiency identified not considered to be material weaknesses?	___ Yes X None reported
Noncompliance material to financial statements noted?	___ Yes X No

Federal and State Financial Assistance

Federal and state Single Audits were not required as the Authority did not expend greater than $1,000,000 of federal awards or $750,000 of state financial assistance funds during its fiscal year ended September 30, 2025.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2024-001. Contributed Capital Assets – Material Weakness

Criteria: Internal controls should be in place to provide reasonable assurance that all transactions are recorded in accordance with accounting principles generally accepted in the United States of America. As part of the audit process, Finance Department management identified that certain contributed capital assets were not provided to the Finance Department in order to properly record contributed assets and capital assets within the financial statements.

Condition: The Authority's internal control policies and procedures did not operate as designed.

Context: The Authority's capital assets and net position were understated in prior fiscal years.

Effect: An adjustment to beginning net position as of October 1, 2023 in the amount of $21,675,273 was required. Additionally, for fiscal year 2024, an adjustment was required to record contributions and increase capital assets in the amount of $12,873,739, to record depreciation expense and accumulated depreciation in the amount of $767,717, and to record a loss on disposal of capital assets in the amount of $2,158. These adjustments were required to be made to the Authority's general ledger to properly record capital assets.

Recommendation: We recommend the Authority implement a training process to ensure all appropriate personnel follow the Authority's policies and procedures regarding contributed assets.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES
(CONTINUED)

View of Responsible Officials: Management concurs with the finding and determined that it resulted from a prior Engineering Department reorganization, during which established procedures for communicating easement acquisition and other donated infrastructure information to the Finance Department were not consistently followed. Management has since reestablished formal communication protocols, assigned responsibility to designated personnel, provided refresher training, and ensured all previously omitted asset information has been communicated and recorded in the Authority's financial records.

SECTION III
FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

None reported.

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Independent Accountant's Report

Board of Directors
Seacoast Utility Authority
Palm Beach Gardens, Florida

We have examined the Seacoast Utility Authority's (the "Authority") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the years ended September 30, 2025 and 2024. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority'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 Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Authority 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 Authority and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 16, 2026

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