CITY OF INDIAN ROCKS BEACH, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended September 30, 2025

Prepared by the Finance Department

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CITY OF INDIAN ROCKS BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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The City of Indian Rocks Beach, Florida
City Officials

Elected Officials

Mayor/Commissioner..…….	Denise Houseberg
Commissioner ……	Jude Bond
Commissioner ……	Janet Wilson
Commissioner……	John Bigelow
Commissioner…….. ……..……..……	Hilary King

Financial Related Management

City Manager……..	Ryan Henderson
City Clerk……..……	Lorin Kornijtschuk
City Administrative Director……	Robert Gomez
City Attorney……..	Matthew Maggard



October 28, 2026

The Honorable Commissioners,
and Citizens of Indian Rocks Beach, Florida

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Indian Rocks Beach, Florida, for the fiscal year ended September 30, 2025, as mandated by both local ordinances and State Statutes. The Annual Comprehensive Financial Report was compiled by the City's Finance Department, in close cooperation with the external auditor and associates, and represents the official report of the City's financial operations and condition to the citizens, City Commission, the financial community, and other persons interested in the financial affairs of the City of Indian Rocks Beach. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included. To maintain a reasonable basis for making these representations, management maintains an internal control structure that provides reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's accounting policies.

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

The City of Indian Rocks Beach financial statements have been audited by Forvis Mazars, LLP, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the Fiscal Year ended September 30, 2025, are free of material misstatement. The audit involved examining evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the Fiscal Year ended September 30,

2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented on page 1 of this report.

Profile of the Government

The City of Indian Rocks Beach was incorporated on June 25, 1955, under the provisions of the Laws of Florida, Chapter 30852, and since that time, has operated under the same Charter. The City is an independent reporting entity as defined by the Governmental Accounting Standards Board (GASB). The City is a political subdivision of the State of Florida, located in Pinellas County, operating under a City Manager/City Commission form of government. The City is located on a barrier island on the southwest coast of the state and is approximately 1.4 square miles in area and is part of the Tampa Bay metropolitan area. Please visit www.indian-rocks-beach.com for more information about the City and for links to other sites within the area.

The City provides municipal services that include solid waste collection, code enforcement, street repair and maintenance, drainage repair and maintenance, parks, library services, and general administration. The City contracts with Pinellas County for building permitting services. Pinellas County government provides potable water, sewer collection & treatment, solid waste disposal, and the jail/court systems while Pinellas Suncoast Fire and Rescue District provides fire and rescue services. The City contracts with the Pinellas County Sheriff's Office for law enforcement.

The City operates under a commission-manager form of government. Policy-making and legislative authority are vested in the City Commission consisting of five members. The City Commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's Manager, City Attorney and City Clerk. The City Manager is the Chief Executive Officer of the City and is responsible for carrying out the policies and ordinances of the City Commission, for the day-to-day operations of the City, for appointing the heads of the various departments, and the hiring and supervision of all City team members. In addition, the City Manager is responsible for the supervision of the City Attorney and City Clerk. The City Commission is elected on a non-partisan basis and serves a two-year term.

The annual budget is the foundation for the City's financial planning and control systems. All City department heads are involved in the annual budget process. A Finance and Budget Review Committee reviews and makes recommendations on the City's annual budget document. The City Manager then presents this proposed budget to the City Commission for review in July, August, and September of each year. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function, and by department, and as the year progresses, budget to actual comparisons is provided to each department, as well as the City Commission.

Local Economy

In late September and early October 2024, the city was directly hit by two major Hurricanes. The two storms damaged approximately 75% of all residential and commercial properties within the city, including flooding and structural damage. Currently, the focus of the city continues to be to support on-going rebuilding and repair of damaged structures, with various residential properties, multi-family homes, and commercial properties undergoing reconstruction efforts. In total, taxable property values rose 11.65% in 2024, but only a 0.75% increase in 2025. Future property valuations will be negatively affected during reconstruction efforts, thus impacting future ad valorem tax

collections. Both prior to and after the storms, the city continues to experience high numbers of conversions of full-time residences to short-term or vacation rental properties. In addition, new construction and highly desirable waterfront properties added to the large increases in property values. Inflation impacts and high costs continue to pressure the purchasing abilities of both governmental and enterprise operations. Investment returns remain strong for operating and surplus funds.

Long-term Financial Planning

Financial planning for the immediate and foreseeable future remains a key stabilizing factor for the City. The City Manager proposes, and the City Commission reviews and adopts a five-year capital improvement plan, which is updated annually. Replacing and maintaining infrastructure throughout the City, including road, drainage, and parks facilities, remains a primary responsibility. Maintaining strong fund balances, the receipt of sufficient revenues and operating efficiencies all continue to be focal points of the City and its efforts to meet the service demands of residents.

Major Initiatives

The City proactively addresses the strategic needs for services and investing in its capital infrastructure. In total, the City invested $582,000 in capital project funding in its fiscal year 2026 fiscal year budget, including:

- *$400,000 Street Reconstruction.*
- *$182,000 City Park upgrades and improvements.*

Relevant Financial Policies

It is the policy of the City Commission to maintain a General Fund reserve equal to six months of operating expenditures (50%) of the General Fund. This is the target that the unassigned fund balance should not fall below without establishing a replenishment plan. Funds more than these required reserves may be appropriated by the City Commission for specific capital improvement projects or other one-time needs. Funds are invested in a manner which provides the highest investment return with maximum security, while meeting the daily cash flow demands of the City.

It is the policy of the City Commission that enterprise fund operations, solid waste, shall be self-supporting. Periodic review of rate schedules helps to ensure that enterprise funds are self-supporting. Additionally, Commission policy requires that unrestricted fund balances of the enterprise funds be maintained at a level equivalent to the greater of three months of operation and maintenance expenses for the solid waste fund.

Internal and Budgetary Control

A major emphasis is placed by the City on effective internal control in the City's accounting system. Internal control seeks to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that financial records are reliable for preparing financial statements and maintaining accountability for assets. In addition, the independent certified public accountants perform annual reviews as part of their examination of the financial statements.

Budgetary control is maintained at the department level by using comparisons to budgeted amounts before releasing purchase orders to vendors. Any increase or decrease in the total budget of a fund must be approved by the City Commission.

Award for Financial Reporting

The City participates in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. This program encourages governments to prepare financial reports in accordance with standards which promote consistency, full disclosure and uniformity among all governmental entities. The Certificate of Achievement recognizes conformance with the highest standards for preparation of state and local government financial reports.

To be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that conforms to rigorous program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The city last received the award for its FY 2024 ACFR. The administration believes the current ACFR also conforms to all program requirements and will, therefore, be submitted to the GFOA to determine its eligibility for another certificate.

Acknowledgements

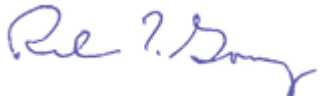
Preparation of this ACFR was made possible through the dedicated efforts of everyone in the Finance Department. We would like to thank all City department heads for their contribution to the audit process by ensuring the accuracy of accounting information recorded throughout the year.

We also wish to thank the members of the City Commission and citizens for WORKING TOGETHER to support planning and conducting proactive financial operations of the City in a responsive and progressive manner.

Respectfully Submitted,



Ryan Henderson, City Manager



Robin I. Gomez, Administrative Director

City of Indian Rocks Beach

Organizational Chart

Color Key

- Governance
- Executive Leadership
- Administration / Finance Code
- Enforcement Community
- Services / Partners
- Communications
- Public Works

Neighbors

City Commission

City Clerk

City Manager

City Attorney

Administrative Director

Human Resources Manager
Senior Accountant
Revenue Officer
Information Technology

Code Enforcement Manager

(3) Code Enforcement Officer

Librarian

Planning & Zoning

Pinellas County Sheriff's Office

Public Information

Public Works Director

Administrative Assistant

Solid Waste

Supervisor
(2) Driver-Loader
(4) Solid Waste Worker

Public Works

(6) Public Works Worker

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Indian Rocks Beach Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

Forvis Mazars, LLP
400 N. Ashley Drive, Suite 2540
Tampa, FL 33602
P 813.421.9299 | F 813.436.3405
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Independent Auditor's Report

The Honorable Mayor and City Commission
City of Indian Rocks Beach, Florida
Indian Rocks Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Indian Rocks Beach, Florida (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note L to the financial statements, in the fiscal year ended September 30, 2025, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, pension, and other postemployment benefit information 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining and individual fund statements and schedules and the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the 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 GAAS In our opinion, the combining and individual fund statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial 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 October 28, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Tampa, Florida
October 28, 2026

The City of Indian Rocks Beach's (the "City") Management's Discussion and Analysis (the "MD&A") presents an overview of the City's financial activities for the fiscal year ended September 30, 2025. This document should be read in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2025 by $24.2 million (net position). Of this amount, $5.2 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

- At September 30, 2025, the City's governmental funds reported combined ending fund balances of $7.2 million, a decrease of $542 thousand in comparison with the prior year.

- At September 30, 2025, the unassigned fund balance for the General Fund was $6.2 million, or 81% of total General Fund expenditures.

- Governmental funds revenues of $9.13 million decreased $.83 million from the prior fiscal year.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the City's basic financial statements which are comprised of three components: 1) government-wide financial statements; 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during fiscal year 2025. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected but earned revenue and unused vacation leave).

Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities)*. The governmental activities of the City include general government, public safety, physical environment, transportation and culture/recreation. The business-type activity of the City includes solid waste collection and disposal. The government-wide financial statements can be found immediately following the MD&A.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Sales Surtax Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the other supplemental information section of this report.

The City adopts an annual appropriated budget for its General Fund and all of the special revenue funds. Budgetary comparison schedules have been provided for the budgeted funds to demonstrate budgetary compliance. The basic governmental fund financial statements may be found immediately following the government-wide financial statements.

Proprietary funds

The City maintains one proprietary fund. The *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for the fiscal activities relating to solid waste disposal.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste Disposal Fund, which is considered to be a major fund of the City. The basic proprietary fund financial statements follow the governmental fund financial statements.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the proprietary fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes to the financial statements, *required supplementary information* is included which presents budgetary comparison schedules for the City's General Fund. Required supplementary information can be found following the notes to the financial statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented in the other supplemental information section of this report. Combined and individual fund budgetary comparison schedules can be found after the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $24.2 million at the close of the fiscal year ended September 30, 2025. At the end of fiscal year 2025, the City continues to report positive balances in all three categories of net position for the government as a whole.

City of Indian Rocks Beach, Florida
Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 7,554,173	$ 9,435,298	$ 387,635	$ 1,219,082	$ 7,941,808	$ 10,654,380
Capital Assets (Net)	17,561,580	13,978,468	629,014	370,535	18,190,594	14,349,003
Total Assets	25,115,753	23,413,766	1,016,649	1,589,617	26,132,402	25,003,383
Deferred outflows of resources	14,017	15,155	14,117	15,155	28,134	30,310
Current and other liabilities	400,496	1,770,077	994,638	82,644	1,395,134	1,852,721
Long-Term Liabilities	230,936	195,888	143,578	114,355	374,514	310,243
Total Liabilities	631,432	1,965,965	1,138,216	196,999	1,769,648	2,162,964
Deferred inflows of resources	84,369	107,514	86,401	107,515	170,770	215,029
Net Position:						
Net Investment in Capital Assets	17,561,580	13,978,468	629,014	370,535	18,190,594	14,349,003
Restricted	847,907	1,510,641	-	-	847,907	1,510,641
Unrestricted	6,004,482	5,866,333	(822,865)	929,723	5,181,617	6,796,056
Total Net Position	$ 24,413,969	$ 21,355,442	$ (193,851)	$ 1,300,258	$ 24,220,118	$ 22,655,700

Of total net position, the City has $18.2 million (75%) invested in *capital assets* (e.g., land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. The City has *restricted net position* of $848 thousand for capital projects and special revenues. The remaining balance of *unrestricted net position* of $5.2 million may be used to meet the government's ongoing obligations to citizens and creditors. Additionally, net position was restated due to implementation of a new GASB Statement No. 101, *Compensated Absences*, in both the governmental activities and business-type activities. More information on the restatement can be found in the notes to the financial statements.

Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program Revenues:						
Charges for Services	$ 620,817	$ 547,361	$ 2,203,547	$ 2,071,067	$ 2,824,364	$ 2,618,428
Operating Grants and Contributions	1,109,197	23,415	1,054,462	44,046	2,163,659	67,461
Capital Grants and Contributions	1,688,642	3,691,728	-	-	1,688,642	3,691,728
General Revenues:						
Property Taxes	3,518,519	3,179,075	-	-	3,518,519	3,179,075
Other Taxes and Intergovernmental	1,845,131	1,845,097	-	-	1,845,131	1,845,097
Other	2,470,023	676,717	61,000	-	2,531,023	676,717
Total Revenues	11,252,329	9,963,393	3,319,009	2,115,113	14,571,338	12,078,506
EXPENSES						
General Government	1,755,163	1,655,409	-	-	1,755,163	1,655,409
Public Safety	1,663,514	1,606,235	-	-	1,663,514	1,606,235
Physical Environment	701,032	3,486,074	-	-	701,032	3,486,074
Transportation	1,729,324	599,098	-	-	1,729,324	599,098
Culture/Recreation	2,261,480	1,859,830	-	-	2,261,480	1,859,830
Solid Waste Disposal	-	-	4,784,071	1,768,653	4,784,071	1,768,653
Total Expenses	8,110,513	9,206,646	4,784,071	1,768,653	12,894,584	10,975,299
Change in Net Position	3,141,816	756,747	(1,465,062)	346,460	1,676,754	1,103,207
Net Position - Beginning, original	21,355,442	20,598,695	1,300,258	953,798	22,655,700	21,552,493
Change in Accounting Principle	(83,289)	-	(29,047)	-	(112,336)	-
Net Position - Beginning, as Restated	21,272,153	20,598,695	1,271,211	953,798	22,543,364	21,552,493
Net Position (Deficit) - Ending	$ 24,413,969	$ 21,355,442	$ (193,851)	$ 1,300,258	$ 24,220,118	$ 22,655,700

Governmental activities

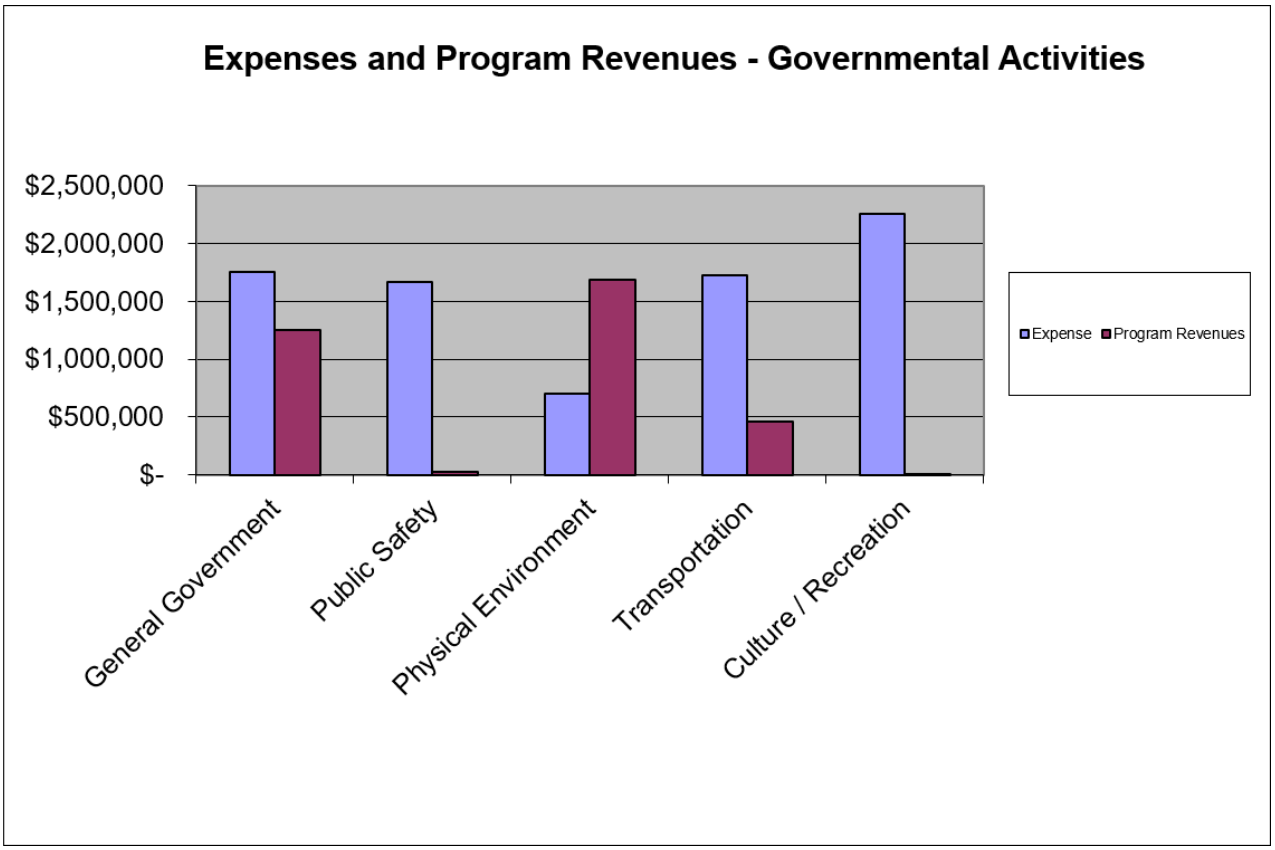
The change in net position of governmental activities of $3.1 million represented an increase compared to the prior year. This increase in net position resulted from several varied elements including increased interest earnings on excess or surplus funds resulting from sharp rises in interest rates, insurance reimbursements for hurricane repairs in the prior year and current year, and decreased public works spending after the prior hurricanes that caused significant flooding. FY 2025 was highlighted with continued supply chain issues and inflationary price pressures for most products and services. Governmental revenues increased by 13% in 2025 when compared to the prior year while overall expenses decreased by 11.9%. Many physical environment expenses in the prior fiscal year were for hurricane costs that were reimbursed during the current fiscal year. Transportation expenses increased by $1.1 million due to hurricane-related repairs during the year.

Business-type activities

The change in net position of business-type activities of $(1.5) million represented a decrease compared to prior fiscal year. In total, program or fee revenue was less than solid waste fund expenses by $1.5 million in 2025. Solid waste fund revenues in total increased by $1.2 million or 57% for 2025 mostly due to increases in charges for services from increased usage needs after the hurricanes. Hurricane damage and solid waste hauling costs increased expenses by $3.0 million from the prior year. Additionally, the City received public assistance operating grants to offset some of the additional hurricane-related costs.

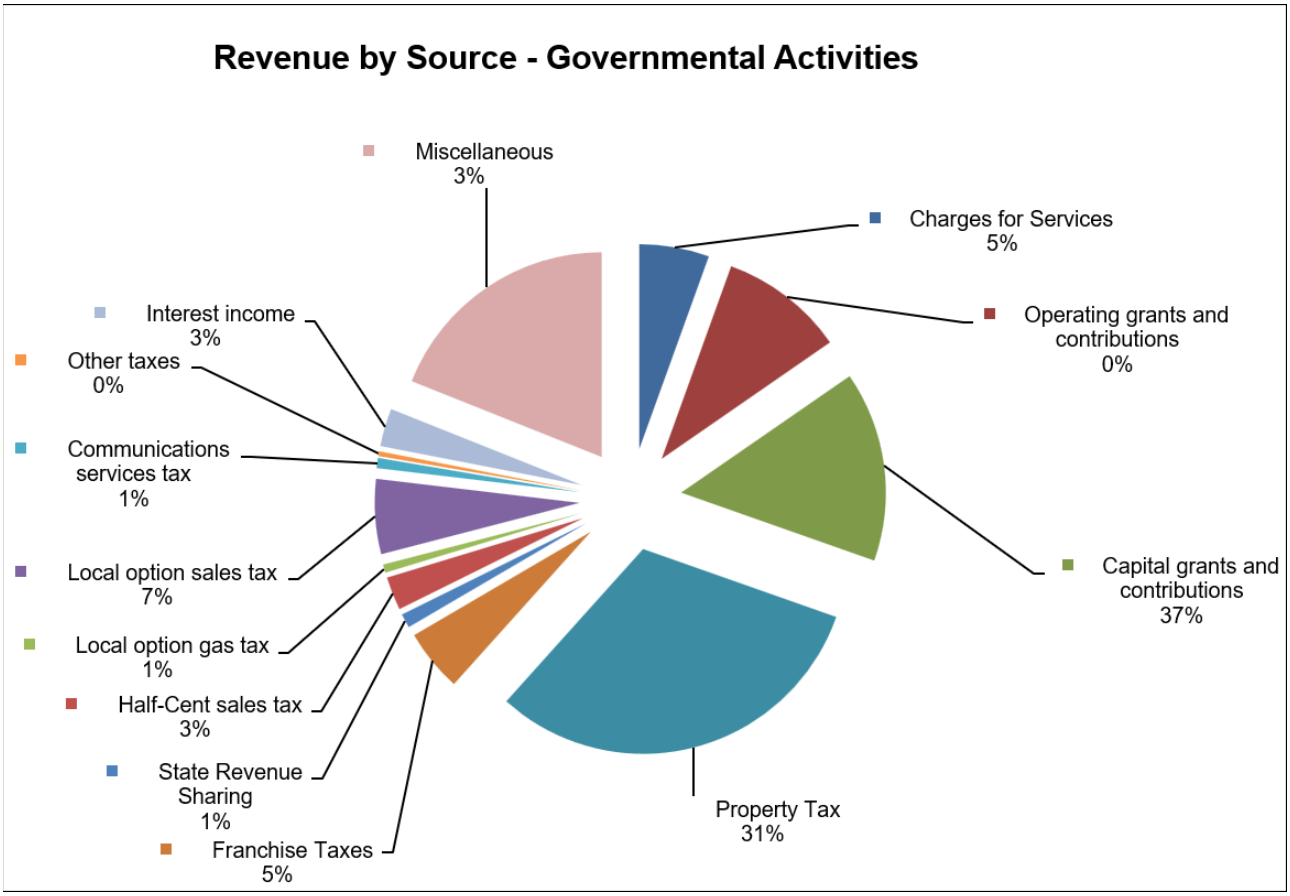
Total and Net Cost of Governmental Activities

Functions / Programs	Expenses 2025	% of Total	Expenses 2024	% Change	Net Cost of Services 2025	Net Cost of Services 2024	% Change
General Government	$ 1,755,163	22%	$ 1,655,409	6.0%	$ (507,682)	$ (1,422,320)	-64.3%
Public Safety	1,663,514	22%	1,606,235	3.6%	(1,637,736)	(1,593,234)	2.8%
Physical Environment	701,032	9%	3,486,074	-79.9%	987,610	205,654	380.2%
Transportation	1,729,324	21%	599,098	188.7%	(1,273,222)	(282,287)	351.0%
Culture / Recreation	2,261,480	28%	1,859,830	21.6%	(2,260,827)	(1,851,955)	22.1%
	$ 8,110,513	100%	$ 9,206,646		$ (4,691,857)	$ (4,944,142)	



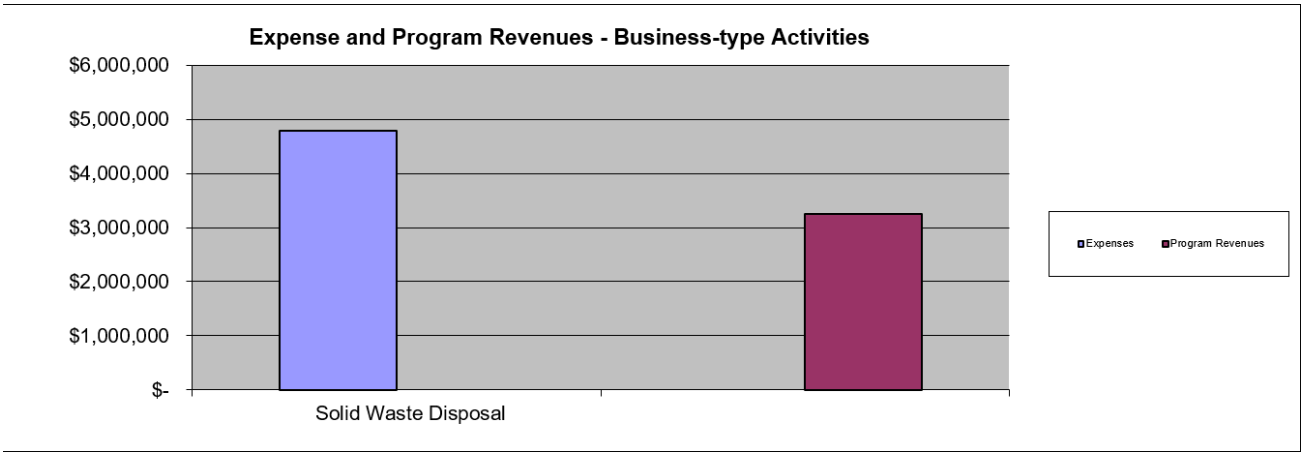
Revenue by Source - Governmental Activities

Description	2025	% of Total	2024	% of Total
Program Revenues				
Charges for Services	$ 620,817	6%	$ 547,361	5%
Operating grants and contributions	1,109,197	10%	23,415	0%
Capital grants and contributions	1,688,642	15%	3,691,728	37%
General Revenues				
Property Tax	3,518,519	31%	3,179,075	32%
Franchise Taxes	553,833	5%	558,533	6%
State Revenue Sharing	125,098	1%	125,255	1%
Half-Cent sales tax	295,902	3%	300,975	3%
Local option gas tax	72,999	1%	92,136	1%
Local option sales tax	665,398	6%	658,207	7%
Communications services tax	89,652	1%	101,447	1%
Other taxes	42,249	0%	8,544	0%
Interest income	336,615	3%	399,360	4%
Miscellaneous	2,133,408	19%	277,357	3%
	$ 11,252,329	100%	$ 9,963,393	100%



Expenses and Net Change in Net Position – Business-type Activities

Functions / Programs	Expenses 2025	Expenses 2024	Expenses Change	Net Increase (Decrease) In Net Position 2025	Net Increase (Decrease) In Net Position 2024	Net Increase (Decrease) In Net Position Change
Solid Waste Disposal	4,784,071	1,768,653	3,015,418	(1,526,062)	346,460	(1,872,522)
	$ 4,784,071	$ 1,804,193	$ 3,015,418	$ (1,526,062)	$ 17,752	$ (1,872,522)



Revenues by Source - Business-type Activities

	2025	% of Total	2024	% Change
Charges for Services	$ 2,203,547	66.4%	$ 2,071,067	6.4%
Operating Grants and contributions	1,054,462	31.8%	44,046	2294.0%
Other Revenue	61,000	1.8%	-	100.0%
	$ 3,319,009	100.0%	$ 2,115,113	56.9%

Financial Analysis of the City's Funds

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

Governmental funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the *unrestricted (committed, assigned, and unassigned) fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2025, the City's governmental funds reported combined ending fund balances of $7.2 million, a decrease of $542 thousand in comparison with the prior year. Unassigned fund balance is $6.2 million and is available for spending, subject to regulatory, statutory and budgetary restrictions. The remainder of fund balance is not available for new spending because it has already been restricted or committed for: 1) capital projects ($637 thousand), 2) emergencies ($100 thousand), 3) transportation projects ($118 thousand), and 4) impact fee programs ($93 thousand).

The General Fund is the chief operating fund of the City. At the end of fiscal year 2025, unassigned fund balance of the General Fund was $6.2 million, while total fund balance was $6.3 million. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 81% of the total General Fund expenditures. Total fund balance of the City's General Fund increased by $121 thousand during the fiscal year. The consistency in fund balance resulted from effective budgeting and cost control practices during and after the hurricanes, along with the City's efforts to collect insurance reimbursement and eligible public assistance grants timely.

The Sales Surtax Fund is used to account for the receipts of a local option sales tax that is to be utilized for the City's capital projects. For the fiscal year 2025, the fund balance decreased by $674 thousand. Capital expenditures for fiscal 2025 were allocated towards road reconstruction, stormwater development projects, underground utility projects along Gulf Blvd., City park upgrades & improvements, and stormwater enhancements. In total, over $4.1 million of capital projects were completed in fiscal year 2025.

Enterprise fund

The City's enterprise fund provides the same type of information found in the government-wide financial statements, but in more detail. The City has one enterprise fund: the Solid Waste Disposal Fund, which is a major fund. Total net position of the Solid Waste Disposal Fund at the end of the year was $(194) thousand.

The Solid Waste Disposal Fund is used to account for the City's solid waste disposal operations. For fiscal year 2025, the Solid Waste Disposal Fund decreased $1.5 million in net position for the year. Solid waste fund revenues in total increased by $1.2 million for 2025 resulting from increased service usage after the hurricanes and public assistance grants from federal and state agencies. The costs to provide those services after the hurricanes increased by $3.0 million from the prior year from debris collections.

General Fund Budgetary Highlights

The General Fund budget was increased during the year from its original adopted amount by $2,691,700 for hurricane-related capital rebuilding expenditures. The General Fund overspent its budgeted appropriations by $59,038 due to hurricane-related costs in General Government primarily for Central Services expenditures and City Attorney fees. The following table shows the differences between actual expenditures and the final budget for the General Fund:

September 30, 2025	Actual Expenditures	Final Budget	Difference
General Government	$ 2,719,572	$ 2,119,520	$ 600,052
Public Safety (Law Enforcement, Code Enforcement & Permitting)	1,654,231	1,678,090	(23,859)
Physical Environment	737,612	906,874	(169,262)
Transportation	520,758	708,912	(188,154)
Culture / Recreation	1,999,835	2,159,574	(159,739)
	$ 7,632,008	$ 7,572,970	$ 59,038

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025 amounts to $18.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, vehicles and construction in progress. The City's investment in capital assets increased $3.8 million or 26.8% for fiscal year 2025. The major capital asset events during the year included road reconstruction, park facility upgrades and improvements, stormwater enhancements, and an underground utility project along Gulf Blvd.

Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 2,225,254	$ 2,225,254	$ -	$ -	$ 2,225,254	$ 2,225,254
Buildings	2,611,816	1,795,903	79,675	79,675	2,691,491	1,875,578
Improvements Other than Buildings	22,744,114	18,271,398	-	-	22,744,114	18,271,398
Equipment	1,519,908	1,339,920	1,150,682	994,961	2,670,590	2,334,881
Construction in Progress	279,500	1,373,416	-	-	279,500	1,373,416
	29,380,592	25,005,891	1,230,357	1,074,636	30,610,949	26,080,527
Less: Accumulated Depreciation	(11,819,012)	(11,027,423)	(601,343)	(704,101)	(12,420,355)	(11,731,524)
Capital Assets, net	$ 17,561,580	$ 13,978,468	$ 629,014	$ 370,535	$ 18,190,594	$ 14,349,003

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

Long-term Debt

At the end of fiscal year 2025, the City had the following long-term liabilities. Compensated absences were increased due to the implementation of a new accounting standard. Other post-employment benefits liability and pension liabilities decreased from the prior year due to assumptions changes in their calculation for the current year.

Long-term Debt

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Compensated Absences	$ 121,968	$ 101,251	$ 58,990	$ 25,046	$ 180,958	$ 126,297
Other Postemployment Benefits	50,434	55,391	25,080	27,203	75,514	82,594
Net Pension Liability	58,534	69,621	59,508	69,620	118,042	139,241
	$ 230,936	$ 226,263	$ 143,578	$ 121,869	$ 374,514	$ 348,132

The 2024 amounts have not been restated for GASB 101.

Additional information on the City's debt can be found in Note G of this report.

Economic Factors and Next Year's Budgets and Rates

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

- The adopted budget for 2026 maintains the previously approved mill levy rate of 1.73000 mills.
- Population remained at the same level of 3,740 in 2026 according to the U.S. Census Bureau. The Census Bureau estimate does not factor into consideration the conversion of traditional residential houses to vacation rentals.
- A 5% rate increase for residential and commercial sold waste customers.
- The elimination of the cost allocation from the Solid Waste Budget to the General Fund Budget.
- Cost of living increases of 3% for all City employees.
- A 7.5% cost increase in the law enforcement contract with Pinellas County Sheriff.

Requests for Information

This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the City's Finance Department, (727-595-2517), 1507 Bay Palm Boulevard, Indian Rocks Beach, Florida 33785.

City of Indian Rocks Beach, Florida
Statement of Net Position
September 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 5,350,467	$ -	$ 5,350,467
Accounts receivable (net)	1,257,314	387,635	1,644,949
Prepaid items	30,978	-	30,978
Internal balances	915,414	(915,414)	-
Capital assets			
Land	2,225,254	-	2,225,254
Buildings	2,611,816	79,675	2,691,491
Improvements other than buildings	22,744,114	-	22,744,114
Equipment	1,519,908	1,150,682	2,670,590
Construction in progress	279,500	-	279,500
Less accumulated depreciation	(11,819,012)	(601,343)	(12,420,355)
Total assets	25,115,753	101,235	25,216,988
Deferred outflows of resources			
Deferred outflows related to pensions	14,017	14,117	28,134
Total deferred outflows of resources	14,017	14,117	28,134
Liabilities			
Accounts payable and accrued liabilities	378,479	79,224	457,703
Due to other governments	6,190	-	6,190
Unearned revenue	15,827	-	15,827
Non-current liabilities:			
Due within one year			
Compensated absences payable	48,787	23,596	72,383
Due in more than one year			
Compensated absences payable	73,181	35,394	108,575
Other post employment benefits payable	50,434	25,080	75,514
Net pension liability	58,534	59,508	118,042
Total liabilities	631,432	222,802	854,234
Deferred inflows of resources			
Deferred inflows related to pensions	84,369	86,401	170,770
Total deferred inflows of resources	84,369	86,401	170,770
Net Position			
Net investment in capital assets	17,561,580	629,014	18,190,594
Restricted for:			
Transportation projects per Florida Statutes	118,228	-	118,228
Infrastructure projects per Florida Statutes	637,171	-	637,171
Recreation improvements per Florida Statutes	46,002	-	46,002
Development improvements per Florida Statutes	46,506	-	46,506
Unrestricted (deficit)	6,004,482	(822,865)	5,181,617
Total net position (deficit)	$ 24,413,969	$ (193,851)	$ 24,220,118

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

City of Indian Rocks Beach, Florida
Statement of Activities
For the Fiscal Year Ended September 30, 2025

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
General government	$ 1,755,163	$ 175,014	$ 1,072,467	$ -
Public safety	1,663,514	25,778	-	-
Physical environment	701,032	-	-	1,688,642
Transportation	1,729,324	419,372	36,730	-
Culture and recreation	2,261,480	653	-	-
Total governmental activities	8,110,513	620,817	1,109,197	1,688,642
Business-type activities:				
Solid waste disposal	4,784,071	2,203,547	1,054,462	-
Total business-type activities	4,784,071	2,203,547	1,054,462	-
Total primary government	$ 12,894,584	$ 2,824,364	$ 2,163,659	$ 1,688,642

General revenues:
Property taxes
Franchise taxes
Unrestricted state revenue sharing
Half-cent sales tax
Local option gas tax
Local option sales tax
Communications services tax
Other taxes
Unrestricted investment earnings
Miscellaneous revenues
Gain on sale of capital assets
Total general revenues

Change in net position

Net position - beginning

Change in Accounting Principle

Net position - beginning, as restated

Net position (deficit) - ending

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

City of Indian Rocks Beach, Florida
Statement of Activities
For the Fiscal Year Ended September 30, 2025

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	**Business-type Activities**	**Total**
	$ (507,682)	$ -	$ (507,682)
	(1,637,736)	-	(1,637,736)
	987,610	-	987,610
	(1,273,222)	-	(1,273,222)
	(2,260,827)	-	(2,260,827)
	(4,691,857)	-	(4,691,857)
	-	(1,526,062)	(1,526,062)
	-	(1,526,062)	(1,526,062)
	(4,691,857)	(1,526,062)	(6,217,919)
	3,518,519	-	3,518,519
	553,833	-	553,833
	125,098	-	125,098
	295,902	-	295,902
	72,999	-	72,999
	665,398	-	665,398
	89,652	-	89,652
	42,249	-	42,249
	336,615	-	336,615
	2,133,408	-	2,133,408
	-	61,000	61,000
	7,833,673	61,000	7,894,673
	3,141,816	(1,465,062)	1,676,754
	21,355,442	1,300,258	22,655,700
	(83,289)	(29,047)	(112,336)
	21,272,153	1,271,211	22,543,364
	$ 24,413,969	$ (193,851)	$ 24,220,118

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

City of Indian Rocks Beach, Florida
Balance Sheet
Governmental Funds
September 30, 2025

	General Fund	Sales Surtax Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 5,133,094	$ -	$ 217,373	$ 5,350,467
Accounts receivable (net of allowance for uncollectible accounts):				
Franchise taxes	50,721	-	-	50,721
Accounts receivable other	2,259	-	-	2,259
Intergovernmental				
State	59,471	-	8,958	68,429
County	5,600	1,130,305	-	1,135,905
Due from other funds	1,408,548	-	-	1,408,548
Prepaid items	30,978	-	-	30,978
Total assets	$ 6,690,671	$ 1,130,305	$ 226,331	$ 8,047,307
Liabilities and Fund Balances				
Liabilities:				
Accounts and contracts payable	$ 369,036	$ -	$ 9,443	$ 378,479
Due to other funds		493,134	-	493,134
Due to other governments	38	-	6,152	6,190
Unearned revenue	15,827	-	-	15,827
Total liabilities	384,901	493,134	15,595	893,630
Fund balances:				
Nonspendable:				
Prepaid items	30,978	-	-	30,978
Restricted for:				
Impact fee programs	-	-	92,508	92,508
Capital projects	-	637,171	-	637,171
Transportation	-	-	118,228	118,228
Committed to:				
Emergencies	100,000	-	-	100,000
Unassigned	6,174,792	-	-	6,174,792
Total fund balances	6,305,770	637,171	210,736	7,153,677
Total liabilities and fund balances	$ 6,690,671	$ 1,130,305	$ 226,331	$ 8,047,307

Total governmental fund balance	$ 7,153,677
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	17,561,580
Long-term liabilities, including compensated absences, net pension liability and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(230,936)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in governmental funds.	
Deferred outflows of resources for pensions	14,017
Deferred inflows of resources for pensions	(84,369)
Net position of governmental activities	$ 24,413,969

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

City of Indian Rocks Beach, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2025

	General Fund	Sales Surtax Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Ad valorem	$ 3,518,519	$ -	$ -	$ 3,518,519
Franchise taxes	553,833	-	-	553,833
Utility taxes	89,652	-	-	89,652
Other taxes	338,151	665,398	72,999	1,076,548
Licenses and fees	195,872	-	-	195,872
Intergovernmental	161,828	2,761,109	-	2,922,937
Charges for services	178,176	-	-	178,176
Fines	246,769	-	-	246,769
Interest	336,615	-	-	336,615
Miscellaneous	14,881	-	-	14,881
Total revenues	5,634,296	3,426,507	72,999	9,133,802
Expenditures				
General government	2,719,572	-	-	2,719,572
Public safety	1,654,231	-	-	1,654,231
Physical environment	737,612	2,035,591	-	2,773,203
Transportation	520,758	1,146,883	61,683	1,729,324
Culture and recreation	1,999,835	918,083	-	2,917,918
Total expenditures	7,632,008	4,100,557	61,683	11,794,248
Excess (deficiency) of revenues over (under) expenditures	(1,997,712)	(674,050)	11,316	(2,660,446)
Other financing sources (uses):				
Insurance proceeds	2,118,527	-	-	2,118,527
Total other financing sources (uses)	2,118,527	-	-	2,118,527
Net change in fund balances	120,815	(674,050)	11,316	(541,919)
Fund balances, beginning of year	6,184,955	1,311,221	199,420	7,695,596
Fund balances, end of year	$ 6,305,770	$ 637,171	$ 210,736	$ 7,153,677

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

City of Indian Rocks Beach, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ (541,919)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay ($4,374,701) is more than depreciation ($791,589).	3,583,112
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows:	
Compensated absences	62,572
Other postemployment benefits	4,956
Governmental funds report City pension contributions as expenditures. In the statement of activities, the cost of pension benefits earned net of contributions is reported as pension expense.	
Difference between pension contributions and net pension expense	33,095
Change in net position of governmental activities	$ 3,141,816

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

City of Indian Rocks Beach, Florida
Statement of Net Position
Proprietary Funds
Septmeber 30, 2025

	Business-type Activities Enterprise Funds
	Solid Waste Disposal
Assets	
Current assets:	
Accounts receivable (net of allowance for uncollectible accounts)	$ 387,635
Total current assets	387,635
Noncurrent assets:	
Capital assets	
Buildings	79,675
Equipment	1,150,682
	1,230,357
Less accumulated depreciation	(601,343)
Total capital assets (net)	629,014
Total noncurrent assets	629,014
Total assets	1,016,649
Deferred outflows of resources	
Deferred outflows related to pension	14,117
Total deferred outflows of resources	14,117
Liabilities	
Current liabilities:	
Accounts payable	71,960
Accrued liabilities	7,264
Compensated absences payable	23,596
Due to other funds	915,414
Total current liabilities	1,018,234
Noncurrent liabilities:	
Compensated absences payable	35,394
Other postemployment benefits	25,080
Net pension liability	59,508
Total noncurrent liabilities	119,982
Total liabilities	1,138,216
Deferred inflows of resources	
Deferred inflows related to pension	86,401
Total deferred inflows of resources	86,401
Net position	
Net Investment in capital assets	629,014
Unrestricted (deficit)	(822,865)
Total net position (deficit)	$ (193,851)

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

City of Indian Rocks Beach, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2025

	Business-type Activities Enterprise Funds
	Solid Waste Disposal
Operating revenues	
Charges for services	$ 2,203,239
Miscellaneous revenues	308
Total operating revenues	2,203,547
Operating expenses	
Personal services	601,458
Materials and supplies	313,278
Garbage and trash disposal	3,753,061
Depreciation	116,274
Total operating expenses	4,784,071
Operating income (loss)	(2,580,524)
Nonoperating revenues	
Grants	1,054,462
Gain/(Loss) on disposal of fixed assets	61,000
Total nonoperating revenues	1,115,462
Change in net position	(1,465,062)
Total net position - beginning	1,300,258
Change in Accounting Principle	(29,047)
Total net position - beginning, as restated	1,271,211
Total net position (deficit) - ending	$ (193,851)

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

City of Indian Rocks Beach, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2025

	Business-type Activities Enterprise Funds
	Solid Waste Disposal
Cash flows from operating activities	
Receipts from customers and users	$ 2,166,462
Payments to suppliers	(4,083,628)
Payments to employees	(607,489)
Net cash provided (used) by operating activities	(2,524,655)
Cash flows from noncapital financing activities	
Interfund loan	915,414
Grants	1,054,462
Net cash provided (used) by noncapital financing activities	1,969,876
Cash flows from capital and related financing activities	
Proceeds from sale of capital assets	61,000
Acquisition/construction of capital assets	(374,753)
Net cash provided (used) by capital and related financing activities	(313,753)
Net increase/(decrease) in cash and cash equivalents	(868,532)
Cash and cash equivalents at beginning of year	868,532
Cash and cash equivalents at end of year	$ -

(continued)

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

City of Indian Rocks Beach, Florida
Statement of Cash Flows - Continued
Proprietary Funds
For the Fiscal Year Ended September 30, 2025

	Business-type Activities Enterprise Funds	
		Solid Waste Disposal
Reconciliation of operating Income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	$	(2,580,524)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:		
Depreciation		116,274
Change in assets and liabilities:		
(Increase) decrease in accounts receivable		(37,085)
(Increase) decrease in deferred outflows of resources		1,038
Increase (decrease) in accounts payable		3,825
Increase in accrued liabilities		269
Increase (decrease) in compensated absences		4,897
Increase (decrease) in other postemployment benefits		(2,123)
Increase (decrease) in net pension liability		(10,112)
Increase (decrease) in deferred inflows of resources		(21,114)
Total adjustments		55,869
Net cash provided (used) by operating activities	$	(2,524,655)

There are no noncash investing, capital, and financing activities.

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

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A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The City of Indian Rocks Beach, Florida, (the “City") located in Pinellas County, is a political subdivision of the State of Florida pursuant to Article VIII, Section 1(a), of the Constitution of the State of Florida. The City was incorporated on June 25, 1955 and since that time has operated under the same Charter. The City is approximately 0.865 square miles in area. The legislative branch of the City is composed of a five-member elected Commission. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Commission-appointed City Manager. The City Manager is responsible for the day-to-day operation of the City and the management of all Team Members. Fire Services in the City are provided by the Pinellas Suncoast Fire Rescue District. Law Enforcement Services are provided through a contract with the Pinellas County Sheriff’s Office. All other traditional city services including solid waste operations are provided by the City.

The financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) as applied to governmental units. GAAP requires management to make use of estimates that affect reported amounts in the basic financial statements. Actual results could differ from those estimates. Based upon the application of the criteria, as set forth in Governmental Accounting Standards Board (“GASB”) Statement Number 61, *The Financial Reporting Entity*, there are no potential component units or related organizations of the City. Following is a summary of the more significant policies of the City.

2. Government-wide and Fund Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These statements report information on all activities of the primary government as a whole. As part of the consolidation process, all interfund activities are eliminated from these statements except for the residual amounts between governmental and business-type activities reported as “internal balances.” On both statements, governmental and business-type activities are reported separately.

Net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, as presented in the Statement of Net Position, is subdivided into three categories: amounts net investment in capital assets; restricted net position; and unrestricted net position. Net Position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.

The Statement of Activities presents a comparison between the direct and indirect expenses of a given function or segment and its program revenues, and displays the extent to which each function or segment contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function or segment. Indirect expenses are costs the City has allocated to functions through various allocation methods.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues not classified as program revenues are reported as general revenues.

Separate fund financial statements report detailed information about the City's governmental and proprietary funds. The focus of governmental and proprietary fund financial statements is on major funds. Therefore, major funds are reported as separate columns in the fund financial statements and nonmajor funds are aggregated and presented as a single column on each statement. The results of governmental fund accounting are converted to the government-wide presentation by reconciliation.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this are payments-in-lieu of taxes and other charges between the City's utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available is defined as collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period, usually considered sixty (60) days.

The primary revenue sources for governmental funds are property taxes, public utility taxes, franchise fees, and sales and fuel taxes. Primary revenue sources associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues, such as licenses and permits, charges for services, and miscellaneous revenues, are considered to be measurable and available only when payment is received.

Expenditures of governmental funds are generally recorded when a liability is incurred, as under accrual accounting. However, accumulated sick and vacation pay, prepaid insurance and similar items are recorded only when payment is due.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary funds distinguish between operating and non-operating revenues and expenses. Operating revenues generally result from producing and delivering goods or providing services, such as waste disposal services, to the general public. Operating expenses for these operations include the costs of sales and services, administrative expenses, and depreciation. All revenues and expenses not meeting the definition of operating are reported as non-operating revenues and expenses.

Major funds are those whose revenues, expenditures and liabilities are at least ten (10%) percent of corresponding totals for all governmental or enterprise funds, and at least five (5%) percent of the aggregate amount for all governmental *and* enterprise funds for the same item.

The government reports the following major governmental funds:

General Fund - The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Sales Surtax Fund - The Sales Surtax Fund accounts for the capital projects funded by the local option sales tax.

The government reports the following major proprietary fund:

Solid Waste Disposal Fund - The Solid Waste Disposal Fund accounts for the activities of the government's solid waste disposal service to both commercial enterprises and residents.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

4. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly-liquid, short-term investments with original maturities of three months or less from the date of acquisition. The City maintains centralized checking accounts for all funds.

Cash equivalents include pooled investments with the Florida Surplus Asset Fund Trust. The Florida Surplus Asset Fund Trust ("SAFE") is a 2a7-like pool carried at amortized cost which approximates market. A 2a7-like pool is not registered with the Securities and Exchange Commission ("SEC") as an investment company but nevertheless, has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, these pools operate essentially as a money market fund. Additionally, cash equivalents include pooled investments with the Florida Cooperative Liquid Assets Securities System (FLCLASS), and Florida Fixed Income Trust (FLFIT), both of which are independent local government investment pools, designed to provide a safe and competitive investment alternatives to Florida governmental entities. Both FLCLASS and FLFIT are rated 'AAAm' by S&P Global Ratings Services, the highest rating assigned to principal stability government investment pools.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Investments

The City's investment activities are governed by Chapter 218.415, Florida Statutes. In accordance with this statute, the City may invest any surplus funds in (a) the Local Government Surplus Funds Trust Fund ("SBA"); (b) SEC registered money market funds with the highest credit quality rating from a nationally-recognized rating agency; (c) interest-bearing time deposits or savings accounts in qualified public depositories; and (d) direct obligations of the U.S. Treasury. Securities listed in (c) and (d) must be invested to provide sufficient liquidity to pay obligations as they become due. The City has adopted an investment policy, in compliance with Florida Statutes, to establish a formal policy on the investing of City funds.

Investments are stated at fair value. Changes in the fair value during the year are included in investment income or loss.

6. Receivables and Payables

Activity between funds, representative of lending/borrowing arrangements outstanding at the end of the fiscal year, is referred to as either "due to/from other funds" (the current portion of interfund loans) or "advances to/from other funds" (the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by fund balance classifications or components in the applicable governmental funds to indicate that they are not available for appropriation and are non-spendable, restricted, committed, assigned or unassigned.

Trade receivables consist of account balances less than 180 days overdue. Account balances exceeding 180 days compromise the trade accounts receivable allowance for uncollectible.

7. Prepayments and Deposits

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These amounts are offset by fund balance classifications or components which indicate that they do not constitute available resources.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Property and Equipment

Capital assets, including land, buildings, improvements other than buildings, infrastructure (i.e., roads, bridges, sidewalks, and similar items) and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial cost of $10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost, or estimated historical cost if constructed. Contributions or donations of capital assets received from federal, state or local sources are recorded as contributions when received and are stated at acquisition value.

Major additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not improve or extend the life of the respective assets are not capitalized.

Capital asset depreciation is recognized using the straight-line method over the estimated useful lives as follows:

Asset Classification	Range of Lives
Buildings	45 – 55 years
Improvements other than buildings	20 – 30 years
Machinery, equipment and other	5 – 15 years

9. Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation of employment. The liability for compensated absences includes salary-related benefits where applicable. The portion of the liability expected to be liquidated within the next year has been classified as a current liability. Both the current and long-term portion of compensated absences are accrued and reported in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignation, retirement or termination.

Annual Leave:

The City permits employees to accumulate earned annual leave (vacation). Vacation is earned at 6.67 hours per month, not to exceed 80 hours or two work weeks (ten working days) per year for employees during their first five years. Employees with five full years of uninterrupted service receive ten hours per month, not to exceed 120 hours or three weeks (fifteen working days) per year.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annual Leave: (continued)

Annual leave may be accumulated from year to year up to a maximum accrual of 240 hours (thirty working days). An employee with a minimum of six months of continuous employment shall be compensated for all accrued unused annual leave hours at their basic straight-time, hourly rate upon separation from employment. In the event of an employee's death, all accumulated vacation will be paid to the employee's estate.

Sick Leave:

Sick leave is earned at the rate of 3.08 hours per payroll period by full-time employees. Unused sick leave may be accumulated up to a maximum of 720 hours. Sick leave is forfeited upon separation from City employment.

10. Deferred Outflows / Inflows of Resources

In addition to assets and liabilities, the City reports the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expenditure or expense) until that applicable time. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that applicable time.

The City reports one item that qualifies as deferred outflows of resources on its government-wide and proprietary statements of net position. The deferred outflows for pensions are aggregates of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows will be recognized as pension expense or a reduction of the net pension liability in future reporting years.

The City reports one item that qualifies as deferred inflows of resources on its government-wide and proprietary statements of net position, deferred inflows for pensions. The deferred inflows for pensions is an aggregate of items related to pensions as calculated under the same principles as deferred outflows for pensions, and will be recognized as a reduction to pension expense in future reporting years.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Net Pension Liability

In the government-wide and proprietary statements, net pension liability represents the present value of projected benefit payments to be provided through the cost-sharing, defined-benefit pension plans to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension plans, and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The City allocated the net pension liability, deferred outflows for pensions, deferred inflows for pensions, and pension expense to funds and functions/activities based on their respective contributions made to the pension plans during the fiscal year.

12. Long-Term Liabilities

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

13. Fund Balance and Net Position

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: non-spendable, restricted, committed, assigned, and unassigned.

Non-spendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments), or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed – This component comprises amounts which can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority, to include the City Charter, ordinances and resolutions, individually or in combination, to be construed as equally binding. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (City charter, ordinance or resolution) it employed to commit those amounts. At September 30, 2025, the City had a committed amount for emergencies of $100,000. This commitment was established by the City Commission in City Ordinance No. 555, paragraph 1, 6/15/1994. The ordinance defines an "emergency" as a natural disaster such as a hurricane or tornado, declarations of such by the governor or president, or other sudden and unexpected occurrences causing extensive damage to the essential infrastructure of municipal operation or unanticipated costs to the community. In the event there are expenditures from this fund, the balance shall be replenished no later than the next fiscal year, as reflected in the passage of the next fiscal year budget. Funds within this commitment shall be used for an emergency as declared by at least three affirmative commissioner votes.

Assigned – This component consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the City Commission, City Manager or their designee.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

The nature and purpose of the classifications are explained on the face of the financial statement.

When both restricted and unrestricted (committed, assigned and unassigned) resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component consists of net position that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. The City would typically use restricted assets first, as appropriate opportunities arise, but may selectively defer the use of these funds.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted – This component consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed. In the general fund, the City strives to maintain an unassigned fund balance of three months of operating expenditures (50%) of the general fund. This is the target that the unassigned fund balance should not fall below without establishing a replenishment plan.

14. Revenues, Contributions, Expenditures, and Expenses

The City's accounting treatment and recognition policies for certain revenues, expenditures, and expenses having unique accounting requirements are as follows:

Property taxes

Property taxes are billed in November and attach as a lien on the property as of January 1 of each year. Taxes become delinquent on April 1, and tax certificates on all property on which taxes are delinquent are sold at the end of May of each year. Property taxes are fully collected prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable.

The tax levy of the City is established by the City Commission prior to October 1 of each year, and the Pinellas County Property Appraiser incorporates the City's millage into the total tax levy, which includes the Pinellas County School Board tax requirements. The City is permitted by state law to levy taxes up to ten mills of assessed valuation exclusive of taxes levied for the payment of bonds. A mill levy of 1.7300 was approved for 2025.

All property is reassessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

All taxes are due and payable on November 1 of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

at a rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest at 18% per year until the tax is either satisfied by seizure and sale of property, or by the five-year statute of limitations. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on property. After sale, tax certificates bear interest at 18% per year, or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

Due to the Pinellas County Tax Collector's efficient system for selling tax certificates and remitting the proceeds to the City, any delinquent or uncollected property taxes at year-end are immaterial. The City's tax calendar is as follows:

Valuation Date	January 1
Levy Date	November 1
Due Date	March 31, succeeding year
Lien Date	April 1, succeeding year

Administrative service charges
Administrative services are provided to the solid waste enterprise fund by various departments within the general fund. These charges are recorded as revenues in the general fund and as operating expenses in the fund being charged.

Grants
Operating and capital grants for both governmental and proprietary funds are recorded as receivables and revenues at the time reimbursable project costs are incurred. Grant revenues received in advance of meeting all eligibility criteria are deferred.

B. BUDGETARY INFORMATION

An annual budget is prepared for all funds of the City, which is effectively controlled through governing agreements and related City ordinances. The annual operating budgets are prepared on a basis consistent with accounting principles generally accepted in the United States. Annual budget appropriations lapse at the end of each fiscal year. Encumbrances outstanding at year-end are charged against the ensuing year's budget and thus are not shown in budget-to-actual presentations, but are presented as an assigned fund balance.

The City follows the procedures set forth below in establishing the budgetary data reflected in the financial statements:

B. BUDGETARY INFORMATION (CONTINUED)

Budget Information – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, special revenue funds, and the enterprise funds and are controlled on a fund and department level. On or before May 31 of each year, all departments of the City submit requests for appropriation to the Finance Officer so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current-year estimates and requested appropriations for the next fiscal year. All annual appropriations lapse at fiscal year-end. The proposed budget is presented by the City Manager to the City Commission for review on or before July 1. The City Commission holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and unassigned fund balances estimated as available by the Finance Officer.

Expenditures may not legally exceed budgeted appropriations at the fund level.

- Revenues are projected from rate structures, historical data, estimates and statistical trends available from City sources and outside agencies.

- Expenses are estimated on cost analyses, expected needs, and historical data produced by the finance and operating departments.

The final adoption of the City's budget complies with the "Truth in Millage" statute of Florida that mandates two public hearings prior to adoption of the ad valorem tax millage rate and the budget. Prior to October 1 of each year, the public hearings are completed, and the Commission adopts the Final Budget and establishes the ad valorem tax millage rate.

C. CASH AND INVESTMENTS

The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and highly-liquid, short-term investments with original maturities of three months or less from the date of acquisition. The City maintains a cash pool that is available for use by all funds. Each fund’s portion of this pool is displayed as “Cash and Cash Equivalents.”

1. Deposits

As of September 30, 2025, the total carrying amount of cash deposits at a local financial institution was $370,687. The City has complied with the requirements of the Florida Security for Public Deposits Act (the “Act”) by maintaining its accounts at a qualified public depository, as provided by Chapter 280 of the Florida Statutes. Under the Act, qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. Therefore, all cash deposits held by banks can be classified as fully insured. The City maintains $500 in petty cash.

C. CASH AND INVESTMENTS (CONTINUED)

2. Investments

The City's investment policy allows the City to invest surplus money in instruments provided by Florida Statute, Chapter 218.415. Those utilized by the City are:

- Direct obligations of the U.S. Treasury
- Florida Surplus Asset Fund Trust, FLSAFE LGIP
- Florida Cooperative Liquid Asset Securities System
- Florida Fixed Income Trust – Preferred Deposit Fund

Investments are categorized into the following four (4) categories of risk:

(1) Interest Rate Risk – To mitigate interest rate risk, the City's investment policy requires that the investment portfolio be structured with securities that maintain the greatest degree of liquidity and flexibility. The portfolio will maintain a structure with maturities staged to meet the City's obligations as they become due.

(2) Credit Risk – To mitigate credit risk, the City, in compliance with policy, primarily invests in U.S. Government securities and the State of Florida Local Government Surplus Trust Fund pool (the "Pool").

(3) Custodial Risk – To mitigate custodial risk, all cash and securities are held in accounts bearing the name of the City. Securities in such accounts, even though held in the "street name," are considered held in the name of the City.

(4) Concentration of Credit Risk – The City's investment policy requires that investments be diversified by security type and institution. No more than fifty (50%) percent of the City's funds will be invested with the same issuer, except direct obligations of the United States Treasury. No more than fifty (50%) percent of the City's funds will be invested through the same investment institution or dealer. No more than twenty (20%) percent of the City's funds will be invested beyond five (5) years in any security with the same maturity date.

C. CASH AND INVESTMENTS (CONTINUED)

The following is a summary of the City's pooled investments at September 30, 2025:

	Credit Ratings	Fair Value	Maturity Less Than One Year
Florida Surplus Asset Fund Trust	AAAm	$ 988,048	$ 988,048
Florida Cooperative Liquid Asset Securities System	AAAm	1,940,935	1,940,935
Florida Fixed Income Trust - Preferred Deposit Fund	AAAm	616,302	616,302
U.S. Treasury	n/a	1,433,995	1,433,995
Total Investments		$ 4,979,280	$ 4,979,280

The hierarchy of fair value investments does not apply to the above assets. There are no restrictions or limitations on withdrawals as it relates to the City's investments in external investment pools.

D. RECEIVABLES

The following is a detail listing of receivables for the City's individual major funds, including the applicable allowances for uncollectible accounts at September 30, 2025:

Description	General	Sales Surtax Fund	Solid Waste	Nonmajor Funds	Total
Accounts	$ 2,259	$ -	$ 391,581	$ -	$ 393,840
Franchise Fees	50,721	-	-	-	50,721
Intergovernmental	65,071	1,130,305	-	8,958	1,204,334
	118,051	1,130,305	391,581	8,958	1,648,895
Less: Allowance for Uncollectable	-	-	(3,946)	-	(3,946)
	$ 118,051	$ 1,130,305	$ 387,635	$ 8,958	$ 1,644,949

E. INTERFUND RECEIVABLES AND PAYABLES

During fiscal year 2025, interfund transfers were as follows:

There were no interfund transfers at September 30, 2025.

Individual interfund receivables and payables at September 30, 2025 are:

	Due From	Due To
General Fund	1,408,548	-
Sales Surtax Fund	-	493,134
Solid Waste Fund	-	915,414
	$ 1,408,548	$ 1,408,548

Interfund receivables and payables are used to cover shortfalls of cash at year end.

F. CAPITAL ASSETS

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

Governmental Activities	Beginning Balance 9/30/2024	Increases	Decreases	Ending Balance 9/30/2025
Capital Assets, Not Being Depreciated:				
Land	$ 2,225,254	$ -	$ -	$ 2,225,254
Construction In Progress	1,373,416	2,161,986	(3,255,902)	279,500
Total Capital Assets, Not Being Depreciated	3,598,670	2,161,986	(3,255,902)	2,504,754
Capital Assets, Being Depreciated:				
Buildings	1,795,903	815,913	-	2,611,816
Improvements Other Than Buildings	18,271,398	4,472,716	-	22,744,114
Equipment	1,339,920	179,988	-	1,519,908
Total Capital Assets Being Depreciated	21,407,221	5,468,617	-	26,875,838
Less Accumulated Depreciation For:				
Buildings	(754,058)	(51,436)	-	(805,494)
Improvements Other Than Buildings	(9,450,281)	(628,998)	-	(10,079,279)
Equipment	(823,084)	(111,155)	-	(934,239)
Total Accumulated Depreciation	(11,027,423)	(791,589)	-	(11,819,012)
Total Capital Assets, Being Depreciated, Net	10,379,798	4,677,028	-	15,056,826
Governmental Activities Capital Assets, Net	$ 13,978,468	$ 6,839,014	$ (3,255,902)	$ 17,561,580

Business-type capital asset activity for the year ended September 30, 2025, was as follows:

Business-type Activities	Beginning Balance 9/30/2024	Increases	Decreases	Ending Balance 9/30/2025
Capital Assets, Being Depreciated:				
Buildings	$ 79,675	$ -	$ -	$ 79,675
Equipment	994,961	374,753	(219,032)	1,150,682
Total Capital Assets Being Depreciated	1,074,636	374,753	(219,032)	1,230,357
Less Accumulated Depreciation For:				
Buildings	(15,936)	(1,992)	-	(17,928)
Equipment	(688,165)	(114,282)	219,032	(583,415)
Total Accumulated Depreciation	(704,101)	(116,274)	219,032	(601,343)
Total Capital Assets, Being Depreciated, Net	370,535	258,479	-	629,014
Total Business-type Activities, Net	$ 370,535	$ 258,479	$ -	$ 629,014

F. CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	$ 36,382
Public Safety	9,283
Transportation	416,203
Culture/Recreation	329,721
Total Governmental Activities	$ 791,589
Depreciation Expense By Function	
Business-type Activities:	
Solid Waste Disposal	$ 116,274

G. LONG-TERM DEBT

Schedule of Changes in Long-Term Debt

The City's long-term debt includes compensated absences, net pension liability and other postemployment benefits. The following is a schedule of changes in the City's long-term debt for the fiscal year ended September 30, 2025:

	Balance 9/30/24 *	Additions	Reductions	Balance 9/30/25	Due Within One Year	Long-Term Portion
Governmental Activities:						
Compensated Absences	$ 184,540	$ -	$ (62,572)	$ 121,968	$ 48,787	$ 73,181
Other Postemployment Benefits	55,391	-	(4,957)	50,434	-	50,434
Net Pension Liability	69,621	-	(11,087)	58,534	-	58,534
	$ 309,552	$ -	$ (78,616)	$ 230,936	$ 48,787	$ 182,149
Business-type Activities:						
Compensated Absences	$ 54,092	$ 4,898	$ -	$ 58,990	$ 23,596	$ 35,394
Other Postemployment Benefits	27,203	-	(2,123)	25,080	-	25,080
Net Pension Liability	69,620	-	(10,112)	59,508	-	59,508
	$ 150,915	$ 4,898	$ (12,235)	$ 143,578	$ 23,596	$ 119,982

** Beginning balances of compensated absences have been restated due to implementation of GASB Statement No. 101, Compensated Absences.*

General Fund revenues are used to liquidate the liability for pension and other post-employment benefit obligations. Additionally, the activity for the year in compensated absences is reported net.

H. RISK MANAGEMENT

In September 2000, the City entered into a contract with Public Risk Management of Florida ("PRM") to provide insurance coverage, and became self-insured and a member of PRM, a risk-management pool and self-insurance association for public entities within the State of Florida. Coverage includes a deductible of $1,000 per occurrence for all perils.

PRM is organized under an Interlocal Agreement with each member having a Board Member and Alternate Member on the PRM Board of Directors. Claims service is provided by Gallagher Bassett Services who provides claims services, to over 150 public entities in Florida. Included in the claims services is managed care through Genex for workers' compensation. The City pays an annual premium to PRM for property, liability and workers' compensation coverage. PRM provides a reinsurance program that consists of both specific excess and aggregate excess insurance, which offers financial security for its members.

The City has established an active Safety Committee (the "Committee") and Safety Program (and has received a 3% discount on the workers' compensation premium for the 2025 fiscal year). The Committee reviews any problems relating to safety, and makes suggestions to improve safety practices. One employee maintains certification annually as a safety professional through the Safety Council of Pinellas County.

The City continues to carry commercial insurance for all other risks of loss, including health, wind, flood, and employee accident insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The City has not had any significant coverage reductions under these policies from the prior years.

I. EMPLOYEES' RETIREMENT PLANS

1. Florida Retirement System

1. *Plan Description, Membership and Plan Benefits, and Contribution Requirements*

All of the City's general employees hired before January 1, 1996 participate in the Florida Retirement System ("FRS"), a cost-sharing, defined-benefit, multiple-employer public employee retirement system.

The City of Indian Rocks Beach contributes to the FRS for two employees. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 121 of the Florida Statutes, which may be amended by the Florida Legislature, assigns the authority to establish and amend benefit provisions to the Department of Management Services through the Division of Retirement. The FRS was amended in 1998 to add the Deferred Retirement Option Program ("DROP") under the defined-benefit plan, and amended in 2000 to provide a defined-contribution plan alternative to the defined-benefit plan for FRS members effective July 1, 2002. This integrated defined-contribution pension plan is the FRS Investment Plan ("INV"). Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy ("HIS") Program, a cost-sharing, multiple-employer, defined-benefit pension plan to assist retired members of any state-administered retirement system in paying the costs of health insurance.

I. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

The FRS and HIS are administered by the Florida Department of Management Services, Division of Retirement. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code. The Florida Legislature has the authority to establish and amend retirement legislation and related bills of significance to members of the FRS and HIS plans (including benefit terms and contribution rates). Passed bills are presented to the Governor of Florida and approved before they may be enacted into law.

The FRS and HIS financial information is included in the Florida Retirement System ("System") Pension Plan and Other State-Administered Systems' Annual Comprehensive Financial Report (ACFR). The System ACFR, including audited financial information to support the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer, are available online at:

http://www.dms.myflorida.com/workforce_operations/retirement/publications.

That report may be obtained by writing to:

State of Florida, Division of Retirement
3639-C North Monroe Street, Tallahassee, Florida 32399-1560

The FRS funding policy provides for monthly employer contributions at actuarially-determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. The percentage level of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. Future plan benefit changes, assumption changes, and methodology changes are amortized over 30 years, using level-dollar amounts. Except for gains reserved for rate stabilization, future actuarial gains and losses are amortized on a rolling 10% basis as a level-dollar amount.

The contribution rates for FRS and HIS members are established, and may be amended, by the State of Florida. Employer contribution rates are actuarially recommended but set by the Legislature. These rates are a percentage of covered payroll. Retirement benefits, and the City's contribution rate, are summarized as follows for the two participating employees:

Membership Category	Retirement Benefit	Vesting	Contribution Rates Beginning July 1, 2025 (of covered payroll)
Regular	1.6% times years of service times average compensation (8 highest years) if age 62 or 33 years of service at any age.	After 8 years of creditable service.	Employer 14.03% Employee 3.00%

The City's contributions include 2.00% for a post-retirement health insurance subsidy. In addition, other than for the DROP, rates include .06% from 10/24 – 09/25 for administrative costs. The City's contributions recognized during the fiscal year ended September 30, 2025 by the FRS and HIS were $15,807 and $2,707, respectively.

I. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Membership and Plan Benefits - FRS

Employees enrolled in the FRS vested after six years of creditable service or after eight years of creditable service for members first enrolled after July 1, 2011. Members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. Retirees receive a lifetime pension benefit with joint and survivor payment options. The FRS provides retirement, disability, death benefits and annual cost-of-living adjustments. The FRS also includes an early retirement provision, but imposes a penalty for each year a member retires before the normal retirement date.

Benefits are computed on the basis of age, average final compensation, creditable years of service, and accrual value by membership class. As provided in Section 121.101 Florida Statutes, if the member's service credit was accrued before July 1, 2011, the annual cost of living adjustment is 3% per year. If the member has service credit on or after July 1, 2011, there is an individually calculated cost of living adjustment.

A DROP was established effective July 1, 1998, subject to provisions of Section 121.091, Florida Statutes. It permits employees eligible for normal retirement under the FRS to defer receipt of monthly benefit payments while continuing employment with a FRS employer. An employee may participate in the DROP for a period not to exceed 96 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Membership and Plan Benefits - HIS

HIS membership is available to all members within the FRS and INV plans. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive HIS benefits, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

I. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

2. *FRS and HIS Rate of Return, Discount Rate Sensitivity and Significant Actuarial Assumptions*

Long-Term Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2025 the FRS Actuarial Assumption Conference reviewed assumptions by Milliman's Capital Markets Assumption team. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns but instead are based on a forward-looking capital market economic model. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return
Cash	1.0%	3.2%
Fixed Income	29.0%	5.5%
Global Equity	45.0%	8.5%
Real Estate (Property)	12.0%	8.4%
Private Equity	11.0%	12.4%
Strategic Investments	2.0%	6.5%
	100.0%	

The HIS is essentially funded on a pay-as-you-go basis and the depletion date is considered to be immediate. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumptions for cash flows into and out of the plan, or assumed asset allocation.

Discount Rate Sensitivity Analysis

The following tables demonstrate the sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact if the discount rate was 1.0% higher or 1.0% lower than the current discount rate at June 30, 2025.

FRS Net Pension Liability (Asset)		
	Current Discount	
1% Decrease	Rate	1% Increase
5.70%	6.70%	7.70%
$ 156,847	$ 79,923	$ 15,430

HIS Net Pension Liability (Asset)		
	Current Discount	
1% Decrease	Rate	1% Increase
4.20%	5.20%	6.20%
$ 42,985	$ 38,119	$ 34,038

Actuarial Methods and Assumptions

Actuarial assumptions for both the FRS and HIS are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually and the HIS has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS and HIS was completed for the period July 1, 2018 through June 30, 2023.

I. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

The total pension liability for the FRS was determined by an actuarial valuation as of July 1, 2025, and the HIS by actuarial valuations as of July 1, 2024 rolled forward to June 30, 2025, using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth for both plans is assumed at 3.50%. Mortality assumptions for the FRS were based on the PUB2010 base table varied by member category and sex, projected generationally with scale MP-2021; and on the Generational PUB2010 with projection scale MP-2021 for the HIS. Both the discount rate and long-term expected rate of return used for FRS investments is 6.70%, no change from the prior year. The FRS fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS program uses a pay-as-you-go funding structure, a municipal bond rate of 5.20% was used to determine its total pension liability (an increase from 3.93% in the prior year). In October 2025, the Actuarial Assumptions Conference adopted the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the applicable municipal bond index.

Net Pension Liability, Deferred Outflows/Inflows of Resources, and Pension Expense for City Defined Benefit Pension Plans

1. *Proportionate Share of FRS and HIS Plans*

Employers participating in the FRS and HIS were provided pension allocation schedules for use in recording their proportionate share of the FRS and HIS collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense at measurement date June 30, 2025 in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of Statement No. 68*. The underlying financial information used to prepare the pension allocation schedules was based on the same basis as mentioned previously and on an actuarial valuation as of July 1, 2025 for the FRS and the HIS. The City's proportionate share was calculated using retirement contributions for employees that were members of the FRS and HIS during the measurement year ended June 30, 2025. The aggregate employer contribution amounts in the pension allocation schedules agree to the total employer contribution amounts reported in the System ACFR.

At September 30, 2025, the City reported a net pension liability of $118,042 for its proportionate share of the collective net pension liability of the FRS and HIS. The following table presents information on the City's proportionate share of the FRS and HIS:

	FRS	HIS	City Total
Proportionate Share of Net Pension Liability at June 30, 2025	$ 79,923	$ 38,119	$ 118,042
City's Proportion at June 30, 2025	0.00000258	0.00000297	
City's Proportion at June 30, 2024	0.00000248	0.00000288	
Change in Proportion from Prior Year	0.00000009	0.00000009	

I. EMPLOYEES' RETIREMENT PLANS (Continued)

2. *Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions*

For the year ended September 30, 2025, the City recognized an effect on pension expense of $(63,282), with $(50,083) related to the FRS, and $(13,199) related to the HIS. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS		City Total Deferred Outflows
	Def Outflow	Def Inflow	Def Outflow	Def Inflow	/ (Deferred Inflows)
Differences between expected and actual experience	$ 8,537	$ -	$ 228	$ (60)	$ 8,765 (60)
Changes of assumptions	9,281	-	337	(9,220)	9,618 (9,220)
Net difference between projected and actual investment earnings	-	(13,344)	-	(32)	- (13,376)
Changes In proportion	2,856	(115,110)	1,899	(33,004)	4,755 (148,114)
City contributions subsequent to the measurement data	4,281	-	715	-	4,996
Total Deferred Outflows	$ 24,955		$ 3,179		28,134
Total Deferred (Inflows)		$ (128,454)		$ (42,316)	$ (170,770)

Deferred outflows of resources of $4,996 are reported by the City for employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Reporting Year Ending June 30,	FRS	HIS	City Total Deferred Outflows (Deferred Inflows)
2026	$ (22,029)	$ (11,342)	$ (33,371)
2027	(37,036)	(9,382)	(46,418)
2028	(36,542)	(8,699)	(45,241)
2029	(12,173)	(7,772)	(19,945)
2030	-	(2,657)	(2,657)
Thereafter	-	-	-
Totals	$ (107,780)	$ (39,852)	$ (147,632)

I. EMPLOYEES' RETIREMENT PLANS (Continued)

3. *Payables to the Pension Plans*

Included in the amounts reported as accrued liabilities is $0 payable to the Florida Retirement System. The amount is for required contributions based on September 2025 payroll not remitted to the plans until October 2025, and is reported in the General Fund. The amount includes required employer contributions for the FRS and HIS plans.

Deferred Retirement Option Program:

The FRS DROP is available to a member when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. During DROP participation, the member's retirement benefits accumulate in the FRS Trust Fund and earn monthly interest equivalent to an annual rate of 6.5% (1.3% for members who enter DROP on or after 07/01/2011). The member must cease employment after a maximum of 96 months, must satisfy the termination requirements for retirement, and is subject to re-employment restrictions thereafter. The member's DROP accumulation may be paid out as a lump-sum payment, a rollover, or a combination partial lump-sum payment and rollover. Employers must pay contributions at a rate of 21.13% of salary for all DROP participants. FRS also provides disability and survivors' benefits.

The contribution requirements of employers are established and may be amended by the Division of Retirement. The City's contributions, and its required contributions for the three years ended September 30, 2025 are summarized as follows:

Fiscal Year	Required Contributions	Actual Contributions	Percentage Contributed
2025	$ 15,807	$ 15,807	100%
2024	14,051	14,051	100%
2023	31,847	31,847	100%

General Employees' Defined Contribution Plan

The City provides retirement benefits for all of its full-time employees hired after January 1, 1996 through a non-contributory, defined-contribution plan administered by the ICMA Retirement Corporation under their prototype Profit-Sharing Plan and Trust Agreement. In a defined-contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after three months of employment. The Plan requires that the City contribute 10% of all participants' earnings. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. City contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the City's current-period contribution requirement. Plan provisions and contribution requirements are established and may be amended by the City Commission. The Plan does not issue a stand-alone financial report and is not included in any other retirement system or entity's financial report.

I. EMPLOYEES' RETIREMENT PLANS (Continued)

The total payroll in fiscal year 2025 was $2,218,379. The City's contributions were calculated using the participants' salary amount of $1,573,138. The City made the required 10% contributions (net of forfeitures) for the current year and previous two years, as follows:

	Required Contribution	Actual Contribution	
2025	$ 157,314	$ 157,314	100%
2024	129,897	129,897	100%
2023	116,028	116,028	100%

J. OTHER POSTEMPLOYMENT BENEFITS

Plan Description:

The City's Retiree Health Care Plan (Plan) is a single employer defined benefit post-employment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under the applicable retirement plan to continue medical insurance coverage as a participant in the City's plan. There are no assets accumulated in a GASB-compliant trust.

Plan Membership as of October 1, 2024:

Active Participants	21
Retirees, Beneficiaries and Disabled Members	1
Covered Spouses	1
	23

Benefits Provided:

The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the City are eligible to receive postemployment health care benefits. All retiree and dependent coverage is at the expense of the retiree. Medicare eligible retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

J. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability

The measurement date is September 30, 2025.
The measurement period for the OPEB expense was October 1, 2024 to September 30, 2025. The reporting period is October 1, 2024 through September 30, 2025.

The City's Total OPEB Liability was measured as of September 30, 2025.

Note - The City's Total OPEB Liability for the City's ledger adjustment was measured as of September 30, 2025 using a discount rate of 4.50%.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2024, updated to September 30, 2025, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.50%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	51

For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

Discount Rate:

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.50%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by the S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard & Poor's Rating Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

J. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense:

For the year ended September 30, 2025, the City recognized OPEB Expense of $6,285.

Changes in Total OPEB Liability

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2024	$82,594
Changes for a Year:	
Service Cost	3,632
Interest	3,265
Changes of Assumptions	(2,287)
Benefit Payments	(11,690)
Net Changes	(7,080)
Reporting Period Ending September 30, 2025	$75,514

Changes of assumptions reflect a change in the discount rate from 4.06% for the fiscal year ended September 30, 2024 to 4.50% for the fiscal year ended September 30, 2025. Updated health care costs and premiums are also reflected as assumption changes.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate:

The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage- point lower or one percentage-point higher than the current discount rate:

	1% Decrease 3.50%	Current Discount Rate 4.50%	1% Increase 5.50%
Total OPEB Liability (Asset)	$ 80,910	$ 75,514	$ 70,748

J. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

	Healthcare Cost		
	3.00% - 6.00%	4.00% - 7.00%	5.00% - 8.00%
Total OPEB Liability (Asset)	$ 69,592	$ 75,514	$ 82,371

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Reporting Period Ending	9/30/2025	9/30/2024
Measurement Date	9/30/2025	9/30/2024
Total OPEB Liabiity		
Service Cost	$ 3,632	$ 2,967
Interest	3,265	3,670
Differences between Expected and Actual Experience	(2,287)	11,980
Changes of Assumptions	-	8,764
Benefit Payments	(11,690)	(10,283)
Net Change in Total OPEB Liability	(7,080)	17,098
Total OPEB Liability - Beginning	82,594	65,496
Total OPEB Liability - Ending	$ 75,514	$ 82,594
Covered-employee Payroll	$ 1,264,953	$ 1,234,100
Total OPEB Liability as a Percentage of Covered-employee Payroll	5.97%	6.69%

Notes to Schedule:

Covered payroll:
Covered payroll is projected to the measurement date based on actual covered payroll as of the valuation date using applicable salary increase assumptions.

Changes of assumptions:
Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2025	4.50%
Fiscal Year Ending September 30, 2024	4.06%
Fiscal Year Ending September 30, 2023	4.87%

K. COMMITMENTS AND CONTINGENCIES

1. **Litigation**

At September 30, 2025, the City is a defendant in several lawsuits related to short-term rentals operations. The estimate of any financial impact and expected timing of any settlement is unknown.

2. **Commitments**

The City annually contracts with the Sheriff of Pinellas County, Florida, for law enforcement services. The cost of these services for the fiscal year ended September 30, 2025 was $1,373,608.

L. RESTATEMENT OF NET POSITION

In fiscal year ended September 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. As a result of this implementation, the City reported an increase in the liability offset by a corresponding change in net position for its governmental activities, business-type activities and the Solid Waste Fund at the beginning of the reporting year. The elements of this change in net position are reflected in the following table.

	Governmental Activities	Business-type Activities	Solid Waste Fund
Beginning net position, as previously reported	$ 21,355,442	$ 1,300,258	$ 1,300,258
Cumulative effect of change in accounting principle	(83,289)	(29,047)	(29,047)
Beginning net position, as restated	$ 21,272,153	$ 1,271,211	$ 1,271,211

M. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

In fiscal year ended September 30, 2025, the General Fund, Sales Surtax Fund, and Local Option Gas Tax Fund reported an excess of expenditures over budgeted appropriations by $59,038, $711,387, and $1,683, respectively. The overage in the General Fund was covered by insurance reimbursements received during the year for hurricane-related expenditures. The overage in the Sales Surtax Fund was covered by available fund balance and additional intergovernmental revenues in the current year. The overage in the Local Option Gas Tax Fund was covered by available fund balance.

N. SUBSEQUENT EVENT

Subsequent to September 30, 2025, the City received approximately $650,000 in additional insurance proceeds related to Hurricanes Milton and Helene. The additional insurance recovery had not been determined as of September 30, 2025, and accordingly, was not recognized in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

- General Fund

OPEB Plan – Schedule of Changes in Total OPEB Liability

Schedules of Proportionate Share of Net Pension Liability

Schedules of Contributions

City of Indian Rocks Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual
General Fund
For the Fiscal Year Ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	$ 3,549,380	$ 3,549,380	$ 3,518,519	$ (30,861)
Franchise fees	564,000	564,000	553,833	(10,167)
Other taxes	419,590	419,590	427,803	8,213
Licenses and fees	147,310	147,310	195,872	48,562
Intergovernmental	128,340	128,340	161,828	33,488
Charges for services	-	-	178,176	178,176
Fines	100,000	100,000	246,769	146,769
Interest	200,000	200,000	336,615	136,615
Miscellaneous	280,220	280,220	14,881	(265,339)
Total revenues	5,388,840	5,388,840	5,634,296	245,456
Expenditures				
Current:				
General government:				
City commission	60,800	60,800	61,738	938
City manager	289,650	289,650	300,816	11,166
Finance	498,680	498,680	505,599	6,919
City attorney	157,000	157,000	305,011	148,011
City clerk	150,180	150,180	144,520	(5,660)
City planning	85,200	485,200	398,812	(86,388)
Central services	478,010	478,010	1,003,076	525,066
Public safety:				
Law enforcement	1,377,820	1,377,820	1,373,608	(4,212)
Community development (Code Enforce & Bldg. Permitting)	300,270	300,270	280,623	(19,647)
Physical environment:				
Stormwater	154,738	411,020	318,693	(92,327)
Other maintenance	186,675	495,854	418,919	(76,935)
Transportation:				
Streets and drainage	266,886	708,912	520,758	(188,154)
Culture and recreation:				
Parks and recreation	875,361	2,159,574	1,999,835	(159,739)
Total expenditures	4,881,270	7,572,970	7,632,008	59,038
Revenues over (under) expenditures	507,570	(2,184,130)	(1,997,712)	186,418
Other financing sources/(uses)				
Transfer-in (out)	(500,000)	(500,000)	-	500,000
Insurance proceeds	-	-	2,118,527	2,118,527
Total other financing sources (uses)	(500,000)	(500,000)	2,118,527	2,618,527
Net change in fund balances	7,570	(2,684,130)	120,815	2,804,945
Fund balance, beginning of year	(7,570)	2,684,130	6,184,955	3,500,825
Fund balance, end of year	$ -	$ -	$ 6,305,770	$ 6,305,770

Notes to Schedule:
The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). There is no difference between GAAP and the budgetary basis of accounting.

City of Indian Rocks Beach, Florida
Schedule of Changes in Total OPEB Liability
September 30, 2025
Last 8 Fiscal Years

Reporting Period Ending	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liabiity								
Service Cost	$ 3,632	$ 2,967	$ 3,629	$ 5,559	$ 7,471	$ 6,822	$ 5,401	$ 8,359
Interest	3,265	3,670	3,201	2,306	2,009	3,289	3,148	2,716
Changes of Benefit terms					-	-	-	-
Differences between Expected and Actual Experience	(2,287)	11,980	-	4,425	-	9,289	-	-
Changes of Assumptions	-	8,764	(534)	(25,067)	(2,070)	382	4,026	(3,502)
Benefit Payments	(11,690)	(10,283)	(8,465)	(8,905)	(8,887)	(9,366)	(4,097)	(3,776)
Net Change in Total OPEB Liability	(7,080)	17,098	(2,169)	(21,682)	(1,477)	10,416	8,478	3,797
Total OPEB Liability - Beginning	82,594	65,496	67,665	89,347	90,824	80,408	71,930	68,133
Total OPEB Liability - Ending	$ 75,514	$ 82,594	$ 65,496	$ 67,665	$ 89,347	$ 90,824	$ 80,408	$ 71,930
Covered-Employee Payroll	$ 1,264,953	$ 1,234,100	$ 1,226,079	$ 1,196,175	$ 1,338,496	$ 1,305,850	$ 1,244,539	$ 1,214,184
Total OPEB Liability as a percentage of Covered-Employee Payroll	5.97%	6.69%	5.34%	5.66%	6.68%	6.96%	6.46%	5.92%

Notes to Schedule
(1) Plan Assets
- No Assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits

Other Items:
This information is required for ten years. However, only eight years of information is available.

City of Indian Rocks Beach, Florida
Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System (FRS)
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability (asset)	0.0002575%	0.0002481%	0.0007968%	0.0008448%	0.0008383%	0.0008489%	0.0010212%	0.0010788%	0.0010804%	0.0009654%
City's proportionate share of the net pension liability (asset)	$ 79,923	$ 95,982	$ 317,512	$ 314,320	$ 63,326	$ 367,933	$ 351,687	$ 324,951	$ 319,691	$ 243,771
City's covered payroll	$ 132,871	$ 122,042	$ 207,947	$ 209,397	$ 197,834	$ 195,156	$ 240,236	$ 285,882	$ 281,179	$ 251,465
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	60.15%	78.65%	152.69%	150.11%	32.01%	188.53%	146.39%	113.67%	113.70%	96.94%
Plan fiduciary net position as a percentage of the total pension liability (Note 2)	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

* The amounts presented for each fiscal year were determined as of 6/30.

Note 1: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Plan's Annual Comprehensive Financial Report.

City of Indian Rocks Beach, Florida
Schedule of Proportionate Share of Net Pension Liability
Health Insurance Subsidy (HIS)
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability (asset)	0.0002974%	0.0002884%	0.0005227%	0.0005746%	0.0005588%	0.0005623%	0.0007183%	0.0008753%	0.0008821%	0.0008146%
City's proportionate share of the net pension liability (asset)	$ 38,119	$ 43,259	$ 83,018	$ 60,858	$ 68,546	$ 68,654	$ 80,370	$ 92,640	$ 94,323	$ 94,935
City's covered payroll	$ 132,871	$ 122,042	$ 122,042	$ 209,397	$ 197,834	$ 195,156	$ 240,236	$ 285,882	$ 285,882	$ 281,179
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	28.69%	35.45%	68.02%	29.06%	34.65%	35.18%	33.45%	32.40%	32.99%	33.76%
Plan fiduciary net position as a percentage of the total pension liability (Note 2)	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

* The amounts presented for each fiscal year were determined as of 6/30.

Note 1: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Plan's Annual Comprehensive Financial Report.

City of Indian Rocks Beach, Florida
Schedule of Contributions
Florida Retirement System (FRS)
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 15,807	$ 14,051	$ 31,847	$ 38,274	$ 32,753	$ 29,026	$ 30,463	$ 31,360	$ 27,925	$ 23,130
Contributions in relation to the contractually required contribution	$ (15,807)	$ (14,051)	$ (31,847)	$ (38,274)	$ (32,753)	$ (29,026)	$ (30,463)	$ (31,360)	$ (27,925)	$ (23,130)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 135,355	$ 121,880	$ 187,299	$ 216,538	$ 199,463	$ 195,970	$ 221,616	$ 281,161	$ 276,883	$ 264,336
Contributions as a percentage of covered payroll	11.68%	11.53%	17.00%	17.68%	16.42%	14.81%	13.75%	10.94%	10.09%	8.75%

* The amounts presented for each fiscal year were determined as of 6/30.

City of Indian Rocks Beach, Florida
Schedule of Contributions
Health Insurance Subsidy (HIS)
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,707	$ 2,438	$ 3,210	$ 3,596	$ 3,312	$ 3,253	$ 3,680	$ 4,669	$ 4,597	$ 4,325
Contributions in relation to the contractually required contribution	$ (2,707)	$ (2,438)	$ (3,210)	$ (3,596)	$ (3,312)	$ (3,253)	$ (3,680)	$ (4,669)	$ (4,597)	$ (4,325)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 135,355	$ 121,880	$ 187,299	$ 216,538	$ 199,463	$ 195,970	$ 221,616	$ 281,161	$ 276,883	$ 264,336
Contributions as a percentage of covered payroll	2.00%	2.00%	1.71%	1.66%	1.66%	1.66%	1.66%	1.69%	1.66%	1.64%

* The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

OTHER SUPPLEMENTAL INFORMATION

Major Capital Projects Fund Budgetary Comparison Schedule (GAAP BASIS):

- Sales Surtax Fund

  To account for receipt and expenditure of the City's portion of the Local Option Infrastructure Surtax levied by Pinellas County for a ten year period. These funds are to be used for acquisition or construction of infrastructure assets.

Nonmajor Governmental Funds:

- Combining Financial Statements for All Nonmajor Governmental Funds and Individual Budgetary Comparison Schedules (GAAP BASIS) for All Budgeted Nonmajor Governmental Funds

City of Indian Rocks Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual
Sales Surtax Fund
For the Fiscal Year Ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes:				
Other taxes	$ 600,000	$ 600,000	$ 665,398	$ 65,398
Intergovernmental	1,788,170	1,788,170	2,761,109	972,939
Total revenues	2,388,170	2,388,170	3,426,507	1,038,337
Expenditures				
Current:				
Physical environment				
Public works	1,908,170	1,908,170	2,035,591	127,421
Transportation	400,000	400,000	1,146,883	746,883
Culture and recreation				
Parks and recreation	1,081,000	1,081,000	918,083	(162,917)
Total expenditures	3,389,170	3,389,170	4,100,557	711,387
Excess (deficiency) of revenues over (under) expenditures	(1,001,000)	(1,001,000)	(674,050)	326,950
Other financing sources				
Transfer in	500,000	500,000	-	(500,000)
Net change in fund balance	(501,000)	(501,000)	(674,050)	(173,050)
Fund balance, beginning of year	1,370,534	1,370,534	1,311,221	(59,313)
Fund balance, end of year	$ 869,534	$ 869,534	$ 637,171	$ (232,363)

Note to Schedule:
The budget for the Sales Surtax Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). There is no difference between GAAP and the budgetary basis of accounting.

CITY OF INDIAN ROCKS BEACH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which, by law are designated to finance particular functions or activities of government. The City has the following nonmajor special revenue funds:

Local Option Gas Surtax Fund

To account for the receipt of a local gas tax that is to be used for the City's capital projects.

Transportation Impact Fee Fund

To account for the receipt and expenditure of transportation impact fees, as levied by the City. This fund is also used to collect for and disburse to the County its share of transportation impact fees.

Recreation Impact Fee Fund

To account for the receipt and expenditure of recreation impact fees as levied by the City. The funds collected are used exclusively for the purpose of additional recreation space, the reconstruction or refurbishing of existing recreation areas, or the purchase of recreation equipment.

Developmental Impact Fee Fund

To account for the receipt and expenditure of developmental impact fees as levied by the City. The funds collected are to be specifically allocated for the payment of expenditures for construction of roads, utilities, sidewalks, curbs, drainage, seawalls, installation of streetlights, and any other activity which is not directly related to the City's sanitary sewage system.

City of Indian Rocks Beach, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue				
	Local Option Gas Surtax	Transportation Impact Fees	Recreation Impact Fees	Developmental Impact Fees	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	$ 46,239	$ 78,626	$ 46,002	$ 46,506	$ 217,373
Due from other governments					
Intergovernmental	8,958	-	-	-	8,958
Total assets	$ 55,197	$ 78,626	$ 46,002	$ 46,506	$ 226,331
Liabilities and fund balances					
Liabilities:					
Accounts payable	$ 9,443	$ -	$ -	$ -	$ 9,443
Due to other governments	-	6,152	-	-	6,152
Total liabilities	9,443	6,152	-	-	15,595
Fund balances:					
Restricted for:					
Impact fee programs	-	-	46,002	46,506	92,508
Transportation	45,754	72,474	-	-	118,228
Total fund balances	45,754	72,474	46,002	46,506	210,736
Total liabilities and fund balances	$ 55,197	$ 78,626	$ 46,002	$ 46,506	$ 226,331

City of Indian Rocks Beach, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2025

	Special Revenue				
	Local Option Gas Surtax	Transportation Impact Fees	Recreation Impact Fees	Developmental Impact Fees	Total Non-major Governmental Funds
Revenues					
Other taxes	$ 54,369	$ 6,630	$ 6,000	$ 6,000	$ 72,999
Total revenues	54,369	6,630	6,000	6,000	72,999
Expenditures					
Current:					
Transportation	61,683	-	-	-	61,683
Total expenditures	61,683	-	-	-	61,683
Net change in fund balance	(7,314)	6,630	6,000	6,000	11,316
Fund balances, beginning of year	53,068	65,844	40,002	40,506	199,420
Fund balances, end of year	$ 45,754	$ 72,474	$ 46,002	$ 46,506	$ 210,736

City of Indian Rocks Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual
Local Option Gas Surtax Fund
For the Fiscal Year Ended September 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Taxes:			
Other taxes	$ 50,000	$ 54,369	$ 4,369
Total revenues	50,000	54,369	4,369
Expenditures			
Current:			
Transportation			
Roads and streets facilities	60,000	61,683	1,683
Total expenditures	60,000	61,683	1,683
Net change in fund balance	(10,000)	(7,314)	2,686
Fund balance, beginning of year	33,424	53,068	19,644
Fund balance, end of year	$ 23,424	$ 45,754	$ 22,330

Note to schedule:
The budget for the Local Option Gas Surtax Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). There is no difference between GAAP and the budgetary basis of accounting.

City of Indian Rocks Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual
Transportation Impact Fee Fund
For the Fiscal Year Ended September 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Transportation impact fees	$ 5,000	$ 6,630	$ 1,630
Total revenues	5,000	6,630	1,630
Net change in fund balance	5,000	6,630	1,630
Fund balance, beginning of year	54,741	65,844	11,103
Fund balance, end of year	$ 59,741	$ 72,474	$ 12,733

Note to schedule:
The budget for the Transportation Impact Fee Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). There is no difference between GAAP and the budgetary basis of accounting.

City of Indian Rocks Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual
Recreation Impact Fee Fund
For the Fiscal Year Ended September 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Recreation impact fees	$ 1,000	$ 6,000	$ 5,000
Total revenues	1,000	6,000	5,000
Net change in fund balance	1,000	6,000	5,000
Fund balance, beginning of year	30,502	40,002	9,500
Fund balance, end of year	$ 31,502	$ 46,002	$ 14,500

Note to schedule:
The budget for the Recreation Impact Fee Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). There is no difference between GAAP and the budgetary basis of accounting.

City of Indian Rocks Beach, Florida
Scedule of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual
Developmental Impact Fee Fund
For the Fiscal Year Ended September 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Developmental impact fees	$ 2,000	$ 6,000	$ 4,000
Total revenues	2,000	6,000	4,000
Net change in fund balance	2,000	6,000	4,000
Fund balance, beginning of year	32,006	40,506	8,500
Fund balance, end of year	$ 34,006	$ 46,506	$ 12,500

Note to schedule:
The budget for the Developmental Impact Fee Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). There is no difference between GAAP and the budgetary basis of accounting.

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City of Indian Rocks Beach, Florida
Statistical Section
September 30, 2025

This part of the City of Indian Rocks Beach, Florida's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

PAGE

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time 69

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax 74

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future 78

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place 80

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs 83

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.

Schedule 1
City of Indian Rocks Beach, Florida

NET POSITION BY COMPONENT
(accrual basis of accounting)

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	$ 10,871,053	$ 12,836,327	$ 13,677,764	$ 13,472,323	$ 13,555,837	$ 13,546,062	$ 13,542,432	$ 13,551,818	$ 13,978,468	$ 17,561,580
Restricted	2,540,930	2,974,683	2,342,024	2,418,621	2,103,066	2,042,674	2,084,944	2,063,727	1,510,641	847,907
Unrestricted	3,974,138	2,412,767	2,724,045	3,122,107	3,129,326	3,564,676	4,154,733	4,959,952	5,866,333	6,004,482
Total governmental activities net position	$ 17,386,121	$ 18,223,777	$ 18,743,833	$ 19,013,051	$ 18,788,229	$ 19,153,412	$ 19,782,109	$ 20,575,497	$ 21,355,442	$ 24,413,969
Business-type activities										
Net investment in capital assets	$ 533,859	$ 691,939	$ 555,433	$ 418,929	$ 438,124	$ 333,141	$ 244,227	$ 453,461	$ 370,535	$ 629,014
Unrestricted (Deficit)	1,340,977	836,682	173,304	380,247	386,131	487,441	691,819	500,337	929,723	(822,865)
Total business-type activities net position	$ 1,874,836	$ 1,528,621	$ 728,737	$ 799,176	$ 824,255	$ 820,582	$ 936,046	$ 953,798	$ 1,300,258	$ (193,851)
Primary government										
Net investment in capital assets	$ 11,404,912	$ 13,528,266	$ 14,233,197	$ 13,891,252	$ 13,993,961	$ 13,879,203	$ 13,786,659	$ 14,005,279	$ 14,349,003	$ 18,190,594
Restricted	2,540,930	2,974,683	2,342,024	2,418,621	2,103,066	2,042,674	2,084,944	2,063,727	1,510,641	847,907
Unrestricted	5,315,115	3,249,449	2,897,349	3,502,354	3,515,457	4,052,117	4,846,552	5,460,289	6,796,056	5,181,617
Total primary government net position	$ 19,260,957	$ 19,752,398	$ 19,472,570	$ 19,812,227	$ 19,612,484	$ 19,973,994	$ 20,718,155	$ 21,529,295	$ 22,655,700	$ 24,220,118

Schedule 2
City of Indian Rocks Beach, Florida

CHANGES IN NET POSITION
(accrual basis of accounting)

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	$ 1,031,977	$ 689,377	$ 1,080,973	$ 1,357,139	$ 1,322,341	$ 1,327,084	$ 1,370,526	$ 1,698,814	$ 1,655,409	$ 1,755,163
Public safety	1,172,316	1,265,574	1,355,796	1,373,914	1,496,878	1,229,182	1,256,264	1,331,646	1,606,235	1,663,514
Physical environment	376,869	161,293	1,492,383	2,191,695	703,773	295,056	206,911	1,333,964	3,486,074	701,032
Transportation	842,723	1,228,135	795,206	645,878	649,725	742,141	893,012	881,242	599,098	1,729,324
Culture/recreation	1,015,131	899,885	1,167,609	962,088	975,768	950,819	950,890	1,021,693	1,859,830	2,261,480
Total governmental activities expenses	4,439,016	4,244,264	5,891,967	6,530,714	5,148,485	4,544,282	4,677,603	6,267,359	9,206,646	8,110,513
Business-type activities:										
Solid Waste	1,394,631	1,507,075	1,516,579	1,470,227	1,457,664	1,473,986	1,516,178	1,804,193	1,768,653	4,784,071
Total business-type activities expenses	1,394,631	1,507,075	1,516,579	1,470,227	1,457,664	1,473,986	1,516,178	1,804,193	1,768,653	4,784,071
Total primary government expenses	5,833,647	5,751,339	7,408,546	8,000,941	6,606,149	6,018,268	6,193,781	8,071,552	10,975,299	12,894,584
Program revenues										
Governmental activities:										
Charges for services										
General government	205,439	192,490	251,302	227,600	192,151	196,896	199,078	236,498	233,089	175,014
Public safety	352,032	308,718	364,056	390,641	202,682	22,497	30,234	24,365	13,001	25,778
Other	97,422	110,742	137,818	144,611	161,738	243,345	311,130	341,372	301,271	420,025
Operating grants and contributions	4,256	8,903	29,386	69,899	-	32,891	-	24,010	23,415	1,109,197
Capital grants and contributions	264,431	372,774	1,345,841	2,028,104	521,002	249,289	276,561	1,272,836	3,691,728	1,688,642
Total governmental activities program revenues	923,580	993,627	2,128,403	2,860,855	1,077,573	744,918	817,003	1,899,081	4,262,504	3,418,656
Business-type activities:										
Charges for services										
Solid Waste Disposal	1,223,640	1,210,613	1,217,864	1,377,842	1,472,301	1,467,849	1,628,699	1,819,274	2,071,067	2,203,547
Operating grants and contributions	-	-	-	162,824	16,286	2,464	2,943	2,671	44,046	1,054,462
Total business-type activities program revenues	1,223,640	1,210,613	1,217,864	1,540,666	1,488,587	1,470,313	1,631,642	1,821,945	2,115,113	3,258,009
Total primary government program revenues	2,147,220	2,204,240	3,346,267	4,401,521	2,566,160	2,215,231	2,448,645	3,721,026	6,377,617	6,676,665
Net (expense) / revenue										
Governmental activities	(3,515,436)	(3,250,637)	(3,763,564)	(3,669,859)	(4,070,912)	(3,799,364)	(3,860,600)	(4,368,278)	(4,944,142)	(4,691,857)
Business-type activities	(170,991)	(296,462)	(298,715)	70,439	30,923	(3,673)	115,464	17,752	346,460	(1,526,062)
Total primary government net expense	(3,686,427)	(3,547,099)	(4,062,279)	(3,599,420)	(4,039,989)	(3,803,037)	(3,745,136)	(4,350,526)	(4,597,682)	(6,217,919)

Continued next page

Schedule 2
City of Indian Rocks Beach, Florida

CHANGES IN NET POSITION - Continued

(accrual basis of accounting)
Last Eight Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General revenues and other changes in net position										
Governmental activities:										
Property taxes	$ 1,728,283	$ 1,827,453	$ 2,033,059	$ 2,084,008	$ 2,222,434	$ 2,379,957	$ 2,535,990	$ 2,947,438	$ 3,179,075	$ 3,518,519
Franchise fees	424,728	426,621	450,704	490,616	478,634	492,264	527,022	567,330	558,533	553,833
Unrestricted state revenue sharing	104,570	109,089	113,364	116,410	109,824	121,719	141,490	133,838	125,255	125,098
Half-cent sales tax	262,547	266,090	283,566	289,884	275,175	319,756	333,778	311,866	300,975	295,902
Local option gas tax	273,310	88,735	63,331	70,108	58,412	78,552	104,871	70,284	92,136	72,999
Local option sales tax	512,331	527,477	554,362	586,002	507,737	546,494	638,806	655,080	658,207	665,398
Communications services tax	92,360	92,468	94,688	88,165	87,329	81,663	83,812	90,350	101,447	89,652
Other taxes	9,509	9,315	9,029	15,786	10,625	9,308	8,900	8,643	8,544	42,249
Unrestricted investment earnings	33,875	52,551	74,584	93,095	77,922	21,397	61,806	340,093	399,360	336,615
Miscellaneous revenues	497,357	688,494	105,764	105,003	17,998	91,437	52,822	59,942	277,357	2,133,408
Transfers in (out)	-	-	501,169	-	-	22,000	-	-	-	-
Extraordinary item - Gain from fire	647,926	-	-	-	-	-	-	-	-	-
Total governmental activities	4,586,796	4,088,293	4,283,620	3,939,077	3,846,090	4,164,547	4,489,297	5,184,864	5,700,889	7,833,673
Business-type activities:										
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	61,000
Loss on disposal of assets	-	(49,753)	-	-	(5,844)	-	-	-	-	-
Transfers in (out)	-	-	(501,169)	-	-	-	-	-	-	-
Total business-type activities	-	(49,753)	(501,169)	-	(5,844)	-	-	-	-	61,000
Total primary government	4,586,796	4,038,540	3,782,451	3,939,077	3,840,246	4,164,547	4,489,297	5,184,864	5,700,889	7,894,673
Change in net position										
Governmental activities	1,071,360	837,656	520,056	269,218	(224,822)	365,183	628,697	793,388	756,747	3,141,816
Business-type activities	(170,991)	(346,215)	(799,884)	70,439	25,079	(3,673)	115,464	17,752	346,460	(1,465,062)
Total change in net position	$ 900,369	$ 491,441	$ (279,828)	$ 339,657	$ (199,743)	$ 361,510	$ 744,161	$ 811,140	$ 1,103,207	$ 1,676,754

Schedule 3
City of Indian Rocks Beach, Florida

FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Nonspendable	$ 810	$ 23,294	$ 18,437	$ 20,948	$ 18,941	$ 20,333	$ 23,804	$ 25,718	$ 28,060	$ 30,978
Committed	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unassigned	4,276,070	2,627,792	2,959,128	3,399,325	3,446,576	3,833,532	4,395,982	5,253,790	6,056,895	6,174,792
Total general fund	$ 4,376,880	$ 2,751,086	$ 3,077,565	$ 3,520,273	$ 3,565,517	$ 3,953,865	$ 4,519,786	$ 5,379,508	$ 6,184,955	$ 6,305,770
All other governmental funds										
Restricted for:										
Impact fee programs	$ 165,008	$ 15,008	$ 15,008	$ 22,008	$ 25,008	$ 18,008	$ 50,008	$ 59,508	$ 80,508	$ -
Transportation	184,976	80,279	100,454	57,090	66,202	71,346	86,810	93,165	118,912	847,907
Capital projects	2,090,946	2,879,396	2,226,562	2,339,423	2,011,856	1,953,320	1,948,126	1,911,054	1,311,221	-
governmental funds	$ 2,440,930	$ 2,974,683	$ 2,342,024	$ 2,418,521	$ 2,103,066	$ 2,042,674	$ 2,084,944	$ 2,063,727	$ 1,510,641	$ 847,907
Total fund balances	$ 6,817,810	$ 5,725,769	$ 5,419,589	$ 5,938,794	$ 5,668,583	$ 5,996,539	$ 6,604,730	$ 7,443,235	$ 7,695,596	$ 7,153,677

Schedule 4
City of Indian Rocks Beach, Florida

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 3,103,020	$ 3,223,319	$ 3,488,739	$ 3,612,880	$ 3,634,553	$ 3,884,315	$ 4,183,924	$ 4,580,707	$ 4,806,781	$ 5,219,922
Licenses and permits	367,010	326,249	404,133	429,584	240,143	60,263	67,043	103,868	239,783	195,872
Impact fees	200,048	14,840	-	11,689	5,793	23,679	49,255	70,284	92,136	18,630
Intergovernmental revenues	373,257	490,765	1,488,591	2,214,413	630,826	403,899	418,051	1,430,684	3,840,398	2,922,937
Charges for services	170,870	269,231	339,999	321,000	297,106	352,559	379,224	375,967	226,342	178,176
Fines	19,591	16,470	9,044	12,268	19,322	49,916	94,175	122,400	81,236	246,769
Investment income	33,875	52,551	74,584	93,095	77,922	21,397	61,806	340,093	399,360	336,615
Miscellaneous revenues	199,315	688,494	105,764	105,003	17,998	91,437	52,822	59,942	277,357	14,881
Total revenues	4,466,986	5,081,919	5,910,854	6,799,932	4,923,663	4,887,465	5,306,300	7,083,945	9,963,393	9,133,802
Expenditures										
General government	1,136,139	1,558,605	1,665,874	1,251,296	1,222,949	1,308,750	1,322,584	1,578,744	1,697,525	2,719,572
Public safety	1,169,659	1,261,051	1,351,739	1,370,435	1,493,399	1,225,703	1,264,261	1,326,959	1,598,663	1,654,231
Physical environment	2,219,425	1,228,399	1,672,159	2,276,288	1,098,841	498,367	436,959	1,579,719	4,281,682	2,773,203
Transportation	841,480	1,225,056	792,190	645,317	649,725	742,141	893,012	881,242	599,098	1,729,324
Culture/Recreation	986,578	900,849	1,236,241	737,289	729,060	806,548	781,293	878,776	1,534,064	2,917,918
Total expenditures	6,353,281	6,173,960	6,718,203	6,280,625	5,193,974	4,581,509	4,698,109	6,245,440	9,711,032	11,794,248
Excess of revenues over (under) expenditures	(1,886,295)	(1,092,041)	(807,349)	519,307	(270,311)	305,956	608,191	838,505	252,361	(2,660,446)
Other financing sources (uses)										
Transfers in	147,000	1,650,000	501,169	-	-	22,000	-	-	-	-
Transfers (out)	(147,000)	(1,650,000)	-	-	-	-	-	-	-	-
Extraordinary item - insurance proceeds	1,043,390	-	-	-	-	-	-	-	-	2,118,527
Total other fin. sources (uses)	1,043,390	-	501,169	-	-	22,000	-	-	-	2,118,527
Net change in fund balances	$ (842,905)	$ (1,092,041)	$ (306,180)	$ 519,307	$ (270,311)	$ 327,956	$ 608,191	$ 838,505	$ 252,361	$ (541,919)
Debt service as a percentage of non-capital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Schedule 5
City of Indian Rocks Beach, Florida

ASSESSED VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(dollar amounts are expressed in thousands)

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value	Annual Percentage Change in Assessed Value	Total Direct Tax Rate (1) (Mills)
2016	$ 885,051	$ 8,380	$ 893,431	6.9%	2.0000
2017	972,371	8,173	980,544	9.8%	1.9300
2018	1,079,891	10,705	1,090,596	11.2%	1.9300
2019	1,165,836	9,696	1,175,532	7.8%	1.8326
2020	1,246,711	9,051	1,255,762	6.8%	1.8326
2021	1,324,959	9,060	1,334,019	6.2%	1.8326
2022	1,426,836	8,417	1,435,253	7.6%	1.8326
2023	1,655,802	8,393	1,664,195	16.0%	1.8326
2024	1,885,888	8,604	1,894,492	13.8%	1.7300
2025	2,104,971	8,807	2,113,778	11.6%	1.7300

(1) Tax rates are per $1,000 of assessed valuation.
(2) The basis of assessed value required by the state is 100% of actual value.

Source: Pinellas County Property Appraiser's Office.

Schedule 6
City of Indian Rocks Beach, Florida

DIRECT AND OVERLAPPING PROPERTY TAX RATES (Mills)

Last Ten Fiscal Years

(Per $1,000 of Assessed Taxable Value)

Fiscal Year	City of Indian Rocks Beach	Pinellas County		Other	Total
		Government	School Board		
2016	2.0000	5.3377	7.7700	2.9092	18.0169
2017	1.9300	5.3377	7.3180	2.9106	17.4963
2018	1.9300	5.2755	7.0090	2.9755	17.1900
2019	1.8326	5.2755	6.7270	2.9579	16.7930
2020	1.8326	5.2755	6.5840	2.9425	16.6346
2021	1.8326	5.2755	6.4270	2.9293	16.4644
2022	1.8326	5.2092	6.3250	2.8324	16.1992
2023	1.8326	4.8188	5.9630	2.7253	15.3397
2024	1.7300	4.6660	5.8220	3.2451	15.4631
2025	1.7300	4.6136	6.2930	3.2306	15.8672

Source: Pinellas County Tax Collector's Office.

Schedule 7
City of Indian Rocks Beach, Florida

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

		September 30, 2025			September 30, 2016		
		Taxable	Percent of Total Taxable		Taxable	Percent of Total Taxable	
Condos	CR Clearwater LLC	$ 17,678,116	0.84%	1			
Hotel	Gulfcoast Marina LTD	16,203,882	0.77%	2	$ 9,225,530	1.03%	1
Single Family	Bense, Kevin	6,550,746	0.31%	3			
Single Family	32 Indian Rocks Beach LLC	6,361,516	0.30%	4			
Single Family	Michael Savino	6,223,541	0.29%	5			
Condos	Cameron Cove Resort	6,207,500	0.29%	6	3,214,860	0.36%	4
Vacation Rentals	Top Gun Real Holdings LLC	5,733,758	0.27%	7			
Business	Majical Minztures LLC	5,124,601	0.24%	8			
Condos	Orion Beach Development LLC	5,078,476	0.24%	9	4,370,434	0.49%	2
Developer	MENHIR LLLP	5,021,295	0.24%	10			
	Totals	$ 80,183,431	3.79%		$ 16,810,824	1.88%	

Source: Pinellas County Property Appraiser's Office.

Schedule 8
City of Indian Rocks Beach, Florida

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collections for the Fiscal Year of the Levy		Collections for Previous Years of Levy	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
2016	$ 1,789,711	$1,725,711	96.4%	$ 2,572	$1,728,283	96.6%
2017	1,892,450	1,827,256	96.6%	197	1,827,453	96.6%
2018	2,108,284	2,031,629	96.4%	1,430	2,033,059	96.4%
2019	2,149,806	2,081,285	96.8%	2,723	2,084,008	96.9%
2020	2,302,883	2,221,964	96.5%	470	2,222,434	96.5%
2021	2,445,210	2,360,414	96.5%	19,543	2,379,957	97.3%
2022	2,630,524	2,506,220	95.3%	29,770	2,535,990	96.4%
2023	3,054,700	2,868,886	93.9%	78,552	2,947,438	96.5%
2024	3,277,301	3,176,130	96.9%	2,945	3,179,075	97.0%
2025	3,656,836	3,518,111	96.2%	408	3,518,519	96.2%

Source: Pinellas County Tax Collector's Office.

Schedule 9
City of Indian Rocks Beach, Florida

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities Long-term Note Payable	Total Primary Government	Indian Rocks Beach Personal Income	Percentage of Personal Income	Per Capita
2016	$ -	$ -	$ 204,846,626	0.00%	$ -
2017	-	-	211,126,845	0.00%	-
2018	-	-	238,201,100	0.00%	-
2019	-	-	231,341,536	0.00%	-
2020	-	-	226,602,684	0.00%	-
2021	-	-	207,463,872	0.00%	-
2022	-	-	224,917,682	0.00%	-
2023	-	-	234,535,400	0.00%	-
2024	-	-	231,652,437	0.00%	-
2025	-	-	223,574,125	0.00%	-

Sources: Population data from University of Florida, Bureau of Economic and Business Research
Data for personal income not available before 2002 or after 2005; therefore, was calculated based on CPI increase.

Schedule 10
City of Indian Rocks Beach, Florida

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2025

Taxing District	Net General Obligation Outstanding	Percentage Applicable to City Taxpayers (1)	Amount Applicable to City Taxpayers
Pinellas County School Board	$ 117,957,936	1.27%	$ 1,498,243
Pinellas County Government	38,548,000	1.27%	489,618
Total Overlapping Debt	$ 156,505,936		$ 1,987,862

(1) Based on the City's total taxable assessed value as a percentage of Pinellas County's total taxable assessed value. The City is not responsible for the debt of the School Board. However, in the event of default, the taxpayers would be required to pay off the debt.

Source: Pinellas County School Board and Pinellas County Government.

Schedule 11
City of Indian Rocks Beach, Florida

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income (2)	Unemployment Rate (3)
2016	4373	$ 46,844	$ 204,846,626	5.0%
2017	4380	48,202	211,126,845	3.7%
2018	4430	53,770	238,201,100	4.3%
2019	4432	52,198	231,341,536	3.4%
2020	4158	54,498	226,602,684	3.1%
2021	3696	56,132	207,463,872	4.4%
2022	3719	60,478	224,917,682	4.9%
2023	3740	62,710	234,535,400	3.1%
2024	3673	63,069	231,652,437	3.8%
2025	3433	65,125	223,574,125	4.0%

Sources: (1) The U.S. Census reported 5100 and 4100 for the years 2000 and 2010 respectively
The population numbers shown here reflect projections provided by the University of Florida,

(2) Bureau of Economic and Demographic Research.
U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.
The actual per capita personal income is for Pinellas County. The per capita figures are calculated by dividing total personal income (from sch.9) by population.

(3) Florida Agency for Workforce Innovation, Labor Market Statistics, Local Area Unemployment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Schedule 12
City of Indian Rocks Beach, Florida

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

	September 30, 2025			September 30, 2016		
Employer	Employees	Percent of Total City Employment (1)	Rank	Employees	Percent of Total City Employment(1)	Rank
Holiday Inn Harbourside	173	17.3%	1	165	18.3%	2
Crabby Bill's Seafood	150	15.0%	2	182	20.2%	1
Guppy's on the Beach	90	9.0%	3	70	7.8%	4
CoCo's Crush	70	7.0%	4	-	0.0%	-
Monsta Lobsta	50	5.0%	5	-	0.0%	
PJ's Oyster Bar	50	5.0%	6	50	5.6%	6
Keegan's	39	3.9%	7	20	2.2%	8
Century 21 Beggins	30	3.0%	8	56	6.2%	5
Plumlee Realty	32	3.2%	9		0.0%	
City of IRB	26	2.6%	10	29	3.2%	9
Total	710	71.00%		572	63.56%	

Source: Phone survey.
(1) Total employed estimated at 950 employees within the City.

Schedule 13

City of Indian Rocks Beach, Florida

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUND

Last Ten Fiscal Years

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund										
Administration	3.00	3.00	3.00	2.90	2.40	2.80	2.80	3.00	3.00	3.00
Finance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Community Devlmt.	4.00	4.00	4.00	3.60	3.60	1.70	1.70	2.00	4.00	4.00
Library	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Services	10.00	10.00	10.00	9.50	7.20	7.20	7.20	7.20	7.20	7.20
Sub-total	21.00	21.00	21.00	20.00	17.20	15.70	15.70	16.20	18.20	18.20
Solid Waste Fund	8.00	8.00	8.00	7.50	7.80	7.80	7.80	7.80	7.80	7.80
TOTAL	29.00	29.00	29.00	27.50	25.00	23.50	23.50	24.00	26.00	26.00

Source: City of Indian Rocks Beach Finance Department

Schedule 14
City of Indian Rocks Beach, Florida

OPERATING INDICATORS BY FUNCTION / PROGRAM

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Building Inspections										
Building permits issued (a)	846	928	1,024	1,014	540	0 *	0 *	0 *	0 *	0 *
Public Works - Streets Division										
Streets resurfaced (miles)	0	0	0	0	0	0	0	0	0	0
Streets new surface (miles)	1	1	1	1	1	1	1	1	1	1

(a) Separate permits were issued for each trade

*** Notes -** The City contracted with the Pinellas County Building Department for all permitting in 2020

Source: Various City Departments

Schedule 15
City of Indian Rocks Beach, Florida

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Fire stations	1	1	1	1	1	1	1	1	1	1
Police stations	1	1	1	1	1	1	1	1	1	1
Parks and Recreation										
Park acreage	41	41	41	41	41	41	41	41	41	41
Number of community parks	9	9	9	9	9	9	9	9	9	9
Wastewater										
Sanitary sewers (miles)	22	22	22	22	22	22	22	22	22	22

Source: Various City Departments.

COMPLIANCE SECTION

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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 Report

The Honorable Mayor and City Commission
City of Indians Rocks Beach, Florida
Indians Rocks Beach, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Indian Rocks Beach, Florida (the "City") as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 28, 2026. Our report includes an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences.*

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Tampa, Florida
October 28, 2026

Forvis Mazars, LLP
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Independent Accountant's Report

The Honorable Mayor and City Commission
City of Indian Rocks Beach, Florida
Indian Rocks Beach, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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. Our examination does not provide a legal determination on the City's compliance with specified requirements.

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

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

Forvis Mazars, LLP

Tampa, Florida
October 28, 2026

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

The Honorable Mayor and City Commission
City of Indian Rocks Beach, Florida
Indian Rocks Beach, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Indian Rocks Beach, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended September 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Forvis Mazars, LLP

Tampa, Florida
October 28, 2026

City of Indian Rocks Beach, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Grantor / Pass Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Grant Number	Pass Through Indentifying Number	Total Federal Expenditures	Amount Provided to Subrecipients
U.S. Department of the Treasury					
Passed through the Florida Department of State					
Covid-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	FL0136	N/A	$ 1,072,467	$ -
Total U.S. Department of the Treasury				1,072,467	-
U.S. Department of Homeland Security					
Passed through the Florida Division of Emergency Management					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)					
Hurricane Milton	97.036	4834DR	N/A	1,051,804	-
Hurricane Idalia	97.036	4734DR	N/A	31,483	-
Total U.S. Department of Homeland Security				1,083,287	-
Total Expenditures of Federal Awards				$ 2,155,754	$ -

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the City of Indian Rocks Beach (City) under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in fund balance or net position, or cash flows of the City. The City did not receive noncash assistance during the year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards recorded in governmental funds and the accrual basis of accounting for awards recorded in the proprietary funds, which are described in Note 1 to the City's basic financial statements. Such expenditures are recognized following, as applicable, the cost principles in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The City has not elected to use the de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – HURRICANES

The City has incurred hurricane-related expenditures for the 2025 fiscal year under the Disaster Grants – Public Assistance program. The City reports the eligible expenditures during the year in which they were obligated by Federal Emergency Management Agency (FEMA) on the SEFA. The City anticipates that a portion of the expenditures will be reimbursed through FEMA and state grants, insurance proceeds and general fund appropriations. The Schedule includes expenditures incurred and obligated as of September 30, 2025. All expenditures were incurred during the fiscal year.

Disasters	Total Expenditures	FY 25 Expenditures
Hurricane Idalia	$ 31,483	$ 31,483
Hurricane Milton	1,051,804	1,051,804
Total	$ 1,083,287	$ 1,083,287

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal programs:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

5. Type of auditor's report issued on compliance for major federal program(s):

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

7. Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	Covid-19 Coronavirus State and Local Fiscal Recovery Funds
97.036	Disaster Grants - Public Assistance

8. Dollar threshold used to distinguish between Type A and Type B programs: $1,000,000.

9. Auditee qualified as a low-risk auditee? ☐ Yes ☒ No

Section II – Financial Statement Findings

No matters are reported.

Section III – Federal Award Findings and Questioned Costs

No matters are reported.

City of Indian Rocks Beach, Florida
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2025

Reference Number	Summary of Finding	Status
	No matters are reportable.	

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Independent Auditor's Management Letter

The Honorable Mayor and City Commission
City of Indian Rocks Beach, Florida
Indian Rocks Beach, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Indian Rocks Beach, Florida (the "City") as of and for the year ended September 30, 2025, and have issued our report thereon dated October 28, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"); and Chapter 10.800, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated October 28, 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. In connection with the preceding audit, there were no findings or recommendations.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General,* requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General,* requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the City 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 City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General,* we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

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

2025-001 Budgetary Noncompliance

Criteria

Under Florida law, the City's adopted budget ordinance, and the approved annual budget require that expenditures not exceed legally adopted appropriations at the fund level. When existing appropriations are insufficient, budget amendments must be formally approved by the governing board in accordance with the applicable legal and budgetary process.

Condition

During our audit, we noted that actual expenditure of the Sales Surtax Fund materially exceeded the final amended budget appropriation for the fiscal year ended September 30, 2025. Management provided evidence that the governing board was informed of and discussed the expenditures during the year; however, the board did not formally approve a budget amendment authorizing the additional appropriations before year-end. Accordingly, expenditures exceeded the legally authorized budget level.

Cause

Management did not complete the formal budget amendment process necessary due to significant turnover in senior management at the City. In addition, a portion of the overage related to hurricane mitigation and a grant that the City received.

Effect or Potential Effect

The absence of a formally approved budget amendment resulted in noncompliance with applicable budgetary requirements. The condition also weakens budgetary control and oversight and increases the risk that expenditures could be incurred without formal legal authorization. In addition, the condition may reduce transparency regarding compliance with the city's legally adopted budget.

Context

The excess expenditures were material to the Sales Surtax Fund. The expenditures were incurred for valid governmental purposes, were properly recorded in the financial statements, and were communicated to the governing board during the fiscal year. These facts mitigate the governance and financial reporting implications; however, they do not eliminate the underlying noncompliance because the required formal budget amendment was not adopted.

Recommendation

We recommend that management strengthen budget-monitoring procedures and implement controls requiring a formal budget amendment to be presented to the governing board whenever projected expenditures are expected to exceed authorized appropriations. Management should review budget-to-actual activity periodically throughout the fiscal year and ensure that all necessary amendments are formally adopted and documented before expenditures exceed the legally approved budget.

Views of Responsible Officials and Planned Corrective Action

Management acknowledges that expenditures exceeded the final amended budget and that a formal budget amendment was not approved. Management indicated that the governing board was aware of the expenditures and intended to authorize the spending; however, the formal amendment process was not completed because of significant turnover in senior leadership. Management plans to enhance its procedures to ensure that future budget amendments are presented to and formally approved by the governing board on a timely basis.

Property Assessed Clean Energy (PACE) Programs

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

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General,* requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any 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 Mayor, City Commission, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Forvis Mazars, LLP

Tampa, Florida
October 28, 2026

CITY OF INDIAN ROCKS BEACH

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared ROBIN I. GOMEZ, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of Indian Rocks Beach which is a local governmental entity of the State of Florida.

2. The governing body of the City of Indian Rocks Beach adopted Ord No. 2003-16, implementing an impact fee or authorizing the City of Indian Rocks Beach to receive and expend proceeds of an impact fee implemented by the City of Indian Rocks Beach; and

3. The City of Indian Rocks Beach has complied and as of the date this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Robin I. Gomez

STATE OF FLORIDA

COUNTY OF PINELLAS

SWORN TO AND SUBSCRIBED before me this 4 day of November, 2025.

NOTARY PUBLIC

Print Name Lorin A. Kornijtschuk

Personally known ✓ or produced identification _____

Type of identification produced: _____

My Commission Expires: 2/04/2027

NOTARY PUBLIC Expires 02/04/2027 Lorin A. Kornijtschuk My Commission HH 350374 STATE OF FLORIDA