



TOWN OF
INDIAN SHORES
FLORIDA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025**

TOWN OF INDIAN SHORES, FLORIDA
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025



Diantha Schear
Mayor

Ellen A. Bauer
Vice Mayor

Michael P. Howard
Councilor

Mark Housman
Councilor

Nicholas J. Menchise
Councilor

Town Administrator
Christina R. Porter, CPA

Director of Finance and Personnel
Amy Lockhart, CPA

Prepared by the Town of Indian Shores Finance Department

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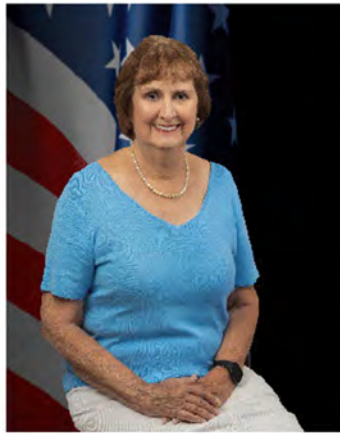
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TOWN OF INDIAN SHORES, FLORIDA
TOWN COUNCIL
SEPTEMBER 30, 2025

Town Council



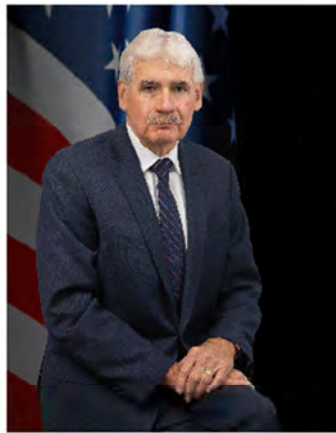
Diantha Schear
Mayor



Ellen Bauer
Vice-Mayor



Mark Housman
Councilor



Michael Howard
Councilor



Nicholas Menchise
Councilor

INDIAN SHORES



19305 Gulf Boulevard, Indian Shores, FL 33785

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March 18, 2026

Dear Honorable Mayor, Councilors, and Citizens of the Town of Indian Shores:

We hereby respectfully issue the Annual Comprehensive Financial Report (ACFR) of the Town of Indian Shores, Florida (the “Town”) for the fiscal year ended September 30, 2025. This report fulfills the requirements set forth in Florida Statutes Chapter 218.39; and Rules of the Auditor General of the State of Florida, Chapter 10.550. This report provides a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed Certified Public Accountants (CPAs).

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

The Town’s financial statements have been audited in accordance with GAAS by James Moore & Co. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town, for fiscal year ended September 30, 2025, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used; assessing significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, there was a reasonable basis for rendering an unmodified opinion on the Town of Indian Shores’ financial statements for the fiscal year ended September 30, 2025. The independent auditor’s report is located at the front of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction

with same. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town was founded on September 16, 1949, and incorporated as "Indian Rocks Beach South Shore." It later shortened its name to Indian Shores on August 14, 1973. The Town is situated on a barrier island in the western part of the State, to the south and west of Tampa, Florida, and directly to the south of Indian Rocks Beach, Florida. The Town has a total area of approximately 0.9 square miles, of which 0.3 square miles is land, and 0.6 square miles is water, and has a population of approximately 1,190. The Town is empowered to levy a property tax on both real and personal properties located within its boundaries.

The Town operates under the Council-Administrator form of government. Policymaking and legislative authority are vested in a governing body consisting of the Mayor and four Councilors, one of whom serves as Vice-Mayor. The Town Council is responsible for, among other things, passing ordinances; adopting the budget; appointing committees; and hiring the Town Administrator, Town Clerk, Chief of Police, Town Attorney, and the independent auditor. The Town Council is elected on a non-partisan basis. Council members, including the Mayor, serve three-year staggered terms. The Mayor and the Town Council members are elected at-large. The Town Administrator is responsible for carrying out the policies and ordinances of the Town Council, overseeing the day-to-day operations of the government, and appointing the heads of the various departments.

The Town's Police department also serves the Town of Redington Shores, the Town's neighbor just south of its boundary, through a local agreement. The department is led by a Chief of Police supported by a Captain, with twelve (12) officers providing public safety to both communities.

The Town also provides a Public Services Department, which maintains and services the Town's municipal building and grounds, Town parks, medians, and all public areas in the Town of Indian Shores. Other services such as fire protection, water and sewer, reclaimed water, and solid waste are provided by Pinellas County and/or private vendor. The Building Department, which is staffed by a Building Official and Building Permit Technician, is responsible for ensuring all codes are followed to protect public safety.

The Town Council is required to hold two (2) public hearings on each annual proposed budget and to adopt a final budget no later than September 30, the close of the Town's fiscal year. The annual budget serves as the foundation for the Town's financial planning and control. The appropriated budget is prepared by fund, department (e.g. Police), and object (e.g. Uniforms). Department Heads may make transfers of appropriations within a fund and department. Transfers of appropriations between funds and departments, however, require the approval of the Town Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Local Economy

The Town mainly has residential land use (56%), with commercial land uses comprising only 6% of the Town's land area. The economy of Indian Shores is primarily dependent upon tourism, hospitality, local services, and retirement living.

The median age was 58.1 years, and median household income was \$102,250, based on the most recent census data. The local economy is also influenced during the winter months by a seasonal population.

Indian Shores attractions include the Monument inside Tiki Gardens and the Seaside Seabird Sanctuary. Indian Shores has high occupancy rates. There are many activities in the Town that keep it vibrant and fun year-round. Indian Shores remains a choice area in which to live.

For the last twelve (12) years the Town has experienced increases in taxable property values. In the two (2) most recent years, total taxable assessed value increased year-over-year by 11.8% in FY2024 (2023 taxable value) and 10.3% FY2025 (2024 taxable value). Ad valorem taxes collected also increased year-over-year by \$283,594 or 11.9% in FY2024; and \$258,201 or 9.7% in FY2025. The increase in property tax revenue is due to higher property values. Property taxes were 49.7% of the general fund revenues in FY2025.

The general fund's main revenue sources include property tax, utility taxes, franchise fees, interest on investments, parking fees, building permit fees, the police service contract, and half-cent sales taxes. In FY2025, utility taxes represented 8.3% of the general fund's revenue. Utility taxes have been relatively consistent over the past several years. State revenue sharing and half-cent sales taxes remained relatively flat in FY2025, together making up 2.2% of general fund revenue. Infrastructure tax revenues in the capital improvement fund remained flat, from \$215,179 in FY2024 to \$219,825 in FY2025. During FY2025, the Town recorded hurricane recovery revenue in the amount of \$527,493.

Long-Term Financial Planning and Major Initiatives

Financial planning continues to be of critical importance to the Town in meeting the challenges of both the current and future needs of the citizenry. Town staff and Council participate annually in workshops to review priorities and the Town's financial condition in preparation for the annual budget process. This includes a review of current forecasts for the general fund.

Major projects undertaken by the Town will continue to have long-term financial implications for existing as well as future resources and revenues. The decisions undertaken by the Town are always evaluated in the context of the financial burden that will be placed on both current and prospective residents, as well as potential economic and environmental impacts.

Relevant Financial Policies

The Town's responsible fiscal policies have placed it in a strong financial condition. This is illustrated by the general fund's unassigned fund balance: At year end, that balance was \$1.94 million or 43.2%

of total fund balance, and 33.6% of the FY2026 general fund adopted operating budget. The goal for unassigned fund balance at year end is a minimum of 20.0% of the current year's adopted operating expenditure budget.

Acknowledgements

The Town's auditors, James Moore & Co, are commended for their professionalism in conducting the audit. We would also like to express our appreciation to the Mayor and the Town Council for their support. With their continued leadership, the Town can look forward to a secure financial future.

In order to be awarded a Government Finance Officers Association (GFOA) Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report conforms to Certificate of Achievement program requirements. We are submitting the report to the GFOA to determine its eligibility for a certificate.

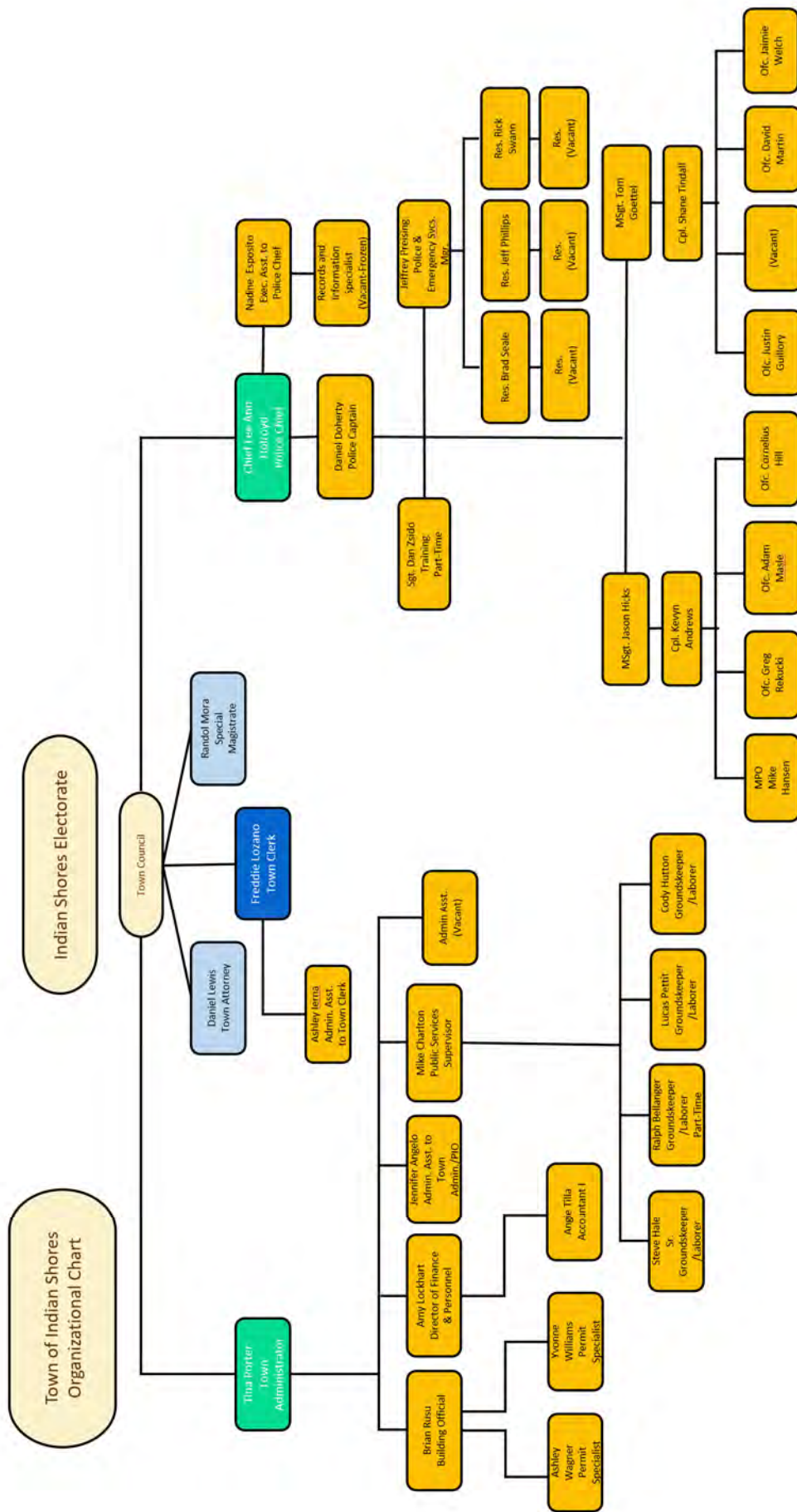
Respectfully submitted,



Christina R. Porter, CPA
Town Administrator



Amy Lockhart, CPA
Director of Finance and Personnel



Certificate of Achievement for Excellence in Financial Reporting

This is the first year that the Town of Indian Shores, Florida has prepared and will be submitting its Annual Comprehensive Financial Report (ACFR) to the Government Finance Officers Association (GFOA) for consideration for the Certificate of Achievement for Excellence in Financial Reporting. Accordingly, there is no prior year Certificate of Achievement to report.

Management believes that this report substantially conforms to the Certificate of Achievement program requirements and intends to submit it to the GFOA for review.



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Town Council,
Town of Indian Shores, Florida:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAS 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 GAS, 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 Town'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 Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

The combining and individual nonmajor fund financial statements and other schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report

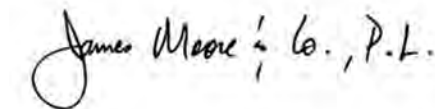
Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2026, on our consideration of the Town'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 Town's internal control over financial reporting and compliance.

Daytona Beach, Florida
March 18, 2026

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

**TOWN OF INDIAN SHORES, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

This narrative overview and analysis of the Town of Indian Shores’ financial statements for the fiscal year-ended September 30, 2025, provides readers with a comprehensive picture of the Town’s fiscal health, and its financial administration. Because the information contained in this Management’s Discussion and Analysis (MD&A) report is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the Town’s financial statements contained in this document.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-25 fiscal year are as follows:

- The Town’s assets and deferred outflows exceed its liabilities and deferred inflows (net position) at the close of this fiscal year by \$11,452,060 (\$11,135,512 in 2024), which is an increase from the prior year of \$316,548, as opposed to 2024 where there was an increase in net position of \$342,163.
- General revenues total \$5,246,242 or 81.7% of all revenues. Program-specific revenue in the form of charges for services and operating grants and contributions total \$1,175,858 or 18.3%.
- Unassigned fund balance for the General Fund was \$1,938,996 and may be used to meet the government’s ongoing obligations to citizens and creditors.
- The Town’s Governmental General Fund revenue totaled \$5,829,487 compared to \$5,140,515 in 2024, or a \$688,972 (13.4%) increase over the prior year. This was primarily due to the federal disaster relief obligation for both hurricanes Helene and Milton.
- As of the close of the fiscal year, the Town’s governmental funds combined reported an ending fund balance of \$4,921,514, as compared to \$4,578,277 in 2024, an increase of \$343,237 in comparison with the prior year. This increase is mainly attributed to a restricted donation for the Public Safety building and a reduced amount of capital expenditures.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Indian Shores, Florida’s basic financial statements. The Town of Indian Shores’ basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements, which includes this MD&A.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Indian Shores' finances, in a manner similar to what one may observe for a private-sector business. There are two types of government-wide financial statements:

The *statement of net position* presents information on the Town of Indian Shores' assets, deferred outflows, liabilities and deferred inflows. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Indian Shores is improving or deteriorating.

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

Both government-wide financial statements distinguish functions of the Town 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. The governmental activities of the Town include general government, public safety, physical environment, transportation, and culture and recreation. Property taxes, utility services, gas taxes, and sales taxes finance most of these services.

The government-wide financial statements can be found beginning on page 21 of this report.

Net Pension Asset

The primary objective of GASB 68 is to improve accounting and financial reporting by state and local governments for pensions. Pension obligation disclosures have previously been limited to the notes of the basic financial statements and the Required Supplementary Information (RSI) section of the financial statements. The Net Pension Asset of the town increased by \$301,398 from the prior year.

FUND FINANCIAL STATEMENTS

Governmental Funds

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 Town's funds are presented in separate fund financial statements. These funds are presented on a governmental fund financial statement. The Town's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB 34. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

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

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

The Town maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and Capital Improvement Funds which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* following beginning on page 58 of the report.

The Town adopts an annual budget for all funds, and a budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found beginning on page 23 of this report.

Fiduciary Fund

A *Fiduciary Fund* is not included in the government-wide financial statement because the resources of those funds are not available to support the Town's operations and are held in a trustee or agency capacity. The Town's fiduciary fund is the Police Pension Fund, beginning on page 27.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found directly following the basic financial statements beginning on page 29 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to funding pension obligations and other post-employment benefits (OPEB). The required supplementary information can be found beginning on page 50.

Combining statements referred to earlier in connection with non-major governmental funds are presented in the required supplementary information section. Combining and individual fund statements and schedules can be found on pages 58 through 62.

Government-wide: Net Position. The Statement of Net Position looks at the Town as a whole. The following provided a summary of the Town’s net position as of September 30, 2025, as compared to September 30, 2024.

	Governmental Activities		Difference
	2025	2024	
ASSETS			
Current and other assets	\$ 5,073,580	\$ 4,813,696	\$ 259,884
Net pension asset	1,162,728	1,255,389	\$ (92,661)
Capital assets	7,690,453	8,188,675	\$ (498,222)
Total assets	<u>13,926,761</u>	<u>14,257,760</u>	<u>(330,999)</u>
DEFERRED OUTFLOWS	<u>134,380</u>	<u>37,343</u>	<u>97,037</u>
LIABILITIES			
Current liabilities	228,749	309,591	(80,842)
Noncurrent liabilities:	1,917,803	2,316,420	(398,617)
Total liabilities	<u>2,146,552</u>	<u>2,626,011</u>	<u>(479,459)</u>
DEFERRED INFLOWS	<u>462,529</u>	<u>533,580</u>	<u>(71,051)</u>
NET POSITION			
Net investment in capital assets	6,020,482	6,097,463	(76,981)
Restricted	1,416,144	1,441,135	(24,991)
Unrestricted	4,015,434	3,596,914	418,520
Total net position	<u>\$ 11,452,060</u>	<u>\$ 11,135,512</u>	<u>\$ 316,548</u>

Net position may serve over time as a useful indicator of a government’s financial condition. The Town’s assets and deferred outflows exceeded its liabilities and deferred inflows by \$11,452,060 at the close of fiscal year 2025, an increase of \$316,548 from the prior year.

By far the largest portion of the Town of Indian Shores’ net position (52.6%) is its investment in capital assets (e.g., land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the Town’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay these liabilities.

The restricted portion of the Town of Indian Shores’ net position (12.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted portion of the net position is \$4,015,434 and may be used to meet the government’s ongoing obligations to citizens and creditors.

As was the case in the prior year, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its governmental activities.

Government-wide activities total net position increased by \$316,548 during 2025 as compared to an increase in total net position of \$342,163 during the prior fiscal year. The increase relates to revenues of \$6,422,100 (\$4,952,429 in 2024) over expenses of \$6,105,552 (\$4,610,266 in 2024). The increase is primarily due to an increase in tax revenue, and federal reimbursement obligations for expenses incurred during hurricanes Helene and Milton. All revenue categories increased in 2025, except for other taxes and fees (\$16,959).

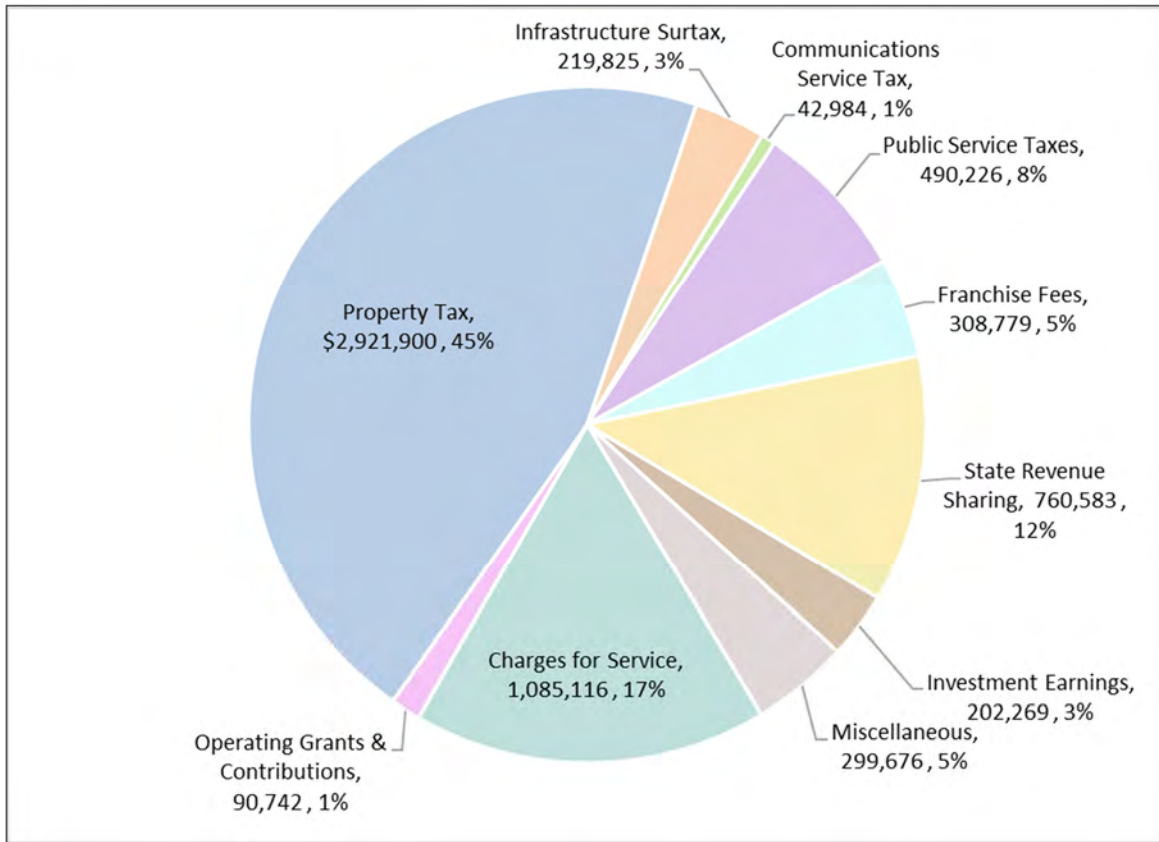
Total expenses increased by \$1,495,286 from 2024. This was mainly due to the response and repairs to hurricanes Helene and Milton and the reorganization, succession planning, and retirement in the Police Department.

Comparative data for fiscal years ending September 30 are shown below:

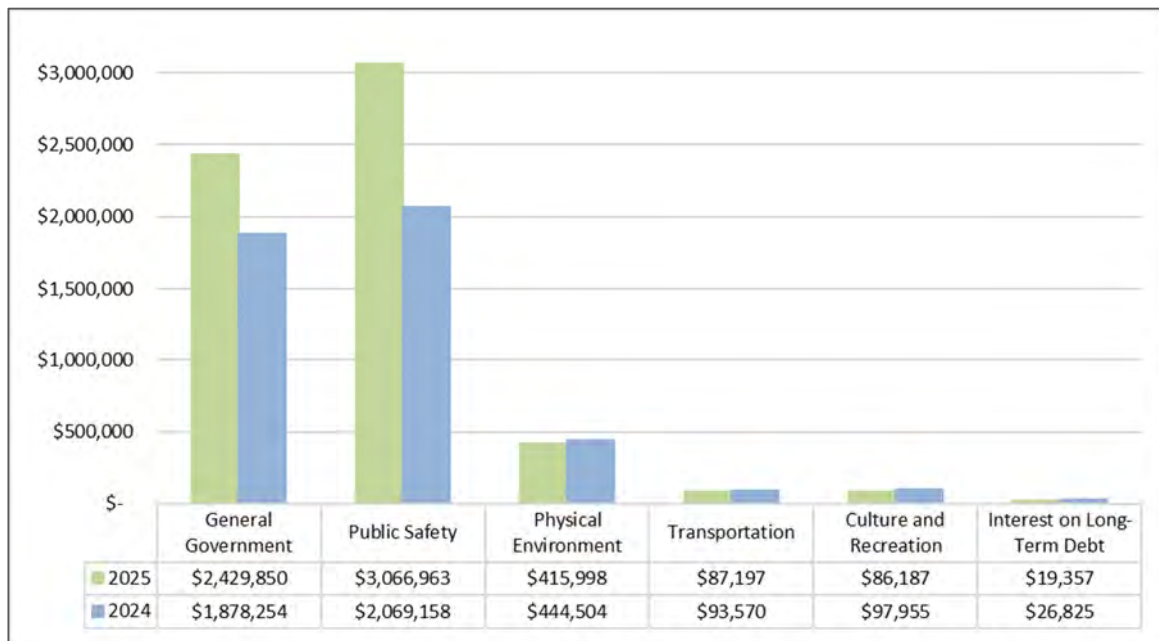
	Governmental Activities		Difference
	2025	2024	
REVENUES			
Property taxes	\$ 2,921,900	\$ 2,663,699	\$ 258,201
Other taxes and fees	1,061,814	1,078,773	(16,959)
Charges for services	1,085,116	610,492	474,624
Intergovernmental and grants	851,325	327,704	523,621
Other revenues	501,945	271,761	230,184
Total revenues	<u>6,422,100</u>	<u>4,952,429</u>	<u>1,469,671</u>
EXPENSES			
General government	2,429,850	1,878,254	551,596
Public safety	3,066,963	2,069,158	997,805
Physical environment	415,998	444,504	(28,506)
Transportation	87,197	93,570	(6,373)
Culture and recreation	86,187	97,955	(11,768)
Interest expense	19,357	26,825	(7,468)
Total expenses	<u>6,105,552</u>	<u>4,610,266</u>	<u>1,495,286</u>
Income before transfers	316,548	342,163	(25,615)
Change in net position	316,548	342,163	(25,615)
Net position, beginning of year, as restated	11,135,512	10,793,349	342,163
Net position, end of year	<u>\$ 11,452,060</u>	<u>\$ 11,135,512</u>	<u>\$ 316,548</u>

The Town maintains a strong base of general revenues, which was strengthened by property values and sales tax. Property values increased by 10.3%; however, the millage rate remained unchanged at 1.870. General revenues total \$5,246,242 or 81.7% of all revenues. Program-specific revenue in the form of charges for services and operating grants and contributions totals \$1,175,858 or 18.3%.

The following chart shows the Revenues by Source – Governmental Activities for Year Ended September 30, 2025:



The following chart summarizes the Expenses by Function – Governmental Activities for the Year Ended September 30:



FUND STATEMENT FINANCIAL ANALYSIS

Governmental Funds

The Town completed the 2025 fiscal year with total governmental fund balances of \$4,921,514, a change of \$343,237 from 2024's total fund balances of \$4,578,277. Of the 2025 total, \$1,938,996 is unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance is non-spendable, \$5,506; restricted, \$253,416; committed, \$94,121; and assigned, \$2,629,475. Restricted fund balance increased by \$67,670, this is attributed to the donation for the Public Safety storage facility. Assigned fund balance increased by \$269,818; for future infrastructure repairs and for purchase order encumbrances issued in fiscal year 2025 that would not be fulfilled until fiscal year 2026.

General Fund

The General Fund is the Town's chief operating fund. General Fund revenues increased \$688,972, primarily due to increases in Tax revenue and Intergovernmental revenue from hurricane recovery. Expenditures increased by \$944,546, mainly due to the response and repairs to hurricanes Helene and Milton; and the reorganization, succession planning, and retirement in the Police Department.

At the end of the current fiscal year, the General Fund's combined fund balance is \$4,486,020. Excess revenue over expenditures totaled \$53,644 despite an 22.3% expenditure increase.

The following table summarizes the changes in General Fund expenditures for the year ended September 30:

	2025	2024	Difference	% Change
General Government	\$ 2,176,797	\$ 1,524,732	\$ 652,065	42.8%
Public Safety	2,518,412	2,136,754	381,658	17.9%
Physical Environment	479,406	561,734	(82,328)	-14.7%
Culture and Recreation	4,961	5,179	(218)	-4.2%
Capital Outlay	-	6,631	(6,631)	-100.0%
Total	5,179,576	4,235,030	944,546	22.3%

Capital Improvement Fund

The operating information for the other major governmental fund, Capital Improvements, for the year ended September 30, 2025, is as follows:

	Capital Improvement Fund
Revenues and Other Sources	\$ 516,387
Expenditures and Other Uses	326,289
Increase (Decrease) in Fund Balances	<u>\$ 190,098</u>

As can be seen above, the Capital Improvement fund saw revenue exceed expenses, largely due to the outstanding purchase order for two new air conditioning units installed in FY2026.

Non-Major Funds

The operating information about the non-major governmental funds for the year ended September 30, 2025, are as follows:

	Road and Bridge	Restricted Gift and Donations	Debt Service	Total
Revenues and Other Sources	\$ 89,876	\$ 129,336	\$ 443,996	\$ 663,208
Expenditures and Other Uses	<u>87,197</u>	<u>32,520</u>	<u>443,996</u>	<u>563,713</u>
Increase (decrease) in Fund Balance	<u>\$ 2,679</u>	<u>\$ 96,816</u>	<u>\$ -</u>	<u>\$ 99,495</u>

Fund balance for the Restricted Gift and Donations Fund increased by \$96,816 mainly due to the donation of \$125,000 for the Public Safety storage building.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2025, the original adopted budget projected \$5,590,188 in revenues and \$6,165,597 in expenditures, resulting in a projected use of fund balance of \$575,409. The final approved budget reflected a projected increase in revenues of \$336,733 due to an increase in Intergovernmental revenue. At fiscal year end, the original budget for expenditures of \$6,165,597 matched the final approved budget.

The Town generally uses conservative estimates for budgeted revenues so that actual revenues closely align with or slightly exceed the established budget. Expenditures were \$345,463 less than budgeted, contributing positively to fund balance.

Additional budget to actual information for the Town's general fund is on page 50.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The Town of Indian Shores' investment in capital assets for its governmental activities as of September 30, 2025, amounts to \$7,690,453 (net of accumulated depreciation). The investment in capital assets includes land, buildings, equipment, and infrastructure (which includes park facilities and seawalls). The total net decrease in capital assets for the current fiscal year was \$498,222. This change was driven by a \$680,765 change in Accumulated Depreciation offset by new purchases of \$182,543.

	Governmental Activities	
	2025	2024
Land	\$ 777,823	\$ 777,823
Buildings	5,701,384	5,671,656
Equipment & Furniture	1,816,981	1,668,366
Infrastructure	10,660,237	10,656,037
Accumulated Depreciation	(11,265,972)	(10,585,207)
Total	\$ 7,690,453	\$ 8,188,675

Additional information on the Town's capital assets can be found in Note 6 on page 39 of this report.

Long-Term Debt

At September 30, 2025, the Town had total borrowed debt outstanding of \$1,669,971. This debt was issued to refund the Town's outstanding sales tax revenue refunding bonds, series 2012 and 2015 at a lower interest rate of 1.21%. In FY2025 outstanding debt decreased by the annual principal payment of \$421,241.

Additional information on the Town's long-term debt activity can be found in Note 7 on pages 39 through 40 of this report.

The following summarizes the year-over-year change:

	2025	2024
Revenue Bonds, Series 2020	\$1,669,971	\$2,091,212

Economic Factors and Next Fiscal Year's Budgets and Rates

- During FY2025, the Town continued to recover from Hurricanes Helene and Milton. The Town temporarily waived building permit fees that were directly related to storm repair.
- For FY2026, the Town property values increased on average by 5%.
- The unemployment rate for Pinellas County in September 2025 was 4.4%, as compared to 4.6% in 2024.
- The Town of Indian Shores is primarily a residential community with just over 18% of properties currently claiming Homestead Exemption. The latest report shows 508 out of 2,835 parcels.

All these factors were considered in preparing the Town of Indian Shores' annual operating and capital budget for the 2025-26 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the Town of Indian Shores' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town's Finance Department, 19305 Gulf Boulevard, Indian Shores, Florida, 33785. The Town's web address is <https://www.myindiashores.com>.

TOWN OF INDIAN SHORES, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Equity in pooled cash and cash equivalents	\$ 909,975
Investments	3,761,805
Receivables, net	99,680
Due from other governments	296,614
Prepays	5,506
Restricted assets:	
Net pension asset	1,162,728
Capital assets:	
Capital assets, not being depreciated	777,823
Other capital assets, net of depreciation	6,912,630
Total assets	<u>\$ 13,926,761</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	\$ 134,380
Total deferred outflows	<u>\$ 134,380</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 151,066
Customer deposits	1,000
Accrued interest payable	13,471
Noncurrent liabilities:	
Due within one year:	
Bonds and notes payable	352,804
Compensated absences	63,212
Due in more than one year:	
Bonds and notes payable	1,317,167
Compensated absences	170,908
Total OPEB liability	76,924
Total liabilities	<u>\$ 2,146,552</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	\$ 462,529
Total deferred inflows of resources	<u>\$ 462,529</u>
NET POSITION	
Net investment in capital assets	\$ 6,020,482
Restricted for:	
Pensions	1,162,728
Law enforcement	12,108
Capital projects	144,492
Gifts and donations	96,816
Unrestricted	4,015,434
Total net position	<u>\$ 11,452,060</u>

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

**TOWN OF INDIAN SHORES, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Governmental Activities</u>
Governmental activities:					
General government	\$ 2,429,850	\$ 360,473	\$ -	\$ -	\$ (2,069,377)
Public safety	3,066,963	620,745	-	-	(2,446,218)
Physical environment	415,998	103,898	866	-	(311,234)
Transportation	87,197	-	89,876	-	2,679
Culture and recreation	86,187	-	-	-	(86,187)
Interest on long-term debt	19,357	-	-	-	(19,357)
Total governmental activities	<u>6,105,552</u>	<u>1,085,116</u>	<u>90,742</u>	<u>-</u>	<u>(4,929,694)</u>
Total primary government	<u>\$ 6,105,552</u>	<u>\$ 1,085,116</u>	<u>\$ 90,742</u>	<u>\$ -</u>	<u>(4,929,694)</u>
	General revenues:				
	Property taxes				2,921,900
	Infrastructure surtax				219,825
	Communications service tax				42,984
	Public service taxes				490,226
	Franchise fees				308,779
	State revenue sharing				760,583
	Investment earnings				202,269
	Miscellaneous revenues				299,676
	Total general revenues				<u>5,246,242</u>
	Change in net position				316,548
	Net position - beginning of year				11,135,512
	Net position - ending of year				<u>\$ 11,452,060</u>

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

**TOWN OF INDIAN SHORES, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	<u>General</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Equity in pooled cash and cash equivalents	\$ 618,918	\$ 143,498	\$ 147,559	\$ 909,975
Investments	3,666,489	-	95,316	3,761,805
Receivables, net	99,680	-	-	99,680
Due from other governments	241,285	50,688	4,641	296,614
Prepaid items	5,506	-	-	5,506
Total assets	<u>\$ 4,631,878</u>	<u>\$ 194,186</u>	<u>\$ 247,516</u>	<u>\$ 5,073,580</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 145,858</u>	<u>\$ -</u>	<u>\$ 6,208</u>	<u>\$ 152,066</u>
Total liabilities	<u>145,858</u>	<u>-</u>	<u>6,208</u>	<u>152,066</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	5,506	-	-	5,506
Restricted for:				
Police education	1,339	-	-	1,339
Police forfeiture	10,769	-	-	10,769
Capital projects	-	-	144,492	144,492
Gifts and donations	-	-	96,816	96,816
Committed to:				
Insurance deductible	33,500	-	-	33,500
Beautification	35,780	-	-	35,780
Public works equipment	2,841	-	-	2,841
Beach cleanup	22,000	-	-	22,000
Assigned to:				
Building facilities	1,135,702	-	-	1,135,702
Park facilities	187,914	-	-	187,914
Nature park, beach access	66,000	-	-	66,000
Public services equipment	128,161	-	-	128,161
Signage	114,506	-	-	114,506
Street/parking lot maintenance	177,000	-	-	177,000
Economic stability	326,006	-	-	326,006
Debt reduction	300,000	-	-	300,000
Capital projects	-	194,186	-	194,186
Unassigned	1,938,996	-	-	1,938,996
Total fund balances	<u>4,486,020</u>	<u>194,186</u>	<u>241,308</u>	<u>4,921,514</u>
Total liabilities and fund balances	<u>\$ 4,631,878</u>	<u>\$ 194,186</u>	<u>\$ 247,516</u>	<u>\$ 5,073,580</u>

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

TOWN OF INDIAN SHORES, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund balances - total governmental funds \$ 4,921,514

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

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

Total governmental capital assets	18,956,425	
Less: accumulated depreciation	<u>(11,265,972)</u>	7,690,453

On the governmental fund statements, a net pension liability (asset) is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the Town's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension asset	1,162,728	
Deferred outflows related to pensions	134,380	
Deferred inflows related to pensions	<u>(462,529)</u>	834,579

On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the statement of net position, the Town's total OPEB liability is reported as a noncurrent liability.

Total OPEB liability		(76,924)
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Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of the following:

Bonds and notes payable	(1,669,971)	
Accrued interest payable	(13,471)	
Compensated absences	<u>(234,120)</u>	(1,917,562)

Net position of governmental activities \$ 11,452,060

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

TOWN OF INDIAN SHORES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>General</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 3,455,110	\$ -	\$ -	\$ 3,455,110
Permits and fees	632,387	-	-	632,387
Intergovernmental	661,449	319,825	89,876	1,071,150
Charges for services	746,668	-	-	746,668
Fines and forfeitures	10,050	-	-	10,050
Investment income	199,433	-	2,836	202,269
Miscellaneous	124,390	-	126,500	250,890
Total revenues	<u>5,829,487</u>	<u>319,825</u>	<u>219,212</u>	<u>6,368,524</u>
Expenditures				
Current:				
General government	2,176,797	-	-	2,176,797
Public safety	2,518,412	-	32,520	2,550,932
Physical environment	479,406	-	87,197	566,603
Culture and recreation	4,961	-	-	4,961
Capital outlay	-	326,289	-	326,289
Debt service:				
Principal retirement	-	-	421,241	421,241
Interest and fiscal charges	-	-	22,755	22,755
Total expenditures	<u>5,179,576</u>	<u>326,289</u>	<u>563,713</u>	<u>6,069,578</u>
Excess (deficiency) of revenues over expenditures	<u>649,911</u>	<u>(6,464)</u>	<u>(344,501)</u>	<u>298,946</u>
Other financing sources (uses)				
Transfers in	-	196,562	443,996	640,558
Transfers out	(640,558)	-	-	(640,558)
Proceeds from sale of capital assets	44,291	-	-	44,291
Total other financing sources (uses)	<u>(596,267)</u>	<u>196,562</u>	<u>443,996</u>	<u>44,291</u>
Net change in fund balances	<u>53,644</u>	<u>190,098</u>	<u>99,495</u>	<u>343,237</u>
Fund balances, beginning of year	4,432,376	4,088	141,813	4,578,277
Fund balances, end of year	<u>\$ 4,486,020</u>	<u>\$ 194,186</u>	<u>\$ 241,308</u>	<u>\$ 4,921,514</u>

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

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

Net change in fund balances - total governmental funds	\$	343,237
Differences in amounts reported for governmental activities in the statement of activities are:		
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.		
Capital outlay expenditures		326,289
Depreciation expense		(833,796)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, CIP project abandoned) is to increase net position.		
		9,285
Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:		
Principal repayment of general long-term debt		421,241
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.		
Change in net pension liability (asset) and deferred inflows/outflows related to pensions		75,427
Under the modified accrual basis of accounting used in the 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. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:		
Change in accrued interest on long-term debt		3,398
Change in compensated absences liability		(21,887)
Change in total OPEB liability		(6,646)
Change in net position of governmental activities	\$	<u>316,548</u>

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

**TOWN OF INDIAN SHORES, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2025**

	<u>Pension Trust Fund</u>
ASSETS	
Cash and cash equivalents with trustee	\$ 407,910
Total cash and cash equivalents	<u>407,910</u>
Receivables	
Interest and dividends receivable	11,632
Total receivables	<u>11,632</u>
Investments, at fair value	
Corporate debt obligations	1,080,394
Foreign debt obligations	27,189
Corporate equity securities	3,196,975
Foreign equity securities	329,482
Total investments	<u>4,634,040</u>
Total assets	<u><u>\$ 5,053,582</u></u>
NET POSITION	
Restricted for pensions	<u><u>\$ 5,053,582</u></u>

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

TOWN OF INDIAN SHORES, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Pension Trust Fund</u>
Additions	
Contributions:	
Employer	\$ 68,274
Plan members	63,458
State - insurance premium taxes	31,083
Total contributions	<u>162,815</u>
Investment earnings:	
Net appreciation (depreciation) in fair value of investments	368,416
Interest and dividends	82,230
Total investment earnings (loss)	<u>450,646</u>
Less: investment expense	<u>(2,361)</u>
Net investment income (loss)	448,285
 Total additions	 <u>611,100</u>
Deductions	
Benefit payments and refunds	209,269
Administrative expenses	100,433
Total deductions	<u>309,702</u>
 Change in net position	 <u>301,398</u>
 Net position restricted for pensions, beginning of year	 4,752,184
 Net position restricted for pensions, end of year	 <u><u>\$ 5,053,582</u></u>

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

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(1) Summary of Significant Accounting Policies:

The financial statements of the Town of Indian Shores, Florida (the Town), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the Town has adopted the GASB Codification. The following is a summary of the Town's significant accounting policies:

(a) **Reporting entity**—The Town of Indian Shores, Florida, was incorporated via special election in 1949 under the laws of the State of Florida, and operates under a Council-Administrator form of government as a result of charter amendments passed by the voters in November 2022. The Town is a full-service municipality which provides its citizens with full municipal services except for fire protection and utilities.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report aggregated information for the overall government for all of the activities of the primary government. These statements do not report fiduciary funds or fiduciary component units such as retirement trust funds. Those activities are reported only in fund financial statements. The effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which are financed wholly or partially by fees charged to external parties for goods or services and are reported in enterprise funds. The Town had no business-type activities in the current fiscal year.

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

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

(c) **Measurement focus, basis of accounting, and financial statement presentation**—The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting and financial reporting treatment is determined by the applicable measurement focus and the basis of accounting. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus indicates the type of resources being measured such as current financial resources (current assets, less current liabilities) or economic resources (all assets and liabilities).

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants, other intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, certain expenditures relating to future periods, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

General Fund—The General Fund is the principal fund of the Town which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the Town are financed through revenues received by the General Fund.

Capital Improvements Fund—The Capital Improvements Fund accounts for the capital projects funded by infrastructure sales surtax.

The Town reports the following nonmajor governmental fund:

Road and Bridge Fund—The Road and Bridge Fund is a special revenue fund that accounts for repair and maintenance projects and is funded by the Florida Department of Transportation and the Local Option Gas Tax.

Restricted Gift and Donations Fund—The Restricted Gift and Donations Fund is a special revenue fund that accounts for restricted donations.

Debt Service Fund—The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs. This fund type is used to provide for the debt service requirements of the Town's governmental long-term debt.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Additionally, the Town reports the following fund types:

Pension Trust Fund—Accounts for the net position held in trust for defined pension benefits and the related financial activities of the Town’s police officers in the Police Pension Fund.

As a general rule, the effect of the Town’s interfund activity has been eliminated from the government-wide financial statements.

(d) **Budgets and budgetary accounting**—Annual budgets for all governmental funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The Town uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- i. On or before September 15th, the Town Finance Director submits a preliminary budget to the Town Council for the ensuing fiscal year.
- ii. Budget workshop sessions are scheduled by the Town Council, as needed.
- iii. A general summary of the budget and notice of public hearing is made available to the public.
- iv. Prior to October 1st, the budget is legally enacted through passage of a resolution.
- v. The Town Council, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Council.
- vi. The Town Council must approve all budget amendments and/or appropriations transfers.
- vii. Budgetary control is exercised at the fund level.
- viii. Every appropriation lapses at the close of the fiscal year.

The budgets for governmental funds that were either adopted or amended during the year by the Town Council were prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles. The general, capital improvements, road and bridge, and restricted gift and donation funds have legally adopted budgets.

(e) **Deposits and investments**—The Town’s cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

The Town has adopted the reporting required by Accounting and Financial Reporting for Certain Investments and for External Investment Pools. All investments including investments in the Town’s fiduciary funds are recorded at fair value based on quoted market values.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

(f) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans).

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends.

(g) **Inventories and prepaid items**—The cost of inventory is accounted for on the consumption basis wherein inventories are charged as expenditures when used, rather than when purchased. All inventories are valued at cost, which approximates market, by using the weighted average valuation method. The effect of this method is to flow the costs of the materials and supplies in the order in which they are purchased and to assign a balance sheet inventory valuation more nearly at current replacement value. No required minimum levels of inventory are maintained.

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.

(h) **Capital assets**—Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, drainage improvements, sidewalks, and similar items), are reported in the applicable governmental activities in the government-wide financial statements. Capital assets are defined by the government as assets with an initial threshold of \$5,000 and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	45 – 55
Improvements	20 – 30
Public domain infrastructure	45 – 55
Machinery and equipment	5 – 15

(i) **Compensated absences**—The Town reports compensated absences in the applicable governmental activity columns in the governmental-wide financial statements. The portion of employee payroll costs paid subsequent to year-end attributable to services performed prior to year-end and accumulated unpaid vacation, sick-leave, and personal leave is recorded and recognized as a current liability. The remainder of the liability for compensated absences payable beyond the current period is recorded as a long-term liability.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

(j) **Long-term obligations**—In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the government-wide statement of net position. Original issue bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(k) **Fund balance**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes based on actions taken by the Town Council, the highest level of decision-making authority, through resolution.

Assigned – amounts the Town intends to use for a specific purpose. Intent can be expressed by Town Council or by the Town Administrator which the Town Council delegates authority.

Unassigned – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the Town considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

(l) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has deferred outflows related to pensions which qualify for reporting in this category and are discussed further in Note (11).

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Town has deferred inflows related to pensions which qualify for reporting in this category and are discussed further in Note (11).

(m) **Property taxes**—Property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

Lien date	January 1
Levy date	October 1
Discount periods	November – February
No discount period	March
Delinquent date	April 1

(n) **Net position flow assumption**—Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the Town’s policy to consider restricted net position to have been used before unrestricted net position is applied.

(o) **Impact fees**—No authorized impact fees in accordance with Section 163.31801, Florida Statutes were in effect for fiscal year 2025.

(p) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **Deposits and Investments:**

The Town’s investment policies are governed by Chapter 280 and 218, Florida Statutes. For all investments authorized by statute the Town applies the “Prudent Person” standard when developing investment strategies. The basic allowable investment instruments are as follows:

The Local Government Surplus Trust Funds or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01.

Securities and Exchange Council registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Interest bearing time deposits or savings accounts in qualified public depositories as defined in Chapter 280, Florida Statutes.

Direct obligations of the United States Treasury.

Deposits include cash on hand and amounts held in the Town’s demand accounts. At September 30, 2025, the carrying amount of the Town’s deposits was \$909,975. Each demand account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Any balance in excess of FDIC insurance is covered by collateral held by the Town’s custodial bank, which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

The Town invests resources in Local Government Investment Pools (FLCLASS, FMIT, and FLPRIME). FLCLASS, FMIT, and FLPRIME are similar to a money market fund in which units are owned in the fund rather than the underlying investments. These investments are reported at amortized cost and meet the requirements of GASB Statement No. 31, as amended by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There is no limitation or restrictions on withdrawals FLCLASS, FMIT, or FLPRIME; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the funds’ executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(3) Deposits and Investments: (Continued)

The Florida Security for Public Deposits Act (the Act) established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act.

Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

The Town measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines, which recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

As of September 30, 2025, the Town’s governmental investment portfolio was composed of the following investments:

<u>Investment Type</u>	<u>Credit Quality Rating (S&P)</u>	<u>Carrying Value</u>	<u>Weighted Average Investment Maturities (in Years)</u>		<u>Fair Value Hierarchy</u>
			<u>Less Than 1</u>	<u>1 – 5</u>	<u>Classification</u>
FMIT 0-2 Yr High Quality Bond Fund	AAAF/S1	\$ 1,854,955	\$ 1,854,955	\$ -	Level 2
FLCLASS General Fund	AAAm	1,886,512	1,886,512	-	N/A
State Board of Administration – Florida PRIME	AAAm	20,338	20,338	-	N/A
Total Portfolio		<u>\$ 3,761,805</u>	<u>\$ 3,761,805</u>	<u>\$ -</u>	

Interest Rate Risk: The Town’s fixed rate investments are generally tied to bond reserve requirements and are intended to be held until the funds are needed, at maturity. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town’s pension funds limit their risk by averaging investment maturities at approximately seven to ten years.

Credit Risk: Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Town’s portfolio is held entirely with public depositories and is invested in SBA funds, as described above.

Concentration of Credit Risk: The pension funds’ investment policies and practices require investments to be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold. No more than 3% of the trust fund shall be invested in any one issuer.

Custodial Credit Risk—Investments: In the case of investments, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town generally utilizes third party custodians to help manage custodial credit risk.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(3) **Deposits and Investments:** (Continued)

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy does not permit general obligations issued by a foreign government and is, therefore, not exposed to foreign currency risk.

Pension Plan Investments

The Town’s Pension plan has adopted investment policies which authorizes the pension managers to invest in the following:

Police Plan—Bank deposits and money market accounts, US government and agency obligations, mortgage-backed securities, guaranteed investment contracts, treasury inflation indexed securities (TIPS), equities listed on a national stock exchange (5% issuer limitation), private real estate trusts with quarterly liquidity and valuations, and exchange-traded funds (ETF) or similar index funds.

The pension plan measures and record investments using fair value measurement guidelines utilizing the same three-tiered fair value hierarchy as the Town.

The following is a description of the valuation techniques used for assets measured at fair value:

Corporate, Municipal and Foreign Debt Obligations—Valued based on face value of the instruments adjusted for inflation and interest maturities.

Corporate and Foreign Equity Securities—Valued at fair value based on quoted market prices at year end.

A summary of investments held at fair value as of September 30, 2025, is as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments, at fair value				
Corporate debt obligations	\$ 1,080,394	\$ -	\$ 1,080,394	\$ -
Foreign debt obligations	27,189	-	27,189	-
Corporate equity securities	3,196,975	3,196,975	-	-
Foreign equity securities	329,482	329,482	-	-
Total investments	<u>\$ 4,634,040</u>	<u>\$ 3,526,457</u>	<u>\$ 1,107,583</u>	<u>\$ -</u>

The pension plan also held a total of \$407,910 of cash and cash equivalents held in the pension trust fund.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The Town does not have a policy regarding interest rate risk.

Credit Risk: Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Pension Plan utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies and credit rating limitations are in place through the plan investment policies. All investments rated within the investment policy guidelines at September 30, 2025.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(3) **Deposits and Investments:** (Continued)

Concentration of Credit Risk: The Town’s pension plan has varying limitations on investment in single-issuers as discussed in the authorized investments note. At September 30, 2025, the investment portfolios did not exceed the single issuer limitations.

Custodial Credit Risk: Custodial credit risk is the risk that the Town may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Pension trust fund policies allow for up to 20-25% percent of its investments in common stock, capital stock and convertible securities at market value in foreign securities. At September 30, 2025, the investment portfolios met the foreign securities limitations.

(4) **Accounts Receivable:**

The Town’s receivables consisted of the following at September 30, 2025:

	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable
Governmental Activities:			
General Fund	\$ 99,680	\$ -	\$ 99,680

(5) **Interfund Loans and Transfers:**

The outstanding balances between funds result mainly from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments between funds are made. At September 30, 2025, there were no individual fund interfund receivables and payables for the primary government.

Transfers are used to move unrestricted revenues to finance various programs that the Town accounts for in other funds in accordance with budgetary authorizations.

For the year ended September 30, 2025, individual fund transfers to and from other funds for the primary government were comprised of the following:

	Transfer From	Transfer To
Government Activities:		
General Fund:		
Capital Improvements Fund	\$ -	\$ 196,562
Debt Service		443,996
Capital Improvements Fund:		
General Fund	196,562	-
Debt Service Fund:		
General Fund	443,996	-
Totals – All Funds	\$ 640,558	\$ 640,558

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(6) Capital Assets:

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

Governmental activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 777,823	\$ -	\$ -	\$ 777,823
Total assets not being depreciated	<u>777,823</u>	<u>-</u>	<u>-</u>	<u>777,823</u>
Capital assets being depreciated:				
Buildings	5,671,656	29,728	-	5,701,384
Infrastructure	10,656,037	22,200	(18,000)	10,660,237
Equipment & Furniture	1,668,366	296,563	(147,948)	1,816,981
Total assets being depreciated	<u>17,996,059</u>	<u>348,491</u>	<u>(165,948)</u>	<u>18,178,602</u>
Less: accumulated depreciation	<u>(10,585,207)</u>	<u>(833,796)</u>	<u>153,031</u>	<u>(11,265,972)</u>
Total capital assets being depreciated	<u>7,410,852</u>	<u>(485,305)</u>	<u>(12,917)</u>	<u>6,912,630</u>
Governmental activities capital assets	<u>\$ 8,188,675</u>	<u>\$ (485,305)</u>	<u>\$ (12,917)</u>	<u>\$ 7,690,453</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government	\$ 134,115
Public safety	214,949
Public works	403,506
Culture and recreation	81,226
Total depreciation expense - governmental activities	<u>\$ 833,796</u>

(7) Long-Term Liabilities:

Long-term liability activity for the year ended September 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds and notes payable	\$ 2,091,212	\$ -	\$ (421,241)	\$ 1,669,971	\$ 352,804
Compensated absences	212,233	364,781	(342,894)	234,120	63,212
Total long-term liabilities	<u>\$ 2,303,445</u>	<u>\$ 364,781</u>	<u>\$ (764,135)</u>	<u>\$ 1,904,091</u>	<u>\$ 416,016</u>

**TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(7) **Long-Term Liabilities:** (Continued)

Bonds in the Town’s governmental activities at September 30, 2025, were comprised of the following obligations:

Refunding Bonds, Series 2020, in the amount of \$3,677,126, were issued to (1) refund the Town’s outstanding sales tax revenue refunding bonds, series 2012 and 2015, (2) fund a required deposit to the reserve account through purchase of a reserve account insurance policy, and (3) pay related costs of issuance. The bonds are for 100% governmental type activities. The interest rate is 1.21% and the bonds mature February 2030. Bonds are due in payments semi-annually of principal and interest in February and interest only in August. The outstanding balance at September 30, 2025, was \$1,669,971.

Annual debt service requirements to maturity for the Town’s governmental activities bonds are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 352,804	\$ 18,072	\$ 370,876
2027	323,452	13,981	337,433
2028	326,132	10,051	336,183
2029	333,310	6,061	339,371
2030	334,273	2,023	336,296
	\$ 1,669,971	\$ 50,188	\$ 1,720,159

(8) **Commitments and Contingencies:**

The Town may periodically be engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2025. The outcomes of any established claims are included in these financial statements. In the opinion of the Town’s legal counsel, no legal proceedings are pending or threatened against the Town which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

(9) **Risk Management:**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high-deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(10) Other Postemployment Benefits (OPEB):

Plan Description—Town of Indian Shores, Florida, Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the Town. The Plan, which is administered by the Town, allows employees who retire and meet retirement eligibility requirements under the applicable retirement plan to continue medical insurance coverage as a participant in the Town’s plan. For purposes of applying Paragraph 4 under Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Plan does not meet the requirements for an OPEB plan administered through a trust.

Funding Policy—The numbers shown in the OPEB report reflect a decision not to fund the program. Therefore, the contributions made to the program are assumed to be the benefits paid to retirees and administrative expenses.

Benefits Provided—A retired employee and his or her spouse are eligible to continue health insurance identical to active employees if they meet the eligibility for retirements under the applicable Plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents. Upon reaching age 65, Medicare is assumed to become primary.

Plan Membership—At September 30, 2023, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Employees	24
Covered Spouses	-
Inactive Employees	-
	24
	24

Total OPEB Liability—The Town’s total OPEB liability of \$76,924 was measured as of September 30, 2025, and was determined by an actuarial valuation as of September 30, 2023, utilizing the alternative measurement method.

Actuarial Assumptions and Other Inputs—The total OPEB liability in the September 30, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.50%
Discount rate	4.50%
Healthcare cost trend rate	7.00%
Ultimate rate reached in 2076	4.00%
Years to Ultimate	51

For general employees, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019. For police employees, mortality rates were PubS- 2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(10) **Other Postemployment Benefits (OPEB):** (Continued)

For the fiscal year ended September 30, 2025, changes in the total OPEB liability were as follows:

Balance at September 30, 2024	<u>\$</u>	70,278
Changes for a year:		
Service cost		10,001
Interest		3,211
Differences between expected and actual experience		-
Changes of assumptions		(4,180)
Benefit payments – implicit rate subsidy		<u>(2,386)</u>
Net changes		6,646
Balance at September 30, 2025	<u>\$</u>	<u>76,924</u>

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the Town calculated using the discount rate of 4.50%, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 86,922	\$ 76,924	\$ 68,535

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:

The following presents the total OPEB liability of the Town as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3.00%-6.00%) or 1% higher (5.00%-8.00%) than the current healthcare cost trend rates (4.00%-7.00%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 66,215	\$ 76,924	\$ 89,978

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

For the year ended September 30, 2025, the Town recognized OPEB expense of \$10,782. At September 30, 2025, the Town reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

(11) **Employee Retirement Systems and Pension Fund:**

Defined Contribution Plan

The Town contributes to a Money Purchase Pension 401(a) Plan (the Plan) adopted on October 1, 1986. Plan provisions, benefit terms, and contribution requirements are established and may be amended by the Council. Employer and plan member contributions are recognized in the period that contributions are due. For each participating employee in the pension plan, the Town is required to contribute 13% of employees’ earnings to an individual employee account. During the year ended September 30, 2025, the employer recognized pension expense of \$141,239.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(11) **Employee Retirement Systems and Pension Fund:** (Continued)

Defined Benefit Plan

The Town's pension plan is established by ordinance. The Town maintains a single employer benefit pension plan which covers police officers. The Town's ordinances governing the police officers' plan were written in compliance with the provisions of Florida Statutes, Chapter 185.

Plan Description and Administration

The Town's pension plan is a single-employer defined benefit pension plan administered by a board of trustees. The board of trustees for the pension plan consists of two Town residents appointed by the Council, two members of the plan elected by the plan membership, and one member elected by the other four members and appointed by the Council.

No standalone financial reports exist for the pension plan. All financial activity is reported within the accompanying financial statements. Investments are reported at fair value and are managed by third party money managers. The Town's independent custodian and the individual money managers price each instrument (using various third-party pricing sources) and reconcile material differences. Investments that do not have an established market are reported at estimated fair value. Performance reporting, manager fees, and the Town's asset valuation are based on the custodian's determination of value.

Costs incurred by the plan for administration of the plan, which includes legal and actuarial fees, trustee fees and investment advisory fees, are borne by the retirement plan and are included in the actuarial analysis of the required funding amounts.

Benefits Provided and Employees Covered

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. Cost of living adjustments are provided to retirees and beneficiaries in accordance with the plan provisions. The Plan has contracted with an actuary to provide an actuarial valuation of each plan as of October 1 of each year. Current membership in the employee retirement plan was composed of the following at October 1, 2024:

	Police Plan
Inactive plan members or beneficiaries receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	2
Active participants	13
Total current membership	22

**TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(11) **Employee Retirement Systems and Pension Fund:** (Continued)

A summary of the benefits provided under the Plan is as follows:

Police Officers Plan

- Normal Retirement Benefits: 3.0% of average final compensation times credited service
- Normal Retirement Age: Earlier of: 1) age 55 and 7 years of credited service or 2) age 52 and 25 years of credited service
- Early Retirement Benefits: Accrued benefit reduced 3% for each year that early retirement precedes normal retirement
- Early Retirement Age: Age 50 and 7 years of credited service
- Vesting Schedule: 100% after 7 years of credited service
- Vesting Benefit Amount: Members will receive the vested portion of accrued benefit at the otherwise normal retirement date
- Disability Eligibility Service Incurred: Covered from date of employment
- Disability Eligibility Nonservice Incurred: 7 years of credited service
- Disability Benefit: Benefit accrued to date of disability but not less than 42% of average final compensation (service incurred) or 25% of average final compensation (nonservice incurred)
- Pre-Retirement Death Benefits Vested: Monthly accrued benefit payable to designated beneficiary for 10 years
- Pre-Retirement Death Benefits Not Vested: Refund of contributions without interest

Contributions

Under the Pension Plan policy, members contribute five percent of their pretax earnings. On an actuarial basis, the Town contributes the remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over thirty years. The State of Florida contributes any monies received by reason of the laws of the State for the purpose of funding and paying for retirement benefits.

For the year ended September 30, 2025, contributions to the police pension plan were as follows:

Employee contributions	\$	63,458
Town contributions		68,274
State contributions		31,083
Total contributions		\$ 162,815

Investment Policy

See Note (3) for additional discussion of the investment policies for the Plan. The following was the asset allocation policy at September 30, 2025:

Asset Class	Allocation
Equities	65%
Fixed income	35%

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(11) **Employee Retirement Systems and Pension Fund:** (Continued)

Net Pension Liability (Asset)

The components of the net pension liability (asset) at September 30, 2025, were as follows:

	Police Plan
Total pension liability	\$ 3,890,854
Plan fiduciary net position	(5,053,582)
Net pension liability (asset)	\$ (1,162,728)
Plan fiduciary net position as percentage of total pension liability (asset)	129.88%

The total pension liability was determined by an actuarial valuation as of October 1, 2024, and measurement date of September 30, 2025, using the following actuarial assumptions to all measurement periods.

	Police Plan
Inflation	2.5%
Salary increases	5.0%
Investment rate of return	6.5%
Mortality table	MP-2018, projected

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

Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of September 30, 2025, are summarized in the following table:

Asset Class	Police Plan
Equities	8.25%
Fixed income	3.50%

Discount rate:

A discount rate of 6.5% was used to measure the TPL. This discount rate was based on the expected rate of return on Fund investments of 6.5%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current member contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member contribution rate. Based on these assumptions, the Fund's fiduciary net position was projected to be available to make all projected future expected benefit payments of current Fund members. Therefore, the long-term expected rate of return on Fund investments was applied to all periods of projected benefit payments to determine the TPL.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(11) **Employee Retirement Systems and Pension Fund:** (Continued)

Changes in net pension liability (asset):

Changes in the plan's net pension liability (asset) were as follows:

	Police Plan		
	Total	Fund	Net
	Pension	Fiduciary	Pension
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a-b)
Beginning Balance	\$ 3,496,795	\$ 4,752,184	\$ (1,255,389)
Changes for year:			
Service cost	172,248	-	172,248
Interest	242,948	-	242,948
Changes of assumptions	188,132	-	-
Contributions - town and state	-	99,357	(99,357)
Contributions - member	-	63,458	(63,458)
Net investment income	-	448,285	(448,285)
Benefit payments, including refunds	(209,269)	(209,269)	-
Administrative expenses	-	(100,433)	100,433
Net changes	394,059	301,398	92,661
Ending Balance at September 30, 2025	<u>\$ 3,890,854</u>	<u>\$ 5,053,582</u>	<u>\$ (1,162,728)</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate:

The following presents the net pension liability (asset) of the Town calculated using the selected discount rates, as well as what the Town's net pension liability (net pension asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Plan	Current	NPL (NPA)	NPL (NPA)	NPL (NPA)
	Discount Rate	with	at Current	with
		1% Decrease	Discount Rate	1% Increase
Police	6.50%	\$ (631,438)	\$ (1,162,728)	\$ (1,597,632)

For the year ended September 30, 2025, the annual-money weighted rate of return on pension plan investments, net of pension plan investment expense was as follows:

	Police Plan
Annual money-weighted rate of return	9.59%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(11) **Employee Retirement Systems and Pension Fund:** (Continued)

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

For the year ended September 30, 2025, the Town recognized pension expense of \$23,930 in the police pension plan.

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

	Police Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 134,380	\$ 29,423
Changes of assumptions	-	-
Net difference between projected and actual investment earnings	-	433,106
	\$ 134,380	\$ 462,529

Amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	Police Plan
2026	\$ (4,948)
2027	(148,230)
2028	(146,136)
2029	(28,835)
2030	-
Thereafter	-

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(12) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the Town's financial statements:

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

GASB issued Statement No. 105, *Subsequent Events*, in December 2025. GASB Statement No. 105 clarifies the subsequent events time frame and establishes accounting and disclosure requirements for recognized and nonrecognized subsequent events. The provisions of GASB Statement No. 105 are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

(13) **Implementation of New Accounting Standards:**

During the fiscal year ended September 30, 2025, the Town implemented GASB Statement No. 101, *Compensated Absences*. GASB 101 establishes updated recognition and measurement guidance for liabilities related to compensated absences, including vacation, sick leave, and similar benefits. Under GASB 101, the Town recognizes a liability for leave attributable to services already rendered that is either expected to be used or paid in the short term, or, for leave expected to be used or paid beyond the short term, that is more likely than not to be used for time off or otherwise paid or settled through noncash means. Implementation of GASB 101 did not require a restatement of beginning net position or fund balance and did not have a significant impact on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF INDIAN SHORES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 3,559,234	\$ 3,499,026	\$ 3,455,110	\$ (43,916)
Permits and fees	576,000	638,715	632,387	(6,328)
Intergovernmental	137,506	655,601	661,449	5,848
Charges for services	868,414	748,985	746,668	(2,317)
Fines and forfeitures	17,100	13,700	10,050	(3,650)
Investment income	300,000	200,000	199,433	(567)
Miscellaneous	91,934	124,855	124,390	(465)
Total revenues	<u>5,550,188</u>	<u>5,880,882</u>	<u>5,829,487</u>	<u>(51,395)</u>
Expenditures				
Current:				
General government	1,844,608	2,278,498	2,176,797	101,701
Public safety	2,594,545	2,552,390	2,518,412	33,978
Physical environment	758,678	536,943	479,406	57,537
Culture and recreation	7,200	7,200	4,961	2,239
Total expenditures	<u>5,205,031</u>	<u>5,375,031</u>	<u>5,179,576</u>	<u>195,455</u>
Excess (deficiency) of revenues over expenditures	<u>345,157</u>	<u>505,851</u>	<u>649,911</u>	<u>144,060</u>
Other financing sources (uses)				
Transfers out	(960,566)	(790,566)	(640,558)	150,008
Proceeds from sale of capital assets	40,000	46,039	44,291	(1,748)
Total other financing sources (uses)	<u>(920,566)</u>	<u>(744,527)</u>	<u>(596,267)</u>	<u>148,260</u>
Net change in fund balances	<u>(575,409)</u>	<u>(238,676)</u>	<u>53,644</u>	<u>292,320</u>
Fund balances, beginning of year	4,432,376	4,432,376	4,432,376	-
Fund balances, end of year	<u><u>\$ 3,856,967</u></u>	<u><u>\$ 4,193,700</u></u>	<u><u>\$ 4,486,020</u></u>	<u><u>\$ 292,320</u></u>

TOWN OF INDIAN SHORES, FLORIDA
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
SEPTEMBER 30, 2025

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

Budgets—Annual budgets for all governmental funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting.

TOWN OF INDIAN SHORES, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability								
Service cost	\$ 10,001	\$ 9,561	\$ 8,029	\$ 11,392	\$ 11,186	\$ 10,136	\$ 5,897	\$ 6,206
Interest	3,211	3,241	3,269	2,189	1,398	1,849	2,887	2,443
Difference between expected and actual experience	-	(11,202)	-	16,482	-	(33,240)	-	-
Changes of assumptions	(4,180)	1,711	(811)	(28,574)	(2,164)	2,212	4,816	(4,057)
Benefit payments	(2,386)	(2,409)	(3,204)	(3,210)	(1,500)	(1,627)	(2,407)	(2,218)
Net change in total OPEB liability	6,646	902	7,283	(1,721)	8,920	(20,670)	11,193	2,374
Total OPEB liability - beginning of year	70,278	69,376	62,093	63,814	54,894	75,564	64,371	61,997
Total OPEB liability - end of year	<u>\$ 76,924</u>	<u>\$ 70,278</u>	<u>\$ 69,376</u>	<u>\$ 62,093</u>	<u>\$ 63,814</u>	<u>\$ 54,894</u>	<u>\$ 75,564</u>	<u>\$ 64,371</u>
Covered - employee payroll	\$ 1,784,057	\$ 1,740,544	\$ 1,468,821	\$ 1,432,996	\$ 1,160,351	\$ 1,132,050	\$ 1,062,431	\$ 1,036,518
Total OPEB liability as a percentage of covered - employee payroll	4.31%	4.04%	4.72%	4.33%	5.50%	4.85%	7.11%	6.21%

Notes to Schedule:

Valuation date:	9/30/2023	9/30/2023	10/1/2021	10/1/2021	10/1/2019	10/1/2019	10/1/2017	10/1/2017
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

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

4.50%	4.06%	4.87%	4.77%	2.43%	2.14%	3.58%	4.18%
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Benefit Payments : There are no assets in a trust to pay for related benefits. The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal years above. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

*10 years of data will be presented as it becomes available.

TOWN OF INDIAN SHORES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE PLAN
SEPTEMBER 30, 2025
(UNAUDITED)

Fiscal Year Ending September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ 172,248	\$ 120,143	\$ 89,642	\$ 97,083	\$ 91,827	\$ 86,223	\$ 87,098	\$ 99,744	\$ 92,570	\$ 102,476
Interest	242,948	220,587	204,015	212,886	201,490	196,103	199,766	232,433	217,283	195,271
Difference between actual and expected experience	-	168,424	(205,967)	94,771	-	(43,748)	(347,315)	-	(173,473)	-
Changes of assumptions	188,132	-	-	-	-	(90,943)	147,832	-	-	113,266
Benefit payments including refunds of contributions	(209,269)	(234,863)	(240,420)	(225,651)	(210,370)	(199,763)	(215,532)	(135,494)	(102,117)	(85,922)
Net change in total pension liability	394,059	274,291	(152,730)	179,089	82,947	(52,128)	(128,151)	196,683	34,263	325,091
Total pension liability - beginning	3,496,795	3,222,504	3,375,234	3,196,145	3,113,198	3,165,326	3,293,477	3,096,794	3,062,531	2,737,440
Total pension liability - ending (a)	<u>\$ 3,890,854</u>	<u>\$ 3,496,795</u>	<u>\$ 3,222,504</u>	<u>\$ 3,375,234</u>	<u>\$ 3,196,145</u>	<u>\$ 3,113,198</u>	<u>\$ 3,165,326</u>	<u>\$ 3,293,477</u>	<u>\$ 3,096,794</u>	<u>\$ 3,062,531</u>
Total Fund Fiduciary Net Position										
Contributions - town and state	\$ 99,357	\$ 80,668	\$ 78,139	\$ 69,201	\$ 98,199	\$ 107,863	\$ 131,464	\$ 79,852	\$ 111,328	\$ 98,980
Contributions - member	63,458	46,867	43,436	39,346	34,696	33,544	32,006	36,131	32,715	31,776
Net investment income	448,285	972,455	383,644	(575,406)	615,843	359,809	247,244	367,644	379,669	348,353
Benefit payments, including refunds of contributions	(209,269)	(234,863)	(240,420)	(225,651)	(210,370)	(199,763)	(215,532)	(135,494)	(102,117)	(85,922)
Administrative expense	(100,433)	(73,652)	(74,145)	(57,476)	(16,405)	(28,586)	(34,571)	(17,610)	(11,473)	(15,086)
Net change in plan fiduciary net position	301,398	791,475	190,654	(749,986)	521,963	272,867	160,611	330,523	410,122	378,101
Plan fiduciary net position - beginning	4,752,184	3,960,709	3,770,055	4,520,041	3,998,078	3,725,211	3,564,600	3,234,077	2,823,955	2,445,854
Plan fiduciary net position - ending (b)	<u>\$ 5,053,582</u>	<u>\$ 4,752,184</u>	<u>\$ 3,960,709</u>	<u>\$ 3,770,055</u>	<u>\$ 4,520,041</u>	<u>\$ 3,998,078</u>	<u>\$ 3,725,211</u>	<u>\$ 3,564,600</u>	<u>\$ 3,234,077</u>	<u>\$ 2,823,955</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ (1,162,728)</u>	<u>\$ (1,255,389)</u>	<u>\$ (738,205)</u>	<u>\$ (394,821)</u>	<u>\$ (1,323,896)</u>	<u>\$ (884,880)</u>	<u>\$ (559,885)</u>	<u>\$ (271,123)</u>	<u>\$ (137,283)</u>	<u>\$ 238,576</u>
Plan fiduciary net position as a percentage of the total pension liability	129.88%	135.90%	122.91%	111.70%	141.42%	128.42%	117.69%	108.23%	104.43%	92.21%
Covered payroll	\$ 1,269,160	\$ 937,340	\$ 868,720	\$ 786,920	\$ 693,912	\$ 670,880	\$ 640,129	\$ 722,605	\$ 654,300	\$ 635,520
Net pension liability(asset) as a percentage of covered payroll	-91.61%	-133.93%	-84.98%	-50.17%	-190.79%	-131.90%	-87.46%	-37.52%	-20.98%	37.54%

**TOWN OF INDIAN SHORES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE PLAN
SEPTEMBER 30, 2025
(UNAUDITED)**

Fiscal Year	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2025	\$ 99,357	\$ 99,357	\$ -	\$ 1,269,160	7.83%
2024	32,115	80,668	(48,553)	937,340	8.61%
2023	1,737	78,139	(76,402)	868,720	8.99%
2022	1,574	69,201	(67,627)	786,920	8.79%
2021	1,187	98,199	(97,012)	693,912	14.15%
2020	103,316	107,863	(4,547)	670,880	16.08%
2019	98,580	131,464	(32,884)	640,129	20.54%
2018	99,048	118,059	(19,011)	722,605	16.34%
2017	78,516	111,328	(32,812)	654,300	17.01%
2016	80,521	98,980	(18,459)	635,520	15.57%

Notes to Schedule:

Valuation Date: 10/1/2024
Actuarially determined contribution rates are calculated as of October 1, three years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Aggregate
Amortization Method: N/A
Asset Valuation Method: Market value
Inflation: 2.50%
Salary Increases: 5.0% (Projected Salary in the year of retirement increased 12% for those hired before July 1, 2015)
Investment Rate of Return: 6.5% (net of investment related expenses)
Mortality: For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018
For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.
For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Retirement Age: Varies by Age and Service
Disability Rate Table:

Age	% Becoming Disabled During the Year
20	0.03%
30	0.04%
40	0.07%
50	0.18%

Years of Service	Withdrawal Rate
0-3	25.00%
4	15.00%
5+	7.50%

Age	Retirement Rate
50-54	5.00%
55-61	10.00%
62+	50.00%

**TOWN OF INDIAN SHORES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN
SEPTEMBER 30, 2025**

For the Year Ending September 30,	Police Plan
2025	9.59%
2024	25.15%
2023	10.46%
2022	-13.01%
2021	15.65%
2020	9.84%
2019	6.79%
2018	9.95%
2017	13.37%
2016	14.16%

SUPPLEMENTARY INFORMATION

TOWN OF INDIAN SHORES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 315,000	\$ 315,000	\$ 319,825	\$ 4,825
Total revenues	<u>315,000</u>	<u>315,000</u>	<u>319,825</u>	<u>4,825</u>
Expenditures				
Current:				
General government	107,569	39,400	-	39,400
Public safety	22,000	12,000	-	12,000
Capital outlay	702,000	610,169	326,289	283,880
Total expenditures	<u>831,569</u>	<u>661,569</u>	<u>326,289</u>	<u>335,280</u>
Excess (deficiency) of revenues over expenditures	<u>(516,569)</u>	<u>(346,569)</u>	<u>(6,464)</u>	<u>340,105</u>
Other financing sources (uses)				
Transfers in	516,569	346,569	196,562	(150,007)
Total other financing sources (uses)	<u>516,569</u>	<u>346,569</u>	<u>196,562</u>	<u>(150,007)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>190,098</u>	<u>190,098</u>
Fund balances, beginning of year	4,088	4,088	4,088	-
Fund balances, end of year	<u>\$ 4,088</u>	<u>\$ 4,088</u>	<u>\$ 194,186</u>	<u>\$ 190,098</u>

**TOWN OF INDIAN SHORES, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	<u>Road and Bridge</u>	<u>Restricted Gift & Donations</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Equity in pooled cash and cash equivalents	\$ 146,059	\$ 1,500	\$ -	\$ 147,559
Investments	-	95,316	-	95,316
Due from other governments	4,641	-	-	4,641
Total assets	<u>\$ 150,700</u>	<u>\$ 96,816</u>	<u>\$ -</u>	<u>\$ 247,516</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 6,208	\$ -	\$ -	\$ 6,208
Total liabilities	<u>6,208</u>	<u>-</u>	<u>-</u>	<u>6,208</u>
FUND BALANCES				
Restricted for:				
Capital projects	144,492	-	-	144,492
Gifts and donations	-	96,816	-	96,816
Total fund balances	<u>144,492</u>	<u>96,816</u>	<u>-</u>	<u>241,308</u>
Total liabilities and fund balances	<u>\$ 150,700</u>	<u>\$ 96,816</u>	<u>\$ -</u>	<u>\$ 247,516</u>

TOWN OF INDIAN SHORES, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Road and Bridge	Restricted Gift & Donations	Debt Service	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental	\$ 89,876	\$ -	\$ -	\$ 89,876
Investment income	-	2,836	-	2,836
Miscellaneous	-	126,500	-	126,500
Total revenues	<u>89,876</u>	<u>129,336</u>	<u>-</u>	<u>219,212</u>
Expenditures				
Current:				
Public safety	-	32,520	-	32,520
Physical environment	87,197	-	-	87,197
Debt service:				
Principal retirement	-	-	421,241	421,241
Interest and fiscal charges	-	-	22,755	22,755
Total expenditures	<u>87,197</u>	<u>32,520</u>	<u>443,996</u>	<u>563,713</u>
Excess (deficiency) of revenues over expenditures	<u>2,679</u>	<u>96,816</u>	<u>(443,996)</u>	<u>(344,501)</u>
Other financing sources (uses)				
Transfers in	-	-	443,996	443,996
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>443,996</u>	<u>443,996</u>
Net change in fund balances	<u>2,679</u>	<u>96,816</u>	<u>-</u>	<u>99,495</u>
Fund balances, beginning of year	141,813	-	-	141,813
Fund balances, end of year	<u>\$ 144,492</u>	<u>\$ 96,816</u>	<u>\$ -</u>	<u>\$ 241,308</u>

TOWN OF INDIAN SHORES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 94,662	\$ 94,802	\$ 89,876	\$ (4,926)
Total revenues	<u>94,662</u>	<u>94,802</u>	<u>89,876</u>	<u>(4,926)</u>
Expenditures				
Current:				
Physical environment	216,350	150,990	87,197	63,793
Total expenditures	<u>216,350</u>	<u>150,990</u>	<u>87,197</u>	<u>63,793</u>
Net change in fund balances	<u>(121,688)</u>	<u>(56,188)</u>	<u>2,679</u>	<u>58,867</u>
Fund balances, beginning of year	141,813	141,813	141,813	-
Fund balances, end of year	<u>\$ 20,125</u>	<u>\$ 85,625</u>	<u>\$ 144,492</u>	<u>\$ 58,867</u>

TOWN OF INDIAN SHORES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - RESTRICTED GIFT AND DONATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ -	\$ 2,836	\$ 2,836	\$ -
Miscellaneous	-	126,500	126,500	-
Total revenues	<u>-</u>	<u>129,336</u>	<u>129,336</u>	<u>-</u>
Expenditures				
Current:				
General government	-	1,500	-	1,500
Public safety	-	127,836	32,520	95,316
Total expenditures	<u>-</u>	<u>129,336</u>	<u>32,520</u>	<u>96,816</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>96,816</u>	<u>96,816</u>
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,816</u>	<u>\$ 96,816</u>

TOWN OF INDIAN SHORES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Total revenues	-	-	-	-
Expenditures				
Debt service:				
Principal retirement	421,241	421,241	421,241	-
Interest and fiscal charges	22,755	22,755	22,755	-
Total expenditures	443,996	443,996	443,996	-
Excess (deficiency) of revenues over expenditures	<u>(443,996)</u>	<u>(443,996)</u>	<u>(443,996)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	443,996	443,996	443,996	-
Total other financing sources (uses)	443,996	443,996	443,996	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statistical Section

This part of the Town of Indian Shores, 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 government's overall financial health.

Content

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place and help make comparisons over time and with other governments.

Operating Information

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

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

TOWN OF INDIAN SHORES, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ended									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
Net Investment in Capital										
Assets	\$ 6,020,482	\$ 6,097,463	\$ 5,836,218	\$ 5,641,413	\$ 4,613,738	\$ 4,667,821	\$ 4,778,544	\$ 4,944,695	\$ 4,978,843	\$ 4,803,080
Restricted	1,416,144	1,441,135	931,744	922,112	909,973	7,555	7,341	13,958	12,808	8,085
Unrestricted	4,015,434	3,596,914	4,053,535	4,046,139	3,734,777	4,471,695	4,031,234	2,495,677	2,800,123	2,565,732
Total Governmental Activities										
Net Position	<u>\$ 11,452,060</u>	<u>\$ 11,135,512</u>	<u>\$ 10,821,497</u>	<u>\$ 10,609,664</u>	<u>\$ 9,258,488</u>	<u>\$ 9,147,071</u>	<u>\$ 8,817,119</u>	<u>\$ 7,454,330</u>	<u>\$ 7,791,774</u>	<u>\$ 7,376,897</u>
 Primary Government:										
Net Investment in Capital										
Assets	\$ 6,020,482	\$ 6,097,463	\$ 5,836,218	\$ 5,641,413	\$ 4,613,738	\$ 4,667,821	\$ 4,778,544	\$ 4,944,695	\$ 4,978,843	\$ 4,803,080
Restricted	1,416,144	1,441,135	931,744	922,112	909,973	7,555	7,341	13,958	12,808	8,085
Unrestricted	4,015,434	3,596,914	4,053,535	4,046,139	3,734,777	4,471,695	4,031,234	2,495,677	2,800,123	2,565,732
Total Primary Government										
Net Position	<u>\$ 11,452,060</u>	<u>\$ 11,135,512</u>	<u>\$ 10,821,497</u>	<u>\$ 10,609,664</u>	<u>\$ 9,258,488</u>	<u>\$ 9,147,071</u>	<u>\$ 8,817,119</u>	<u>\$ 7,454,330</u>	<u>\$ 7,791,774</u>	<u>\$ 7,376,897</u>

Source: Town Records

TOWN OF INDIAN SHORES, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental Activities:										
General Government	\$ 2,429,850	\$ 1,878,254	\$ 1,918,798	\$ 1,623,774	\$ 1,717,191	\$ 1,225,304	\$ 1,354,679	\$ 998,723	\$ 713,386	\$ 980,918
Public Safety	3,066,963	2,069,158	2,302,273	2,056,902	1,602,226	1,508,020	1,348,321	1,599,130	1,444,470	1,416,864
Physical Environment	415,998	444,504	467,279	498,104	453,253	896,480	881,070	1,810,931	1,509,381	968,659
Transportation	87,197	93,570	110,395	102,303	103,084	-	-	-	-	-
Culture and Recreations	86,187	97,955	106,270	51,038	449,558	39,882	46,775	44,861	43,067	41,333
Interest on Long-Term Debt	19,357	26,825	34,192	41,364	144,863	163,992	163,992	173,073	180,003	-
Total Governmental Activities	\$ 6,105,552	\$ 4,610,266	\$ 4,939,207	\$ 4,373,485	\$ 4,470,175	\$ 3,833,678	\$ 3,794,837	\$ 4,626,718	\$ 3,890,307	\$ 3,407,774
Program Revenues:										
Governmental Activities:										
Charges for Service										
General Government	\$ 360,473	\$ 391,904	\$ 296,809	\$ 231,277	\$ 73,136	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	620,745	9,030	549,689	524,065	669,360	-	-	-	-	-
Physical Environment	103,898	209,558	170,016	156,936	121,001	-	-	-	-	-
Transportation	-	-	9,620	10,054	10,148	-	-	-	-	-
Unspecified	-	-	-	-	-	934,889	920,054	820,517	822,154	1,057,138
Operating Grants and Contributions	90,742	89,878	89,776	85,815	81,014	-	-	-	-	-
Capital Grants and Contributions	-	6,816	-	3,048	-	-	-	-	1,062	1,077
Total Primary Government Program Revenues	1,175,858	707,186	1,115,910	1,011,195	954,659	934,889	920,054	820,517	823,216	1,058,215
Net Expense										
Total Primary Government Net Expense	\$ (4,929,694)	\$ (3,903,080)	\$ (3,823,297)	\$ (3,362,290)	\$ (3,515,516)	\$ (2,898,789)	\$ (2,874,783)	\$ (3,806,201)	\$ (3,067,091)	\$ (2,349,559)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 2,921,900	\$ 2,663,699	\$ 2,380,105	\$ 2,099,381	\$ 1,953,786	\$ 1,849,645	\$ 1,726,302	\$ 1,585,698	\$ 1,463,462	\$ 1,341,389
Infrastructure Surtax	219,825	215,179	215,283	211,584	193,782	154,655	199,799	190,354	178,788	174,366
Communications Service Tax	42,984	59,898	95,536	94,678	93,852	102,225	108,096	126,565	129,358	127,913
Public Services Taxes	490,226	492,378	504,155	472,907	449,976	423,736	419,939	388,329	383,919	374,928
Other Taxes	-	-	-	-	-	168,809	1,275,928	722,975	815,080	7,667
State Revenue Sharing	760,583	231,010	264,946	1,090,839	502,287	141,041	151,717	151,052	148,069	145,912
Franchise Fees	308,779	311,318	326,252	305,240	287,488	269,874	287,865	264,895	249,439	249,676
Investment Earnings	202,269	214,053	150,254	3,701	2,541	58,326	31,776	13,959	7,994	6,632
Miscellaneous	299,676	57,708	98,599	32,823	143,221	60,530	36,050	46,416	105,859	50,833
Total Primary Government General Revenues	5,246,242	4,245,243	4,035,130	4,311,153	3,626,933	3,228,841	4,237,472	3,490,243	3,481,968	2,479,316
Total Primary Government	\$ 316,548	\$ 342,163	\$ 211,833	\$ 948,863	\$ 111,417	\$ 330,052	\$ 1,362,689	\$ (315,958)	\$ 414,877	\$ 129,757

Source: Town Records

**TOWN OF INDIAN SHORES, FLORIDA
FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	\$ 5,506	\$ -	\$ 9,340	\$ 8,986	\$ 8,488	\$ 7,945	\$ 8,198	\$ 7,985	\$ 12,351	\$ 8,417
Restricted	12,108	43,933	12,108	12,323	18,210	7,555	7,241	13,957	12,808	8,085
Committed	94,121	94,121	94,121	90,359	96,667	96,003	95,198	125,147	125,147	108,147
Assigned	2,435,289	2,359,657	2,100,984	1,942,808	1,533,725	1,319,824	1,181,529	697,140	772,398	-
Unassigned	1,938,996	1,934,665	2,155,250	2,049,610	1,787,471	1,998,785	1,556,401	1,579,136	1,513,074	2,225,605
Total General Fund	<u>\$ 4,486,020</u>	<u>\$ 4,432,376</u>	<u>\$ 4,371,803</u>	<u>\$ 4,104,086</u>	<u>\$ 3,444,561</u>	<u>\$ 3,430,112</u>	<u>\$ 2,848,567</u>	<u>\$ 2,423,365</u>	<u>\$ 2,435,778</u>	<u>\$ 2,350,254</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ 4,088	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special Revenue	241,308	141,813	140,424	166,266	165,023	152,810	133,352	92,206	73,475	41,526
Capital Projects	-	-	-	-	-	593,860	1,044,692	117,096	472,431	399,952
Assigned										
Capital Projects	194,186	-	-	163,324	524,719	-	-	-	-	-
Unassigned	-	-	(70,676)	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 435,494</u>	<u>\$ 145,901</u>	<u>\$ 69,748</u>	<u>\$ 329,590</u>	<u>\$ 689,742</u>	<u>\$ 746,670</u>	<u>\$ 1,178,044</u>	<u>\$ 209,302</u>	<u>\$ 545,906</u>	<u>\$ 441,478</u>
Total Governmental Funds	<u>\$ 4,921,514</u>	<u>\$ 4,578,277</u>	<u>\$ 4,441,551</u>	<u>\$ 4,433,676</u>	<u>\$ 4,134,303</u>	<u>\$ 4,176,782</u>	<u>\$ 4,026,611</u>	<u>\$ 2,632,667</u>	<u>\$ 2,981,684</u>	<u>\$ 2,791,732</u>

Source: Town Records

TOWN OF INDIAN SHORES, FLORIDA
CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Taxes	\$ 3,455,110	\$ 3,215,975	\$ 2,979,796	\$ 2,666,966	\$ 2,497,614	\$ 2,543,255	\$ 2,434,106	\$ 2,238,922	\$ 2,096,820	\$ 1,965,993
Licenses, fees, and permits	632,387	638,731	561,630	466,231	482,021	211,825	217,548	177,319	197,478	412,707
Intergovernmental	1,071,150	536,067	164,946	1,385,993	775,943	566,730	1,735,540	1,190,946	1,272,357	456,935
Charges for services	746,668	858,957	752,420	709,857	640,784	650,906	642,053	596,060	577,713	609,771
Fines and forfeits	10,050	12,635	17,650	37,393	34,026	72,158	60,453	47,138	46,963	34,660
Interest earnings	202,269	214,053	150,254	3,701	2,541	58,326	31,776	13,959	7,994	6,632
Miscellaneous	250,890	74,235	122,332	67,833	148,663	9,232	19,051	31,202	16,288	30,785
Total Revenues	6,368,524	5,550,653	4,749,028	5,337,974	4,581,592	4,112,432	5,140,527	4,295,546	4,215,613	3,517,483
Expenditures:										
General Government	2,176,797	1,524,732	1,423,471	1,204,172	1,256,342	1,182,717	1,266,522	955,741	1,012,943	906,179
Public Safety	2,550,932	2,136,754	2,222,080	1,985,018	1,783,595	1,725,504	1,553,695	1,856,439	1,506,760	1,330,339
Physical Environment	566,603	655,304	542,317	494,074	428,056	429,818	432,862	1,536,193	1,067,720	389,310
Culture and Recreation	4,961	5,179	5,989	4,275	391,133	3,197	5,382	4,519	5,217	4,305
Capital Outlay	326,289	690,310	452,789	844,771	77,224	-	-	-	-	-
Repayment of Debt	443,996	488,313	496,519	506,291	4,364,847	679,205	505,744	515,662	522,592	1,048,814
Total Expenditures	6,069,578	5,500,592	5,143,165	5,038,601	8,301,197	4,020,441	3,764,205	4,868,554	4,115,232	3,678,947
Excess of Revenues over (under) Expenditures	298,946	50,061	(394,137)	299,373	(3,719,605)	91,991	1,376,322	(573,008)	100,381	(161,464)
Other Financing Sources (Uses)										
Sale of Equipment	44,291	57,347	-	-	-	6,880	8,190	18,800	-	-
Proceeds from Insurance	-	-	-	-	-	11,300	9,432	9,581	89,571	20,048
Proceeds from Litigation	-	-	-	-	-	40,000	-	-	-	-
Transfers In	640,558	931,577	614,234	647,247	866,959	456,722	462,111	435,309	426,402	421,256
Transfers Out	(640,558)	(931,577)	(614,234)	(647,247)	(866,959)	(456,722)	(462,111)	(435,309)	(426,402)	(421,256)
Proceeds from Debt	-	-	-	-	3,677,126	-	-	195,610	-	-
Total Other Financing Sources (Uses)	44,291	57,347	-	-	3,677,126	58,180	17,622	223,991	89,571	20,048
Net Change in Fund Balance	\$ 343,237	\$ 107,408	\$ (394,137)	\$ 299,373	\$ (42,479)	\$ 150,171	\$ 1,393,944	\$ (349,017)	\$ 189,952	\$ (141,416)
Debt Service as a Percentage of Noncapital Expenditures	7.73%	10.15%	10.59%	12.07%	53.07%	16.89%	13.44%	10.59%	12.70%	28.51%

Source: Town Records

**TOWN OF INDIAN SHORES, FLORIDA
TAX REVENUE BY SOURCE
GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Utility Tax</u>	<u>Franchise Tax</u>	<u>Total</u>
2015-2016	\$ 1,341,389	\$ 374,928	\$ 249,676	\$ 1,965,993
2016-2017	1,463,462	383,919	249,439	2,096,820
2017-2018	1,585,698	388,329	264,895	2,238,922
2018-2019	1,726,302	419,939	287,865	2,434,106
2019-2020	1,849,645	423,736	269,874	2,543,255
2020-2021	1,953,786	449,976	287,488	2,691,250
2021-2022	2,099,381	472,907	305,240	2,877,528
2022-2023	2,380,105	504,155	326,252	3,210,512
2023-2024	2,663,699	492,378	311,318	3,467,395
2024-2025	2,921,900	533,210	308,779	3,763,889

Source: Town Records

TOWN OF INDIAN SHORES, FLORIDA
GOVERNMENTAL EXPENDITURES BY FUNCTION - ALL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	General Government	Public Safety	Physical Environment	Culture and Recreation	Capital Improvements / Outlay	Debt Service	Transfers Out	Total
2015-2016	\$ 906,179	\$ 1,330,339	\$ 287,693	\$ 4,305	\$ 101,617	\$ 1,048,814	\$ 421,256	\$ 4,100,203
2016-2017	1,012,943	1,470,583	335,234	5,217	768,663	522,592	426,402	4,541,634
2017-2018	955,741	1,608,222	446,022	4,519	1,338,388	515,662	435,309	5,303,863
2018-2019	1,001,537	1,443,763	419,571	5,382	388,208	505,744	462,111	4,226,316
2019-2020	988,218	1,614,377	387,295	3,197	348,149	679,205	456,722	4,477,163
2020-2021	1,077,067	1,718,003	428,056	2,382	710,842	4,364,847	866,959	9,168,156
2021-2022	1,172,444	1,965,932	475,724	4,275	913,935	506,291	647,247	5,685,848
2022-2023	1,299,096	2,147,351	505,012	5,989	689,198	496,519	614,234	5,757,399
2023-2024	1,524,732	2,136,754	355,304	5,179	690,310	488,313	931,577	6,132,169
2024-2025	2,176,797	2,550,932	566,603	4,961	326,289	443,996	640,558	6,710,136

Source: Town Records

TOWN OF INDIAN SHORES, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Residential Property	Commercial Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (Millage)
2015-2016	\$ 734,909,414	\$ 34,406,073	\$ 1,155,229	\$ 11,739,867	\$ 758,730,849	1.8700
2016-2017	799,201,617	50,404,373	5,815,527	46,972,802	808,448,715	1.8700
2017-2018	861,708,507	55,254,931	6,015,093	47,466,096	875,512,435	1.8700
2018-2019	940,460,531	57,955,958	6,102,905	48,777,314	955,742,080	1.8700
2019-2020	1,004,259,290	64,285,965	6,369,694	51,141,045	1,023,773,904	1.8700
2020-2021	1,028,805,387	101,862,853	6,657,647	53,803,536	1,083,522,351	1.8700
2021-2022	1,103,973,800	104,780,708	6,747,987	56,768,677	1,158,733,818	1.8700
2022-2023	1,257,985,897	114,955,991	6,744,834	59,409,812	1,320,276,910	1.8700
2023-2024	1,408,300,383	124,543,786	7,237,663	64,380,411	1,475,701,421	1.8700
2024-2025	1,550,695,457	135,866,467	8,542,108	66,968,894	1,628,135,138	1.8700

*Source: Pinellas County Property Appraiser
Tax Roll Value, Parcels & Accounts Data DR-403V Page 1&2
Land Use Recaps*

TOWN OF INDIAN SHORES, FLORIDA
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS (PER \$1,000)
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year Ended									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town of Indian Shores										
Operating	1.8700	1.8700	1.8700	1.8700	1.8700	1.8700	1.8700	1.8700	1.8700	1.8700
Total Town Rate	1.8700	1.8700	1.8700	1.8700	1.8700	1.8700	1.8700	1.8700	1.8700	1.8700
Overlapping Rates:										
Pinellas County School Board	5.8220	5.9380	5.9630	6.3250	6.4270	6.5840	6.7270	7.0090	7.3180	7.7700
Pinellas County Emergency Medical Services	4.6660 0.8050	4.8111 0.8418	4.8188 0.8775	5.2092 0.9158	5.3590 0.9158	5.3590 0.9158	5.3590 0.9158	5.3590 0.9158	5.3377 0.9158	5.3377 0.9158
Other Taxing Authorities:										
Pinellas Suncoast Transit Authority	0.7342	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7305
Pinellas Cty Planning Council	0.0200	0.0210	0.0210	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
Juvenile Welfare Board	0.8250	0.8250	0.8508	0.8981	0.8981	0.8981	0.8981	0.8981	0.8981	0.8981
Fire District	0.6700	0.6700	-	-	-	-	-	-	-	-
South West Florida Water Management District	0.1909	0.2043	0.2260	0.2535	0.2669	0.2801	0.2955	0.3131	0.3317	0.3498
Total Overlapping Rates	13.7331	14.0612	13.5071	14.3666	14.6318	14.8020	14.9604	15.2600	15.5663	16.0169
TOTAL	<u>15.6031</u>	<u>15.9312</u>	<u>15.3771</u>	<u>16.2366</u>	<u>16.5018</u>	<u>16.6720</u>	<u>16.8304</u>	<u>17.1300</u>	<u>17.4363</u>	<u>17.8869</u>

Source: Pinellas County Tax Collector

**TOWN OF INDIAN SHORES, FLORIDA
PRINCIPAL REAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	September 30, 2025			September 30, 2016		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Daniel Hickey, Jr TRE	\$ 8,718,233	1	0.52%			
Haven Beach IRB Enterprises LLC	5,410,049	2	0.32%			
Tracy J. Tucker, TRE	5,330,541	3	0.32%			
Susan M. Balthasar TRE	5,197,716	4	0.31%	4,808,881	1	0.63%
Kerri L King	5,153,137	5	0.31%			
Vincent & Mary Guadagna REV Trust	5,145,372	6	0.31%			
SFMD Indian Shores Property LLC	4,844,663	7	0.29%			
Nalluru C Murthy	4,738,206	8	0.28%			
Daniel D Whitaker, TRE	4,729,088	9	0.28%			
Matthew L Walker	4,675,092	10	0.28%			
Hugh N Smith				2,873,730	2	0.37%
Aloha Bay Condo Assn, Inc				2,601,480	3	0.34%
Ashton Tampa Residential LLC				2,490,241	4	0.32%
Indian Pass Cattlement's Assn, Inc				2,475,000	5	0.32%
Sole Lido Development LLC				2,366,672	6	0.31%
Michael K Savino				2,322,037	7	0.30%
Haymen S. Atassi				2,271,126	8	0.30%
Danilo & Carmelina Fernandez				2,269,000	9	0.29%
Lucille Cavanaugh				2,261,186	10	0.29%
Sub-total	\$ 53,942,097		3.20%	\$ 26,739,353		3.48%
All Others	1,632,619,827		96.80%	742,576,134		96.52%
Total	1,686,561,924		100.00%	769,315,487		100.00%

Source: Pinellas County Property Appraiser

**TOWN OF INDIAN SHORES, FLORIDA
PROPERTY LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Total Assessed Valuation	Taxable Assessed Valuation	Levy	Collections within the Fiscal Year of Levy		Collections in Subsequent Years	Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2015-2016	\$ 770,470,716	\$ 758,730,849	\$ 1,418,827	\$ 1,341,389	95%	\$ -	\$ 1,341,389	95%
2016-2017	855,421,517	808,448,715	1,511,799	1,463,462	97%	-	1,463,462	97%
2017-2018	922,978,531	875,512,435	1,637,208	1,585,698	97%	-	1,585,698	97%
2018-2019	1,004,519,394	955,742,080	1,787,238	1,726,302	97%	-	1,726,302	97%
2019-2020	1,074,914,949	1,023,773,904	1,914,457	1,849,645	97%	-	1,849,645	97%
2020-2021	1,137,325,887	1,083,522,351	2,026,187	1,953,786	96%	-	1,953,786	96%
2021-2022	1,215,502,495	1,158,733,818	2,166,832	2,099,381	97%	-	2,099,381	97%
2022-2023	1,379,686,722	1,320,276,910	2,468,918	2,380,105	96%	-	2,380,105	96%
2023-2024	1,540,081,832	1,475,701,421	2,759,562	2,663,699	97%	-	2,663,699	97%
2024-2025	1,695,104,032	1,628,135,138	3,044,613	2,921,900	96%	-	2,921,900	96%

(1) Florida Statutes provide for a discount of up to four percent for early retirement of ad valorem taxes.
All unpaid taxes become delinquent on April 1, and are sold at auction on June 1 of each year as tax certificates.
The Town, after all tax certificates are sold, has fully collected all ad valorem tax revenues.

Source: Pinellas County Property Appraiser and Town Records

**TOWN OF INDIAN SHORES, FLORIDA
RATIOS OF REVENUE DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year</u>	<u>Revenue Debt</u>	<u>Less: Amounts for Debt Service</u>	<u>Total</u>	<u>Population</u>	<u>Per Capita</u>
2015-2016	\$ 5,722,880	\$ 342,588	\$ 5,380,292	1,607	\$ 3,347
2016-2017	5,380,292	342,588	5,037,704	1,498	3,363
2017-2018	5,037,704	342,588	4,695,116	1,420	3,306
2018-2019	4,695,116	342,589	4,352,527	1,473	2,955
2019-2020	4,352,527	482,492	3,870,035	1,464	2,643
2020-2021	3,870,035	517,607	3,352,428	1,200	2,794
2021-2022	3,352,428	421,924	2,930,504	1,199	2,444
2022-2023	2,930,504	417,229	2,513,275	1,202	2,091
2023-2024	2,513,275	422,063	2,091,212	1,206	1,734
2024-2025	2,091,212	421,241	1,669,971	1,190	1,403

TOWN OF INDIAN SHORES, FLORIDA
DIRECT and OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2025
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Pinellas County	\$ 38,548,113		
Pinellas County School Board	124,397,770		
Total overlapping debt	<u>\$ 162,945,883</u>	1.204%	\$ 1,961,804
Town of Indian Shores direct debt			<u>\$ 1,669,971</u>
Total direct and overlapping debt			<u><u>\$ 3,631,775</u></u>

¹ Applicable net debt percentage is based on ratio of Town to County taxable values

Town Taxable Value:	\$ 1,628,135,138
County Taxable Value:	\$ 135,231,638,681

Sources:

Assessed value used to estimate applicable percentages provided by the Pinellas County Property Appraiser Debt Outstanding provided by the Pinellas County Annual Comprehensive Financial Report (September 30, 2024) and Pinellas County School Board (June 30, 2024).

**TOWN OF INDIAN SHORES, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Population ¹	Household Median Income ¹	Household Mean Income ¹	Median Age ¹	Pinellas Unemployment Rate ^{1 2}
2016	1,469	\$ 54,115	\$ 87,594	61.5	8.4%
2017	1,498	53,864	98,159	61.5	7.3%
2018	1,354	62,798	115,984	61.9	6.4%
2019	1,292	72,059	142,472	61.7	5.7%
2020	1,189	74,038	138,974	62.4	5.4%
2021	1,232	84,500	147,027	59.7	5.2%
2022	1,133	92,222	120,066	61.7	5.0%
2023	1,182	110,163	139,426	59.4	4.6%
2024	1,204	109,125	131,428	58.1	4.6%
2025	1,190	102,250	131,468	58.1	4.4%

Source:

1 www.census.gov

2 Unemployment Rate for Indian Shores was not available

**TOWN OF INDIAN SHORES, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Employer	2025		2016 *	
	Number of Employees	Rank	Number of Employees	Rank
Salt Rock Grill	175	1	125	1
Caddy's Pub (formerly The Pub)	60	2	95	2
Town of Indian Shores	29	3	21	3
Baystar Restaurant Group Corporate Office	13	4		
Smuggler's Cove	13	4	12	4
Sharky's Sea Pub	12	6		
Beach Place One/Florida Lifestyles	8	7		
D.J.'s Clam Shack	6	8		
Fifth Third Bank*	6	8	4	7
Indian Shores Coffee	6	8		
Mahuffer's	6	8		
Mickey Quinn's			9	5
Sun Vista Realty			7	6
Beach & Bay Realty			3	8

Source: Town Records

* Based on available Town records

TOWN OF INDIAN SHORES, FLORIDA
FULL-TIME GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Public Safety:										
Police										
Officers	15.00	15.00	12.00	15.00	15.00	12.00	12.00	12.00	14.00	11.00
Civilians	1.00	1.00	2.00	2.00	1.00	1.00	2.00	2.00	2.00	2.00
Building	3.00	3.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works:										
Maintenance	<u>4.00</u>	<u>3.00</u>	<u>3.00</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>3.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
Total	<u>29.00</u>	<u>28.00</u>	<u>23.00</u>	<u>27.00</u>	<u>26.00</u>	<u>22.00</u>	<u>22.00</u>	<u>22.00</u>	<u>24.00</u>	<u>21.00</u>

Source: Town Records

**TOWN OF INDIAN SHORES, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police										
Physical arrests	29	115	202	105	79	61	118	90	121	131
Parking violations	74	121	131	781	491	557	552	431	339	372
Traffic violations	952	309	142	295	93	743	235	342	578	359
Culture and recreation										
Library Cards Issued	57	50	95	40	5	124	124	234	275	275
Building										
Number of permits issued	498	492	435	522	534	574	677	453	734	672

Source: Town Records

**TOWN OF INDIAN SHORES, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	17	16	15	12	12	12	5	5
Transportation										
Streets (miles)	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.05
Street lights	190	190	190	184	184	184	184	146	146	146
Traffic signals	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Parks	2	2	2	2	2	2	2	2	2	2
Park Acreage	2.66	2.66	2.66	2.66	2.66	2.66	2.66	2.66	2.66	2.66
Tennis Court	1	1	1	1	1	1	1	1	1	1
Community Center	1	1	1	1	1	1	1	1	1	1

Source: Town Records

Note: No capital asset indicators are available for the general government function

OTHER REPORTS



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

To the Honorable Mayor and Town Council,
Town of Indian Shores, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Indian Shores, Florida (the Town) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 18, 2026.

Report on Internal Control Over Financial Reporting

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

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

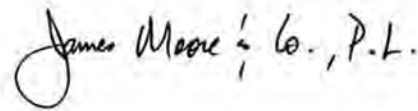
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida
March 18, 2026



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor and Town Council,
Town of Indian Shores, Florida:

Report on the Financial Statements

We have audited the basic financial statements of Town of Indian Shores, Florida (the Town), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 18, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated March 18, 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. The following summarizes the status of prior year findings and recommendations. There were no second preceding year findings that remain unresolved.

2024-001 – Budgetary Controls – Capital Projects Fund – Corrective action taken.

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 for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and report the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Town, 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. It is management's responsibility to monitor the Town'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 had no such recommendations.

Property Assessed Clean Energy (PACE) Programs

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy, or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Town did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the Town's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore we noted no special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

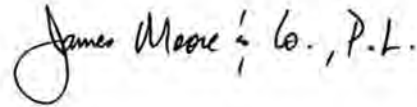
Additional Matters

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

Purpose of this Letter

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

Daytona Beach, Florida
March 18, 2026

A handwritten signature in black ink that reads "James Moore, Esq., P.L." The signature is written in a cursive style with a large initial 'J'.



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor and Town Council,
Town of Indian Shores, Florida:

We have examined the Town of Indian Shores, Florida's (the Town) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2025. Management is responsible for the Town's compliance with the Statute. Our responsibility is to obtain reasonable assurance by evaluating the Town's compliance with the Statute during the year ended September 30, 2025, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance for evaluating against the aforementioned statute during the year ended September 30, 2025, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the Town's compliance with the Statute during the year ended September 30, 2025. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks that the Town was not in compliance with the Statute in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

Daytona Beach, Florida
March 18, 2026

A handwritten signature in black ink that reads 'James Moore & Co., P.L.' with a stylized flourish at the beginning.