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City of Safety Harbor, Florida

Annual Comprehensive Financial Report

For the fiscal year ended September 30, 2025

Prepared by:
Finance Department

Victoria Gilley
Finance Director

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CITY OF SAFETY HARBOR, FLORIDA

September 30, 2025

CITY COMMISSION

Joe Ayoub, Mayor
Carlos Diaz, Vice Mayor
Jacob Burnett
Nancy Besore
Andy Steingold

CITY ADMINISTRATION

City Manager
Josh Stefancic

City Clerk
Rachael Telesca

City Attorney
Sarah Allen

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CITY OF SAFETY HARBOR, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
SEPTEMBER 30, 2025

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INTRODUCTORY SECTION

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City of Safety Harbor Florida
HOME OF ESPIRITU SANTO MINERAL SPRINGS
750 Main Street ‡ Safety Harbor, Florida 34695 ‡ (727) 724-1555
FAX 724-1566

To the Honorable Mayor, Vice Mayor, Commissioners, and Citizens of the City of Safety Harbor:

The Annual Comprehensive Financial Report of the City of Safety Harbor, Florida for the fiscal year ended September 30, 2025, is hereby submitted in accordance with Florida Statutes Chapter 218.39 and Chapter 10.550 of the Rules of the Auditor General of the State of Florida.

This report has been compiled and prepared by the City's Finance Department. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP (Generally Accepted Accounting Principles). The City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Safety Harbor's financial statements for the year ended September 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Safety Harbor (the "City"), incorporated on June 11, 1917, is located in the Tampa Bay area and is primarily a bedroom community with a limited amount of supporting commercial and industrial uses. The City is located halfway between the Tampa International Airport and Pinellas County Beaches; making it perfect for homeowners who travel often but want to share in the beauty of what Pinellas County has to offer. It currently occupies approximately 5 square miles and serves a population of approximately 16,624. The City of Safety Harbor is empowered to levy a property tax on real property located within its boundaries. The City is also empowered by State Statute to extend its corporate limits by annexation, which it has done from time to time.

The City operates under the Commission-Manager form of government. The City Commission is comprised of the Mayor and four Commissioners and is responsible for enacting ordinances, resolutions, and regulations governing the City as well as appointing members to various statutory and advisory boards, the City Manager, and the City Attorney. As chief administrative officer, the City Manager is responsible for enforcement of laws and ordinances and appoints and supervises the City's department heads.

The City provides a full range of municipal services normally associated with a municipality including fire protection, street construction and maintenance, planning, zoning and redevelopment, recreation and parks, library services, storm water management and general administrative services. Law enforcement service is provided via an annual contract with the Pinellas County Sheriff's Office. In addition, water, wastewater, solid waste, and stormwater services are provided under an enterprise fund concept with user charges set by the City Commission to ensure adequate coverage of operating expenses and payment of outstanding debt.

Local Economy

The City continues to take a guarded financial approach and monitors accounts very closely. The City budgets conservatively and in the current fiscal year has managed accordingly given the impact of a 7.0 percent increase in the City's property tax base and an unemployment rate for the local metropolitan area of 4.1 percent. Safety Harbor's advantage is the fact that the City has continued to experience an extremely sound fiscal condition, and as a result has been able to continue with planned expenditures.

Long-Term Financial Planning

Funding for operations and capital projects is derived from various sources, including user fees, state shared revenue, local option gas tax, Penny for Pinellas 1% sales tax, grants and contributions from state and local governments and investment returns. As sources decline or are no longer available over the next five years, the City cautiously prioritizes critical capital improvements considering the projects that are matched by grant funds and/or a dedicated funding source.

Relative to operations and economic conditions, in Fiscal Year 2025/2026, the City budgeted for a 7.0 percent increase in property taxable value and maintained the millage rate at 3.95 increasing budgeted ad valorem by $550,000, consistent with City Commission's goal to maintain a low millage rate. Budgeted use of General Fund reserves reflected $630,500 use of reserves. Citywide budgeted revenues, excluding transfers and debt proceeds, were assumed to increase by $2,622,440 or 6.0 percent more than the prior years estimated year-end budget with budgeted appropriations excluding transfers decreasing by $3,146,005 or 5.4 percent.

Relevant Financial Policies

By resolution of the City Commission, the City must maintain a General Fund minimum reserve of seventeen (17) percent of General Fund expenditures of the prior years audited financial statements. Additionally, the resolution states that twenty (20) percent of General Fund operating expenditures, based on the current year's adopted budget, be committed for the specific purpose for use in the event of a major storm or other unforeseen disaster of a nonrecurring character, including environmental damage, flood, fire or tornado; provided that if federal or state funds are received to offset appropriations for such purposes, such monies shall be returned to the Stabilization Arrangement. If needed, replenishment of the stabilization arrangement will be from Unassigned Fund Balance over a period of five (5) years.

The City utilizes the modified accrual basis of accounting for all governmental fund types. Under this modified accrual basis, expenditures are generally recognized when the related liability is incurred. Revenues are recognized in the accounting period when they become measurable and available.

Accounting records for the City's proprietary funds, water, wastewater, solid waste, and stormwater, are maintained on an accrual basis with revenues being recognized when earned and expenses recognized when incurred.

Budgetary control is maintained at the departmental level. All purchase orders are compared to available line-item control accounts and if necessary, budgetary adjustments are made prior to issuing purchase orders. The City Manager is authorized to transfer any unencumbered appropriated balance or portion thereof between specific classifications of expenditures within a department. By Resolution, the City Commission may authorize the transfer of any unencumbered appropriated balance or portion thereof from one fund, office, or department to another.

Major initiatives

In preparing the Fiscal Year 2025/2026 Budget, the City identified several major programs and projects to continue to maintain the City's position of excellent service provision, financial performance, and quality of operational facilities. The Five-year Capital Improvements Plan (CIP) for FY 2025/2026 to FY 2029/2030 is $66.5 million, of which $17.3 million is appropriated in FY 2025/2026. Proprietary fund infrastructure projects make up 41.1 percent of the $66.5 million five-year budgets.

In fiscal year 2024, the City Commission met for a Goal Setting Workshop. Main priority goals were identified as: increase customer satisfaction experience of the library; increase capacity of transient boaters at marina; review advisory boards and committee attendance policy; improve management of downtown parking plan; increase and update community development elements; increase employee protection; and increase and update public works and leisure service elements. Major projects planned to work toward these goals in 2024 include completion of the second-floor library addition, improvements to the children's division of the library, Waterfront Park Irrigation, Bishop and Mullet Creek improvements, ongoing maintenance and improvements in infrastructure, and continued improvements to Folly Farms.

This preparation and submission of this report is due to the dedicated services of the Finance Department staff. We would like to express our sincere appreciation to all members of the department who contributed to the year-end close out process and document preparation. We would also like to express our appreciation to City departmental staff who provided a significant contribution by ensuring the accuracy and integrity of accounting information compiled and submitted throughout the entire year. Our sincerest appreciation is expressed for the City Commission's continued support and interest in the planning and conducting of the City's financial operations in a responsible manner.

We extend our gratitude to the Audit Committee for their continued support and high level of professionalism, and CliftonLarsonAllen LLP for their professionalism and expertise.

Respectfully submitted,

Josh Stefancic
City Manager

Matthew Converse
Finance Director

CITY OF SAFETY HARBOR

LIST OF PRINCIPAL OFFICIALS

September 30, 2025

CITY COMMISSION

Joe Ayoub, Mayor
Carlos Diaz, Vice Mayor
Jacob Burnett
Nancy Besore
Andy Steingold

City Manager
Josh Stefancic

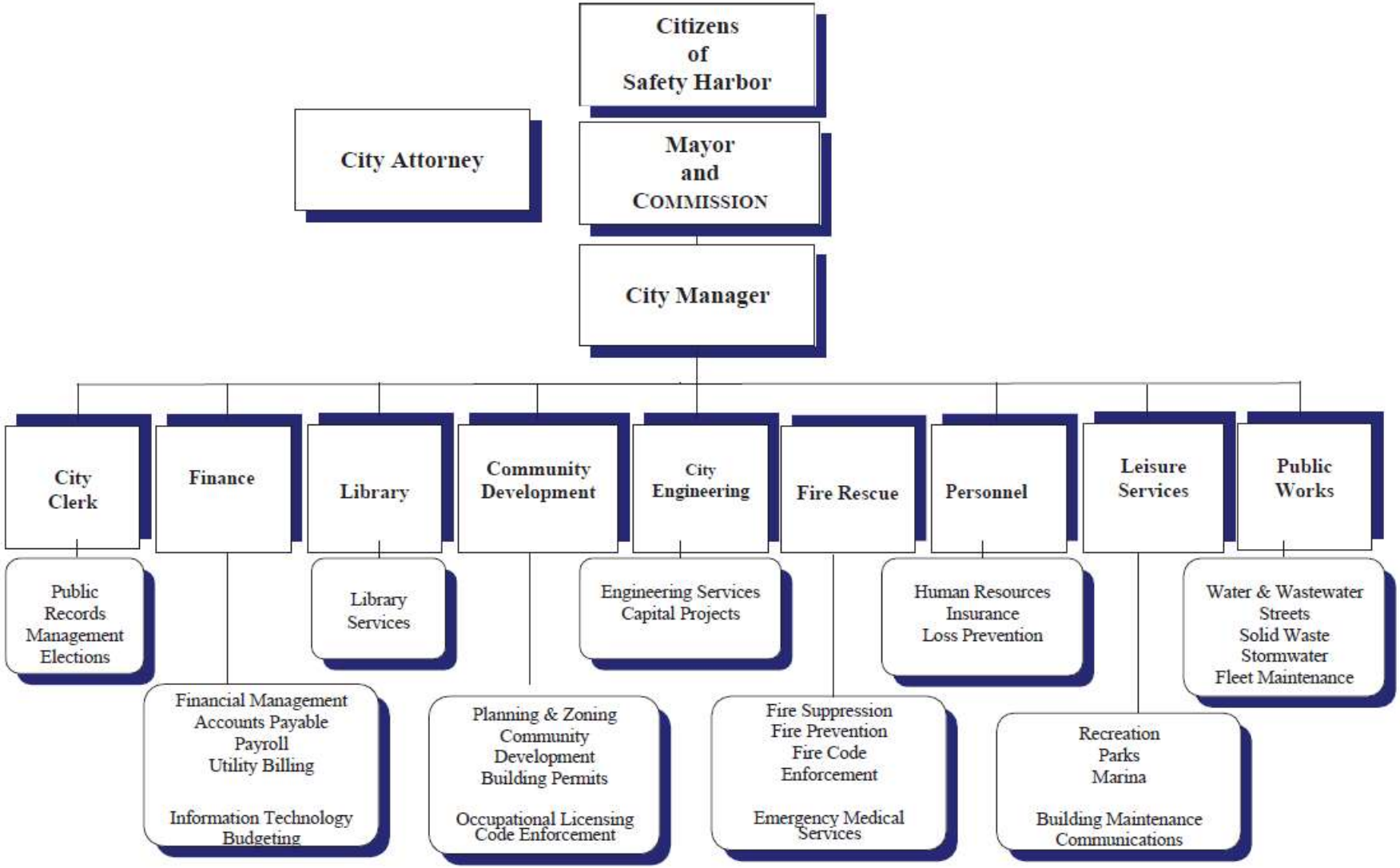
City Clerk
Rachael Telesca

City Attorney
Sarah Allen

EXECUTIVE MANAGEMENT STAFF

City Engineer	Michelle Giuliani
Community Development Director	Carol Stricklin
Finance Director	Victoria Gilley
Fire Chief	Andrew Hawkins
Human Resources Director	Michelle Posewitz
Leisure Services Director	Julie Inman
Library Director	Britney Norsworthy
Public Works Director	Renee Cooper

CITY OF SAFETY HARBOR ORGANIZATIONAL CHART



FINANCIAL SECTION

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of the City Commission
City of Safety Harbor, Florida

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in 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*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 14 of the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, effective for the fiscal year ended September 30, 2025. GASB 101 requires liabilities to be recognized for leave attributable to services already rendered, that accumulates and is more likely than not to be used or otherwise paid or settled. Our opinions are not modified with respect to this matter.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and other supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statement and schedules and other supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our 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.

Honorable Mayor and
Members of the City Commission
City of Safety Harbor, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
October 23, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

The City of Safety Harbor's (the City) annual financial report presents management's discussion and analysis of the City's financial performance during the fiscal year that ended on September 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the City's basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Safety Harbor exceeded its liabilities and deferred inflows on September 30, 2025, by $128,485,088 (net position). Of this amount, $48,076,152 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased over prior period by $5,036,307 or 4.08 percent. Governmental net position increased by $951,508 or 1.77 percent while business type net position increased by $4,084,799 or 5.85 percent as of September 30, 2025.
- As of September 30, 2025, the City of Safety Harbor's governmental funds reported combined ending fund balances of $20,440,285, a decrease of $476,387 in comparison with the prior year. Of this total amount, committed, assigned, and unassigned fund balances are $17,294,969 or 84.6 percent of the total governmental fund balance.
- The City's total debt for revenue bonds and notes decreased by repayments of principal in the amount of $1,245,101 during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements' focus is on both the City as a whole (government-wide) and on the individual funds. Both perspectives (government-wide and individual funds) allow the user to address relevant questions, broaden the basis for comparison from year to year or government to government and enhance the City's accountability.

This discussion and analysis are intended to serve as an introduction to the City of Safety Harbor's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's financial position and results of operations in a manner like a private-sector business.

The Statement of Net Position presents information on all the City's assets and deferred outflows, less liabilities, and deferred inflows, with the difference reported as *net position*. The focus of the Statement of Net Position is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current economic resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of basic governmental services as well as any subsidy in the business-type activities.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City includes general government; law enforcement, fire protection and building department, which provide public safety; physical environment; transportation, which includes activities associated with streetlights, streets, and sidewalks; library; and parks and recreation, which also includes Main Street events and marina activities. The business-type activities of the City include water and sewer, solid waste, and stormwater.

The government-wide financial statements include the City of Safety Harbor as a whole, as well as the component unit the Safety Harbor Community Redevelopment Agency (CRA). The CRA is reported within the general government activities.

Fund financial statements

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the governmentwide 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 the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. The governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances provide reconciliations to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Community Redevelopment Agency Fund, and Capital Projects Fund, which are considered to be major funds. Data from eleven of the governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds (Special Revenue and Debt Service Funds) is provided in the form of combining statements in this report.

The City adopts an annual appropriated budget for all funds. Budgetary comparison statements have been provided for all major and non-major governmental funds to demonstrate compliance with the budget.

Proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer, Solid Waste and Stormwater (drainage) operations.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the City's water and sewer operations, solid waste operation and stormwater operation, all of which are considered major funds.

Internal service funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City does not currently utilize internal service funds.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one fiduciary fund to account for the firefighters' retirement benefit. The fund is with the Florida League of Cities, Florida Municipal Pension Trust Fund.

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

***Other information*.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's budgetary legal compliance for the General and Community Redevelopment Agency funds; the City's progress in funding the firefighters' pension obligation, general employee Florida Retirement System pension obligation; and the funding progress of the retiree health plan.

GOVERNMENT WIDE FINANCIAL STATEMENT ANALYSIS

Statement of Net Position. Net position over time may serve as a useful indicator of a government's financial position. For the current year, the City's assets and deferred outflows exceeded liabilities and deferred inflows by $128.5 million. The following table reflects the condensed Statement of Net Position compared to the prior year. Throughout this report, increases and decreases are reflected based on current year impacts. For more detailed information see the Statement of Net Position.

Net Position

	Governmental Activities			Business-Type Activities			Total Primary Government		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Assets									
Current and other assets	$ 27,011,972	$ 27,356,612	$ 28,104,373	$ 43,256,981	$ 41,221,277	$ 36,739,249	$ 70,268,953	$ 68,577,889	$ 64,843,622
Capital Assets	34,828,518	33,410,275	28,488,953	42,170,833	40,897,178	39,344,646	76,999,351	74,307,453	67,833,599
Total Assets	61,840,490	60,766,887	56,593,326	85,427,814	82,118,455	76,083,895	147,268,304	142,885,342	132,677,221
Deferred Outflows	2,255,490	2,392,174	3,635,919	624,029	721,467	744,046	2,879,519	3,113,641	4,379,965
Liabilities									
Current and other liabilities	1,697,016	2,059,103	1,546,658	3,575,711	3,197,836	3,402,113	5,272,727	5,256,939	4,948,771
Long-term liabilities	3,734,185	3,858,411	4,536,128	7,969,638	9,311,502	10,575,226	11,703,823	13,169,913	15,111,354
Total Liabilities	5,431,201	5,917,514	6,082,786	11,545,349	12,509,338	13,977,339	16,976,550	18,426,852	20,060,125
Deferred Inflows	4,040,293	3,568,569	2,769,074	645,892	554,781	522,431	4,686,185	4,123,350	3,291,505
Net Position									
Net investment in capital assets	33,984,188	32,381,967	27,339,458	33,851,765	31,793,761	28,639,293	67,835,953	64,175,728	55,978,751
Restricted	6,643,796	6,492,335	5,364,468	5,929,187	5,012,681	4,871,621	12,572,983	11,505,016	10,236,089
Unrestricted	13,996,502	14,798,676	18,673,459	34,079,650	32,969,361	28,817,257	48,076,152	47,768,037	47,490,716
Total Net Position	$ 54,624,486	$ 53,672,978	$ 51,377,385	$ 73,860,602	$ 69,775,803	$ 62,328,171	$ 128,485,088	$ 123,448,781	$ 113,705,556

The largest portion of the City's net position, 52.8 percent, reflects its net investment in capital assets (e.g., land, buildings, infrastructure improvements, and vehicles and equipment) less any related debt used to acquire those assets that remains outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in 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 used to liquidate these liabilities.

Resources that are subject to external or enabling legislation that restricts how they may be used make up $12.6 million (9.8 percent) of net position. The remaining balance of unrestricted net position or $48.1 million (37.4 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

On September 30, 2025, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Statement of Activities. The following schedule compares the revenues and expenses for the current and two previous fiscal years. More detailed information can be found in the Statement of Activities.

Changes in Net Position

	Governmental Activities			Business-Type Activities			Total Primary Government		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
REVENUES									
Program revenues:									
Charges for services	$ 2,080,230	$ 2,028,658	$ 1,851,872	$ 17,996,164	$ 18,170,208	$ 18,133,545	$ 20,076,394	$ 20,198,866	$ 19,985,417
Operating grants and contributions	2,457,300	1,884,843	1,581,555	-	7,717	12,238	2,457,300	1,892,560	1,593,793
Capital grants and contributions	200,000	963,882	42,556	-	-	-	200,000	963,882	42,556
General Revenues									
Property taxes	8,439,332	7,828,459	7,131,307	-	-	-	8,439,332	7,828,459	7,131,307
Utility taxes	3,306,505	2,917,072	3,195,103	-	-	-	3,306,505	2,917,072	3,195,103
Local business tax	143,031	132,987	139,061	-	-	-	143,031	132,987	139,061
Local option tax	2,868,626	2,814,899	2,822,696	-	-	-	2,868,626	2,814,899	2,822,696
Franchise fees	1,761,294	1,706,366	1,576,515	-	-	-	1,761,294	1,706,366	1,576,515
Sales tax	1,364,283	1,357,831	1,448,441	-	-	-	1,364,283	1,357,831	1,448,441
Intergovernmental	820,198	804,914	836,581	-	-	-	820,198	804,914	836,581
Investment income	799,586	1,526,311	398,955	1,427,817	2,458,710	535,155	2,227,403	3,985,021	934,110
Other	814,516	518,461	579,701	24,480	22,356	85,014	838,996	540,817	664,715
Gain on the sale of capital assets	104,380	243,538	47,688	201,539	45,853	15,800	305,919	289,391	63,488
Insurance recoveries	91,944	3,545	12,858	1,352	5,773	11,845	93,296	9,318	24,703
Total Revenues	25,251,225	24,731,766	21,664,889	19,651,352	20,710,617	18,793,597	44,902,577	45,442,383	40,458,486
EXPENSES									
Function/program activities									
Primary government:									
Governmental activities:									
General government	6,559,316	4,594,678	4,315,128	-	-	-	6,559,316	4,594,678	4,315,128
Law enforcement	1,846,106	1,736,395	1,612,409	-	-	-	1,846,106	1,736,395	1,612,409
Fire protection	5,148,136	4,755,203	5,003,702	-	-	-	5,148,136	4,755,203	5,003,702
Building department	434,803	371,206	347,809	-	-	-	434,803	371,206	347,809
Physical environment	614,277	532,903	507,205	-	-	-	614,277	532,903	507,205
Transportation	1,502,158	1,501,075	1,467,894	-	-	-	1,502,158	1,501,075	1,467,894
Library	1,758,470	1,606,569	1,560,315	-	-	-	1,758,470	1,606,569	1,560,315
Parks and recreation	6,214,231	5,612,200	5,134,883	-	-	-	6,214,231	5,612,200	5,134,883
Interest on long-term debt	20,351	25,944	30,917	-	-	-	20,351	25,944	30,917
Business-type activities:									
Water and sewer	-	-	-	10,936,302	10,594,914	9,232,770	10,936,302	10,594,914	9,232,770
Solid Waste	-	-	-	3,195,990	3,099,901	3,249,561	3,195,990	3,099,901	3,249,561
Stormwater	-	-	-	1,324,718	1,268,170	964,229	1,324,718	1,268,170	964,229
Total Expenses	24,097,848	20,736,173	19,980,262	15,457,010	14,962,985	13,446,560	39,554,858	35,699,158	33,426,822
Excess before contributions	1,153,377	3,995,593	1,684,627	4,194,342	5,747,632	5,347,037	5,347,719	9,743,225	7,031,664
Transfers	50,000	(1,700,000)	(1,615,960)	(50,000)	1,700,000	1,615,960	-	-	-
Changes in net position	1,203,377	2,295,593	68,667	4,144,342	7,447,632	6,962,997	5,347,719	9,743,225	7,031,664
Net position, beginning of year	53,672,978	51,377,385	51,308,718	69,775,803	62,328,171	55,365,174	123,448,781	113,705,556	106,673,892
Restatement of beginning net position	(251,869)	-	-	(59,543)	-	-	(311,412)	-	-
Net position, beginning of year as restated	53,421,109	51,377,385	51,308,718	69,716,260	62,328,171	55,365,174	123,137,369	113,705,556	106,673,892
Net position, end of year	$ 54,624,486	$ 53,672,978	$ 51,377,385	$ 73,860,602	$ 69,775,803	$ 62,328,171	$ 128,485,088	$ 123,448,781	$ 113,705,556

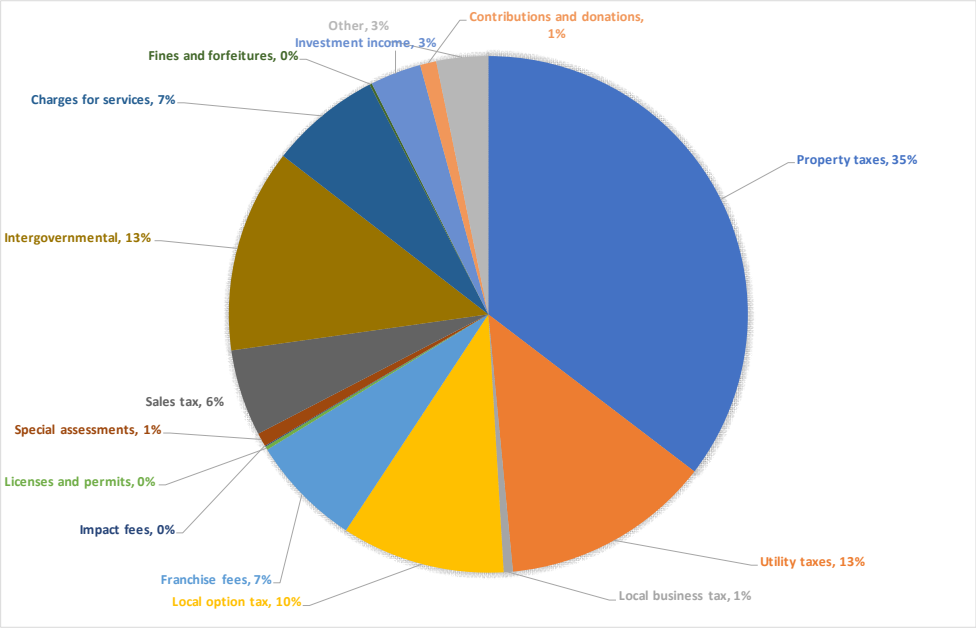
Governmental activities. The net position for the City's governmental activities increased by $951,508.

Total revenues for the City's governmental activities increased by $569,549 (2.3 percent) over prior year.

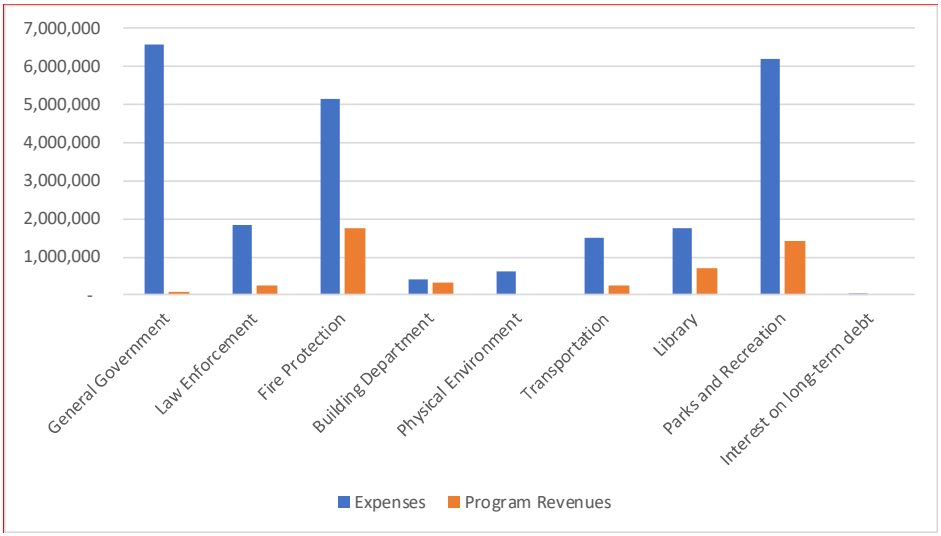
Key elements are as follows:

- Program revenues decreased by $139,853.
- Charges for services increased by $51,572. Of the total increase, building permit revenues increased by $26,246, transportation revenues decreased by $52,245, and recreation program increased by $75,288.
- Operating grants and contributions increased by a net amount of $572,457. Public safety revenue for Fire and EMS District taxes increased by 11.6 percent or $179,983; general government revenue increased by $141,095; Library grants and contributions increased by $249,762.

- Capital grants and contributions decreased by $763,882 mostly attributed to a library state grant and private donations for the library building expansion received in the prior fiscal year.
- General revenues increased by 3.3 percent or $659,312.
    - Property tax revenue increased by $610,873 (7.8 percent). Gross taxable values in the City increased by 7.1 percent over prior year. City taxable values in the Community Redevelopment District increased by 8.6 percent over prior year. The millage rate remained at 3.95 consistent with prior year.
    - Utility taxes, other general revenues, and insurance recoveries increased by $389,433, $296,055, and $88,399 respectively.
    - Local business tax, local option taxes, intergovernmental, sales tax, and franchise fees increased by $140,435 or 2.1 percent.
    - Investment income and fair value adjustments and gain on the sale of capital assets decreased by $726,725 and $139,158 from prior year, which is consistent with market conditions and the City's replacement schedules.



- Expenses for the City's governmental activities increased by $3,361,677 or 16.2 percent. Key elements of the net increase are as follows:
    - General government, law enforcement, fire protection, and parks and recreation came in over prior year by $3,069,314. Interest on long-term debt decreased $5,592.
    - Building department, physical environment, transportation, and library, increased over prior year by $297,955. The largest increase was in the library due to increased services.



Business-type activities. Business-type activities resulted in an increase in the City's net position by $4,084,799.

Total revenues for the City's business-type activities decreased by $1,059,265 (5.1 percent) over prior year. Key elements are as follows:

- Program revenues decreased by $181,761, which is a 1 percent decrease.
    - Charges for services includes revenue for water, sewer, and stormwater.
        - The city completed a rate study for water, sewer, and stormwater in November of 2021. No rate changes were implemented, however, a new billing tier structure for water and sewer went into effect in January 2023. Additionally, miscellaneous fees were adjusted as of January 2024. No changes were made in fiscal year 2025.
        - There were no rate changes to stormwater rates or tier structures in 2025. Stormwater operating revenue realized a decrease of $26,513. The decrease is due to a less active storm season in fiscal year 2025, as compared to prior years.
        - The city implemented the first year of a five-year rate change on January 1st of 2020. Solid waste operating revenue realized a decrease of $32,873.
- General revenues decreased by $877,504.

- Investment income and insurance recoveries decreased by $1,030,893 and $4,421 respectively, which is consistent with market conditions.

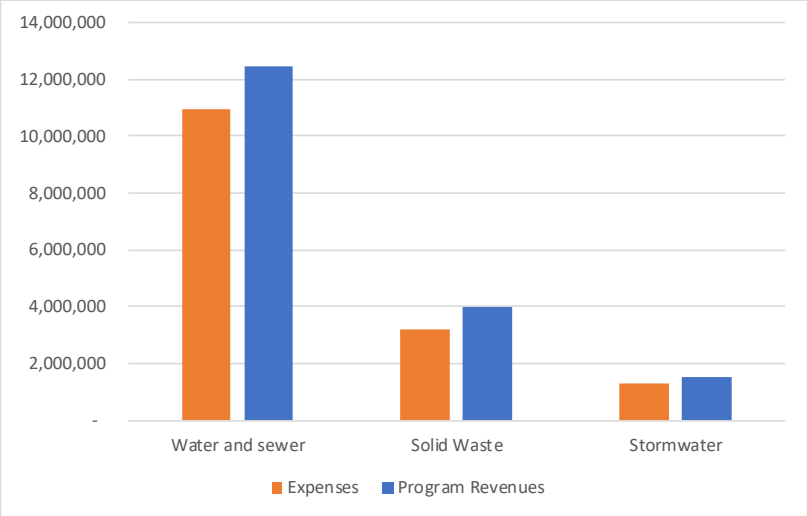
- Gain on the sale of capital assets and other miscellaneous revenues increased by $157,810 which offset the overall decrease.

Expenses, including operating and nonoperating, for the City's business-type activities increased by $494,025, which is 3.3 percent. Key elements of the increase are as follows:

- Water and sewer expenses increased by $341,388 which is 3.2 percent over prior year. Salaries and fringes and materials and supplies increased by 21.8 and 100.1 percent, respectively. Depreciation and amortization increased in the amount of $298,268 or 12.1 percent. Contractual and other services accounted for a decrease of $460,767 (7.6 percent) mostly due to the increase in cost for water and sewer purchases.

- Solid waste expenses increased by $96,089 or 3.1 percent over prior year. Of the net increase, personnel services decreased by $100,311 or 8.3 percent, materials and supplies showed the largest increase by $107,511 or 46.2 percent, and contractual and other services increased of $106,138 or 9.0 percent. Depreciation and amortization decreased by $16,703 or 3.6 percent.

- Stormwater expenses increased by $56,548 or 4.5 percent over prior year. Salaries and fringes decreased by 1.8 percent, materials and supplies decreased by $6,586 or 5.2 percent, contractual and other services decreased $1,867 or 0.5 percent. Depreciation and amortization increased by $73,828 or 22.4 percent.



FUND FINANCIAL STATEMENT ANALYSIS

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

As of September 30, 2025, the City's governmental funds reported combined ending fund balances of $20,440,285, a decrease of $476,387 under prior year. Of this total amount, $5,432,706 or 26.6 percent is unassigned and available for spending at the City's discretion. The remainder of fund balance, $15,007,579 or 73.4 percent is either not in spendable form or restricted, committed, or assigned for specific purposes.

The **General Fund** is the chief operating fund of the City. On September 30, 2025, committed (emergency/stabilization) and unassigned fund balance was $10,004,362. As a measure of the General Fund's liquidity, it may be useful to compare both non-spendable and restricted fund balance as well as unrestricted fund balance to total General Fund expenditures. Fund balance that is either non-spendable (advances from primary government and inventories and prepaids) or restricted for a specific purpose is 3.4 percent of total General Fund expenditures excluding transfers out, while committed and unassigned fund balance is 47.4 percent of total General Fund expenditures, excluding transfers out. The City Commission's desire of a minimum unassigned General Fund balance of the prior year's operating expenditures, including transfers out, is 17 percent ($3,436,684). As of September 30, 2025, the City's unassigned fund balance exceeds this goal at 26.9 percent of prior year's operating expenditures.

General Fund balance decreased by $921,658 in the current fiscal year. Key elements of the decrease are as follows:

- Revenues, including transfers in of $305,740, total $20,512,466 which is an increase of $1,703,175 over prior year.
    - Ad valorem revenue increased by $818,931, due to an increase in property values of 7.1 percent, driven by the increase in local real estate values with a millage rate of 3.95 consistent with prior year.
    - Utility taxes increased over prior year by $389,433 or 13.4 percent.
    - Local business tax, franchise fees, licenses and permits, sales tax, intergovernmental, charges for services, contributions and donations, and other revenues recognized a total increase of $879,917 with the largest increase in intergovernmental income.
    - Fines and forfeitures and investment income decreased under prior year by $11,345 or 21.8 percent, and $423,761 or 47.2 percent, respectively, with the largest decreases in investment income, which is consistent with economic factors.

- Expenditures of $21,630,448, including transfers out of $543,650, reflect a net increase of $1,414,657 or 7.0 percent over prior year. Operating expenditures excluding capital outlay, debt service, and transfers increased by $2,986,045 or 16.7 percent.

    - General government, fire protection, parks and recreation, and law enforcement had increases of $1,794,302, $587,544, $395,063, and $108,648, respectively. Building Department, physical environment, and library increased a total of $235,448. These increases are consistent with current economic factors. Transportation decreased under prior year by $64,038.

    - Capital outlay expenditures increased by $108,612 or 107.1 percent.

    - Transfers to other funds and debt services decreased by $1,750,000 and $922, respectively under prior year.

The **Community Redevelopment Agency (CRA)** fund balance is $775,735 as of September 30, 2025. Revenue of $1,816,898 is 2.97 percent under prior year. Increases in property tax revenue increased by $787,198, and contributions and donations decreased by $760,982, due to contributions for the building addition to the library in the prior year. Expenditures of $1,793,059, including a transfer of $129,700 to the Capital Projects Fund to service debt on the acquisition of Baranoff Oak Park, are 37.6 percent lower than prior year's expenditures. Capital improvements including the second floor addition to the library totaled $1,530,855. Facade and partnership incentive grants totaled $37,038, special event holiday lighting totaled $28,884, with other program expenditures of $66,582. The details for all CRA activities are included in Note 10-Redevelopment Trust Fund within this document.

The **Capital Projects** fund balance is $4,174,614 on September 30, 2025. Revenue of $2,364,525 from the Penny for Pinellas sales tax (Penny) is $226,486 (8.7 percent) decrease from prior year. The Penny is eligible for capital infrastructure improvements as well as the servicing of debt. Current year capital improvements and acquisitions are $2,418,684 (7.0 percent lower than prior year). The most significant capital outlays include Library roof and furniture, and the marina basin decking and pier replacement.

More detail regarding the governmental funds can be found in the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance of this report.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer, Sanitation and Stormwater funds at the end of the year were $22,389,836, $6,175,433, and $5,514,381, respectively. Cumulatively, the unrestricted net position for the enterprise funds increased by $1,110,289 from prior year or by 3.4 percent. Water/Sewer increased by $1,652,101, Sanitation increased by $610,627, and Stormwater decreased by $1,152,439. Funds restricted for debt service increased by $871,096 and capital projects increased by $45,410. The total increase in net position current year is $4,084,799.

Total operating and non-operating revenue in the proprietary funds decreased by $1,059,265 with investment income $1,030,893 lower than prior year.

Total expenses in the City's proprietary funds increased by $511,538 (3.5 percent) over prior year, excluding interest on debt. Cumulatively the total of all funds in each category including salaries and fringes, materials and supplies and depreciation and amortization increased by $868,034 while contractual and other services decreased by $356,496. Overall, salaries and fringes increased by 8 percent over prior year, materials and supplies increased by 48.3 percent, and depreciation/amortization increased by 10.9 percent. Contracted services decreased by 4.7 percent.

More detail regarding the proprietary funds can be found in the Statement of Net Position-Proprietary Funds and Statement of Revenues, Expenses, and Changes in Net Position-Proprietary Funds in this report.

General Fund Budgetary Highlights

During the current year, the total decrease between adopted and final budget was $1,906,742, with a final adopted General Fund budget of $23,401,930, including budgeted reserve. Contracts and purchase orders in place on September 30, 2025, were moved forward to October 1, 2025, in the amount of $543,247, which is included in the decrease between adopted and final budget. For ACFR reporting purposes, contracts in place are included in the original budget.

More details regarding the General Fund Budget can be found in the Budgetary Comparison Schedule for the General Fund in this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for governmental and business-type activities as of September 30, 2025, is $76,999,350, net of accumulated depreciation. As reflected in the following schedule, the City's investment in capital assets increased in land, construction in progress, buildings, improvements other than buildings, and equipment for governmental activities, with the only decrease in right-to-use leased equipment. The net increase in the City's investment in capital assets is $2,691,898 over prior year.

Capital Assets

	Governmental Activities			Business-Type Activities			Total Primary Government		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Land	$ 10,683,166	$ 10,683,166	$ 10,906,856	$ 694,648	$ 606,548	$ 606,548	$ 11,377,814	$ 11,289,714	$ 11,513,404
Construction in progress	6,221,553	5,964,777	1,955,459	11,276,593	9,368,352	9,640,405	17,498,146	15,333,129	11,595,864
Buildings	6,174,216	6,115,342	6,088,315	343,689	343,689	343,689	6,517,905	6,459,031	6,432,004
Improvements other than buildings	40,869,996	37,678,338	35,379,306	59,831,799	58,957,697	54,712,560	100,701,795	96,636,035	90,091,866
Equipment	10,166,165	9,782,208	8,555,234	12,309,937	11,096,731	10,952,256	22,476,102	20,878,939	19,507,490
Right-to-Use leased equipment	68,023	81,187	81,187	23,307	36,471	36,471	91,330	117,658	117,658
Right-to-Use SBITA	-	-	-	140,333	130,757	130,757	140,333	130,757	130,757
Less:									
Accumulated Depreciation	39,354,602	36,894,744	34,477,404	42,449,473	39,643,067	37,078,040	81,804,075	76,537,811	71,555,444
Total	$ 34,828,517	$ 33,410,274	$ 28,488,953	$ 42,170,833	$ 40,897,178	$ 39,344,646	76,999,350	74,307,452	67,833,599

The following reconciliation summarizes the Changes in Capital Assets, which is presented in detail in Note 4 of the notes to the financial statements.

Changes in Capital Assets

	Governmental Activities	Business-Type Activities	Total Primary Government
Beginning Balance	$ 33,410,274	$ 40,897,178	$ 74,307,452
Additions	6,577,262	4,904,526	11,481,788
Depreciation	(2,845,640)	(3,628,033)	(6,473,673)
Disposals (net of depreciation)	(2,313,379)	(2,838)	(2,316,217)
Ending Balance	$ 34,828,517	$ 42,170,833	$ 76,999,350

Long-term debt. As of fiscal year end, the City's outstanding long-term debt from revenue bonds and notes decreased by $1,245,101. The Debt Service section in Note 6 – Long Term Liabilities of the notes to the financial statements provides details for the following summary.

	2025	2024	Change	Percent Change
Governmental Activities				
Purchase land for Barnoff Oak Park and land for a future Building Maintenance facility	$ 467,000	$ 612,300	$ (145,300)	-23.7%
Refunding 2006 note for general government improvements	92,531	114,965	(22,434)	-19.5%
Governmental Activities Total	$ 559,531	$ 727,265	$ (167,734)	-23.1%
Business-Type Activities				
Water and Sewer infrastructure improvements	$ 5,605,080	$ 6,168,180	$ (563,100)	-9.1%
Refunding 2006 note for utility system improvements	2,116,767	2,631,034	(514,267)	-19.5%
Business-Type Activities Total	$ 7,721,847	$ 8,799,214	$ (1,077,367)	-12.2%
Total Outstanding Debt	$ 8,281,378	$ 9,526,479	$ (1,245,101)	-13.1%

Economic Factors and Next Year's Budgets and Rates

- The State of Florida, by Constitution, does not have a state personal income tax and, therefore, the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely on property and a limited array of permitted other taxes (sales, gasoline, utility services, etc.) and fees (franchise, occupational license, etc.) and limited state-shared revenues for their governmental activities.

- The unemployment rate for the Tampa-St. Petersburg-Clearwater Metropolitan area on September 30, 2025, was 4.4 percent compared to the prior year's 3.6 percent. This is consistent with Florida's unemployment rate of 3.9 percent and the national unemployment rate of 4.2 percent.

- Property values have continued to show recovery with an increase of 7.1 percent in assessed values moving into the 2025 budget cycle. The millage rate was held at 3.9500 budgeting for a General Fund ad valorem revenue increase of $392,260.

- In FY 2026, $630,500 was budgeted from General Fund reserves to balance the budget. Future years' Capital Improvements will require transfers from General Fund reserves to continue with programmed street improvements and other capital projects.

- A rate study for the Enterprise Funds was adopted by City Commission and implemented on January 1st of 2017. Effective October 1, 2018, water and wastewater increased by 11.5 percent, respectively, with a change in base charges and tiers. Stormwater increased by 3.0 percent with the equivalent residential unit (ERU) moving from $10.61 in FY 2020 to $10.93 in FY 2021. A rate study for Sanitation commenced in FY 2020 to address increasing rates and changes in the recycling market. Rates and charges for sanitation services increased 6.0 percent except for those charges for nonresidential (commercial) recycling fees in FY2021.

- As additional rate study was completed in FY 2022 for Enterprise funds. The purpose of this study was to evaluate the sufficiency of utility revenues to meet both current and projected financial requirements. This study reviewed and analyzed rates and rate structures for water, wastewater, and stormwater services. The study found that existing rates are sufficient to satisfy projections through FY 2027. Changes in tier structure for water rates and wastewater caps were recommended. Additionally, multiple miscellaneous charges and customer deposit fees were evaluated, and rates updated to match current costs for such services.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of and demonstrate accountability for the City of Safety Harbor's finances to users and interested parties, citizens, taxpayers, customers, investors, and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, City of Safety Harbor, 750 Main Street, Safety Harbor, Florida 34695, via the City's website (http://www.cityofsafetyharbor.com) or by phone at 727-724-1555.

BASIC FINANCIAL STATEMENTS

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CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Assets	Governmental Activities	Business-Type Activities	Total
Current assets:			
Pooled cash and investments	$ 20,751,723	$ 34,634,836	$ 55,386,559
Accounts receivable, net	886,442	1,693,314	2,579,756
Due from other governments	1,067,905	-	1,067,905
Inventories	67,123	220,187	287,310
Prepaid items	13,551	2,500	16,051
Restricted assets:			
Pooled cash and investments:			
Sinking fund	1,607	53,626	55,233
Customer deposits	-	723,331	723,331
Total current assets	22,788,351	37,327,794	60,116,145
Noncurrent assets:			
Restricted assets:			
Pooled cash and investments:			
Sinking fund	-	3,588,032	3,588,032
Capital projects	-	2,341,155	2,341,155
Capital assets:			
Non depreciable	16,904,720	11,971,241	28,875,961
Depreciable, net of accumulated depreciation/amortization	17,923,798	30,199,592	48,123,390
Net pension asset	4,223,621	-	4,223,621
Total noncurrent assets	39,052,139	48,100,020	87,152,159
Total assets	61,840,490	85,427,814	147,268,304
Deferred Outflows of Resources			
Deferred outflows of resources related to OPEB	1,575,522	553,562	2,129,084
Deferred outflows of resources related to pensions	679,968	70,467	750,435
Total deferred outflows of resources	2,255,490	624,029	2,879,519

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2025

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	602,433	995,925	1,598,358
Accrued liabilities	355,334	104,231	459,565
Unearned revenue	262,352	-	262,352
Current liabilities, payable from restricted assets:			
Accrued interest payable	1,607	53,626	55,233
Customer deposits	88,034	723,331	811,365
Construction contracts payable	-	509,343	509,343
Current portion of long-term obligations	387,256	1,189,255	1,576,511
Total current liabilities	1,697,016	3,575,711	5,272,727
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	1,539,179	7,004,122	8,543,301
Total other postemployment benefits	1,895,451	665,968	2,561,419
Net pension liability	299,555	299,548	599,103
Total noncurrent liabilities	3,734,185	7,969,638	11,703,823
Total liabilities	5,431,201	11,545,349	16,976,550
Deferred Inflows of Resources			
Deferred inflows of resources related to OPEB	937,560	329,413	1,266,973
Deferred inflows of resources related to pension	2,371,851	316,479	2,688,330
Lease related items	730,882	-	730,882
Total deferred inflows of resources	4,040,293	645,892	4,686,185
Net Position			
Net investment in capital assets	33,984,188	33,851,765	67,835,953
Restricted, net of payables from restricted assets:			
General government	521,456	-	521,456
Fire protection and public safety	5,628	-	5,628
Transportation programs	530,024	-	530,024
Library	86,803	-	86,803
Debt service	55,245	3,588,032	3,643,277
Capital projects	1,221,019	2,341,155	3,562,174
Pension Benefits	4,223,621	-	4,223,621
Unrestricted	13,996,502	34,079,650	48,076,152
Total net position	$ 54,624,486	$ 73,860,602	$ 128,485,088

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 6,559,316	$ 59,610	$ 243,600	$ -	$ (6,256,106)	$ -	$ (6,256,106)
Law enforcement	1,846,106	3,160	-	-	(1,842,946)	-	(1,842,946)
Fire protection	5,148,136	12,999	1,727,160	-	(3,407,977)	-	(3,407,977)
Building department	434,803	329,034	-	-	(105,769)	-	(105,769)
Physical environment	614,277	-	-	-	(614,277)	-	(614,277)
Transportation	1,502,158	224,157	7,431	-	(1,270,570)	-	(1,270,570)
Library	1,758,470	14,659	477,709	200,000	(1,066,102)	-	(1,066,102)
Parks and recreation	6,214,231	1,436,611	1,400	-	(4,776,220)	-	(4,776,220)
Interest on long-term debt	20,351	-	-	-	(20,351)	-	(20,351)
Total governmental activities	24,097,848	2,080,230	2,457,300	200,000	(19,360,318)	-	(19,360,318)
Business-type activities:							
Water and sewer	10,936,302	12,485,407	-	-	-	1,549,105	1,549,105
Solid waste	3,195,990	3,993,135	-	-	-	797,145	797,145
Stormwater	1,324,718	1,517,622	-	-	-	192,904	192,904
Total business-type activities	15,457,010	17,996,164	-	-	-	2,539,154	2,539,154
Total primary government	$ 39,554,858	$ 20,076,394	$ 2,457,300	$ 200,000	(19,360,318)	2,539,154	(16,821,164)
General revenues:							
Taxes:							
Property taxes					8,439,332	-	8,439,332
Utility taxes					3,306,505	-	3,306,505
Local business tax					143,031	-	143,031
Local option tax					2,868,626	-	2,868,626
Franchise fees					1,761,294	-	1,761,294
Sales tax					1,364,283	-	1,364,283
Intergovernmental Unrestricted					820,198	-	820,198
Investment income					799,586	1,427,817	2,227,403
Other					814,516	24,480	838,996
Gain on the sale of capital assets					104,380	201,539	305,919
Transfers					50,000	(50,000)	-
Insurance recoveries					91,944	1,352	93,296
Total general revenues and transfers					20,563,695	1,605,188	22,168,883
Change in net position					1,203,377	4,144,342	5,347,719
Net position, beginning					53,672,978	69,775,803	123,448,781
Restatement					(251,869)	(59,543)	(311,412)
Net position, beginning As Restated					53,421,109	69,716,260	123,137,369
Net position, ending					$ 54,624,486	$ 73,860,602	$ 128,485,088

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

CITY OF SAFETY HARBOR, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Other Non-major Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	$ 12,009,118	$ 1,422,094	$ 4,049,941	$ 3,272,177	$ 20,753,330
Receivables, net:					
Accounts receivable	818,600	2,676	8,523	56,643	886,442
Due from other governments	403,351	-	610,343	54,211	1,067,905
Inventories	67,123	-	-	-	67,123
Prepaid items	12,533	-	1,018	-	13,551
Advance to CRA	642,860	-	-	-	642,860
					-
Total assets	$ 13,953,585	$ 1,424,770	$ 4,669,825	$ 3,383,031	$ 23,431,211
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 322,499	$ 4,284	$ 212,781	$ 62,868	$ 602,432
Accrued liabilities	353,443	1,891	-	-	355,334
Customer deposits	82,594	-	-	5,440	88,034
Unearned revenue	260,336	-	-	2,016	262,352
Advance from Primary Government	-	642,860	-	-	642,860
Total liabilities	1,018,872	649,035	212,781	70,324	1,951,012
Deferred Inflows of Resources:					
Unavailable Revenue	8,932	-	282,430	17,670	309,032
Lease Related Items	730,882	-	-	-	730,882
Total Deferred Inflows of Resources	739,814	-	282,430	17,670	1,039,914
Fund Balances:					
Nonspendable:					
Advance from primary government	642,860	-	-	-	642,860
Inventories and prepaid items	79,656	-	1,018	-	80,674
Restricted for:					
General government	-	521,456	-	-	521,456
Fire protection	-	-	-	5,628	5,628
Transportation	-	-	-	530,024	530,024
Library	-	-	-	86,803	86,803
Debt service	-	-	-	56,852	56,852
Capital projects	-	-	1,221,019	-	1,221,019
Committed to:					
Emergency/disaster relief stabilization	4,571,656	-	-	-	4,571,656
Physical environment	-	-	-	275,937	275,937
Public safety	1,468,021	-	-	245,177	1,713,198
Assigned to:					
General government	-	254,279	-	-	254,279
Fire protection	-	-	-	11,489	11,489
Library	-	-	-	13,730	13,730
Parks and recreation	-	-	2,952,577	6,462	2,959,039
Public safety	-	-	-	24,709	24,709
Physical environment	-	-	-	93,351	93,351
Transportation	-	-	-	1,944,875	1,944,875
Unassigned:	5,432,706	-	-	-	5,432,706
Total fund balances	12,194,899	775,735	4,174,614	3,295,037	20,440,285
Total liabilities, deferred inflows of resources, and fund balances	**$ 13,953,585**	**$ 1,424,770**	**$ 4,669,825**	**$ 3,383,031**	**$ 23,431,211**

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

CITY OF SAFETY HARBOR, FLORIDA
RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund balances - total governmental funds			$ 20,440,285
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Governmental capital assets			
Non depreciable	$ 16,904,719		
Depreciable	57,278,400		
Less, accumulated depreciation/amortization	(39,354,602)		34,828,517
The net pension asset related to governmental activities does not represent financial resources and is not reported in the funds.			4,223,621
Deferred outflows of resources related to OPEB and net pension assets/(liabilities) do not have a current financial resources focus, and therefore are not recognized in the governmental fund statements.			2,255,490
Accrued interest payable on long-term debt does not represent the current use of financial resources and is not reported as a liability in the governmental funds			(1,607)
Deferred inflows of resources related to OPEB and net pension assets/(liabilities) and other post employee benefits do not have a current financial resources focus, and therefore are not recognized in the governmental fund statements			(3,309,411)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund.			
Unavailable revenues - Intergovernmental			8,932
Unavailable revenues - Local Option Tax			300,100
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Net pension liability	(299,555)		
Revenue notes	(559,531)		
Lease payable	(31,663)		
Compensated absences	(1,335,241)		
Other post employment benefits	(1,895,451)		(4,121,441)
Net position of governmental activities			$ 54,624,486

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Other Non-major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 7,375,972	$ 1,560,988	$ -	$ -	$ 8,936,960
Utility taxes	3,306,505	-	-	-	3,306,505
Local business tax	143,031	-	-	-	143,031
Local option tax	-	-	2,364,525	204,001	2,568,526
Franchise fees	1,761,294	-	-	-	1,761,294
Licenses and permits	57,643	-	-	-	57,643
Impact fees	-	-	-	11,842	11,842
Special assessments	-	-	-	220,390	220,390
Sales tax	1,364,283	-	-	-	1,364,283
Intergovernmental	3,216,660	-	-	-	3,216,660
Charges for services	1,598,096	-	-	151,577	1,749,673
Fines and forfeitures	40,682	-	-	-	40,682
Investment income	473,336	55,910	156,795	113,545	799,586
Contributions and donations	54,708	200,000	-	-	254,708
Other	814,516	-	-	-	814,516
Total revenues	20,206,726	1,816,898	2,521,320	701,355	25,246,299
Expenditures:					
Current operating:					
General government	6,075,586	132,504	-	-	6,208,090
Public safety					
Law enforcement	1,840,692	-	-	-	1,840,692
Fire protection	5,080,588	-	-	275	5,080,863
Building department	353,639	-	-	69,671	423,310
Physical environment	563,143	-	-	37,349	600,492
Transportation	568,582	-	23,553	371,744	963,879
Culture and recreation					
Library	1,447,330	-	-	-	1,447,330
Parks and recreation	4,929,916	-	-	5,746	4,935,662
Capital outlay	210,075	1,530,855	2,418,684	104,267	4,263,881
Debt service:					
Principal retirement	16,244	-	-	167,734	183,978
Interest and other charges	1,003	-	-	19,830	20,833
Total expenditures	21,086,798	1,663,359	2,442,237	776,616	25,969,010
Excess (deficiency) of revenues over (under) expenditures	(880,072)	153,539	79,083	(75,261)	(722,711)
Other financing sources (uses):					
Transfers in	305,740	-	300,000	631,590	1,237,330
Transfers out	(543,650)	(129,700)	(513,980)	-	(1,187,330)
Sale of capital assets	104,380	-	-	-	104,380
Insurance recoveries	91,944	-	-	-	91,944
Total other financing sources (uses)	(41,586)	(129,700)	(213,980)	631,590	246,324
Net change in fund balances	(921,658)	23,839	(134,897)	556,329	(476,387)
Fund balances, beginning of year	13,116,557	751,896	4,309,511	2,738,708	20,916,672
Fund balances, end of year	$ 12,194,899	$ 775,735	$ 4,174,614	$ 3,295,037	$ 20,440,285

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

CITY OF SAFETY HARBOR, FLORIDA
RECONCILIATION TO 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		$ (476,387)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditure for capital assets	$ 4,263,881	
Less, current year depreciation and amortization	(2,845,639)	1,418,242
Debt issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal on long-term debt is reported as an expenditure in governmental funds, but a reduction of long-term liabilities in the statement of net position.		
Principal payments on notes	167,734	
Principal payment on leases	16,245	183,979
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund.		
Unavailable revenues - Taxes		(497,628)
Unavailable revenues - Intergovernmental		6,130
Unavailable revenues - Local option tax		300,100
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Pension related amounts	602,511	
Accrued interest on long-term debt	481	
Compensated absences	(146,939)	
Other post employment benefits	(187,112)	268,941
Change in net position - governmental activities		$ 1,203,377

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Water And Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
Assets				
Current assets:				
Pooled cash and investments	$ 21,886,837	$ 7,020,010	$ 5,727,989	$ 34,634,836
Accounts receivable, net:				
Accounts receivable	1,296,995	285,379	110,940	1,693,314
Inventories	220,187	-	-	220,187
Prepaid items	2,500	-	-	2,500
Restricted assets:				
Pooled cash and investments:				
Sinking fund	52,015	575	1,036	53,626
Customer deposits	668,344	54,987	-	723,331
Total current assets	24,126,878	7,360,951	5,839,965	37,327,794
Noncurrent assets:				
Restricted pooled cash and investments:				
Sinking fund	3,178,997	140,928	268,107	3,588,032
Capital projects	2,341,155	-	-	2,341,155
Capital assets:				
Nondepreciable	10,578,347	-	1,392,894	11,971,241
Depreciable, net of accumulated depreciation/amortization	23,367,046	1,703,716	5,128,830	30,199,592
Total noncurrent assets	39,465,545	1,844,644	6,789,831	48,100,020
Total assets	63,592,423	9,205,595	12,629,796	85,427,814
Deferred outflows of resources				
Deferred outflows of resources related to OPEB	340,653	170,327	42,582	553,562
Deferred outflows of resources related to pensions	-	52,851	17,616	70,467
Total deferred outflows of resources	340,653	223,178	60,198	624,029
Liabilities				
Current liabilities:				
Accounts payable	425,785	465,362	104,778	995,925
Accrued liabilities	63,701	29,273	11,257	104,231
Current liabilities, payable from restricted assets:				
Accrued interest payable	52,015	575	1,036	53,626
Customer deposits	668,344	54,987	-	723,331
Construction contracts and retainage payable	509,343	-	-	509,343
Current portion of long-term obligations:				
Compensated absences	19,148	6,765	2,860	28,773
Bonds and notes payable	959,818	48,037	86,642	1,094,497
Lease payable	29,459	214	214	29,887
SBITA payable	36,098	-	-	36,098
Total current liabilities	2,763,711	605,213	206,787	3,575,711
Noncurrent liabilities:				
Compensated absences	236,158	83,440	35,281	354,879
Other post employment benefits	409,828	204,914	51,226	665,968
Net pension liability	-	224,663	74,885	299,548
Bonds and notes payable	6,188,791	147,460	265,959	6,602,210
Lease payable	5,502	300	300	6,102
SBITA payable	40,931	-	-	40,931
Total noncurrent liabilities	6,881,210	660,777	427,651	7,969,638
Total liabilities	9,644,921	1,265,990	634,438	11,545,349
Deferred inflows of resources				
Deferred inflows of resources related to OPEB	202,716	101,358	25,339	329,413
Deferred inflows of resources related to pensions	-	237,359	79,120	316,479
Total deferred inflows of resources	202,716	338,717	104,459	645,892
Net position				
Net investment in capital assets	26,175,451	1,507,705	6,168,609	33,851,765
Restricted for:				
Debt service	3,178,997	140,928	268,107	3,588,032
Capital projects	2,341,155	-	-	2,341,155
Unrestricted	22,389,836	6,175,433	5,514,381	34,079,650
Total net position	$ 54,085,439	$ 7,824,066	$ 11,951,097	$ 73,860,602

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Water And Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
Operating revenues				
Charges for services	$ 12,485,407	$ 3,993,135	$ 1,517,622	$ 17,996,164
Other	17,462	7,018	-	24,480
Total operating revenues	12,502,869	4,000,153	1,517,622	18,020,644
Operating expenses				
Salaries, wages, and employee benefits	2,119,945	1,114,397	418,398	3,652,740
Materials and supplies	281,622	340,240	121,029	742,891
Contractual and other services	5,627,976	1,285,227	376,366	7,289,569
Depreciation and amortization	2,770,458	453,454	404,121	3,628,033
Total operating expenses	10,800,001	3,193,318	1,319,914	15,313,233
Operating income	1,702,868	806,835	197,708	2,707,411
Nonoperating revenue (expenses)				
Investment income	925,140	258,823	243,854	1,427,817
Interest and other charges	(136,301)	(2,672)	(4,804)	(143,777)
Insurance recoveries	1,352	-	-	1,352
Gain on the sale of capital assets	166,324	-	35,215	201,539
Total nonoperating revenue (expenses)	956,515	256,151	274,265	1,486,931
Transfers				
Transfers out	(50,000)	-	-	(50,000)
Total transfers	(50,000)	-	-	(50,000)
Change in net position	2,609,383	1,062,986	471,973	4,144,342
Net position - beginning of year	51,512,307	6,780,965	11,482,531	69,775,803
Restatement of beginning net position due to implementation of GASB 101	(36,251)	(19,885)	(3,407)	(59,543)
Net position - beginning, restated	51,476,056	6,761,080	11,479,124	69,716,260
Net position - end of year	$ 54,085,439	$ 7,824,066	$ 11,951,097	$ 73,860,602

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Water And Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
Cash flows from operating activities:				
Cash received from customers	$ 12,545,474	$ 4,032,220	$ 1,539,351	$ 18,117,045
Other operating and intergovernmental revenue	17,462	14,735	-	32,197
Cash paid to suppliers for goods and services	(6,134,258)	(1,304,121)	(567,982)	(8,006,361)
Cash payments to and for the benefit of employees	(2,065,211)	(1,239,571)	(442,544)	(3,747,326)
Cash provided by operating activities	4,363,467	1,503,263	528,825	6,395,555
Cash flows from capital and related financing activities:				
Transfers out	(50,000)	-	-	(50,000)
Insurance recoveries	1,352	-	-	1,352
Principal payments on long-term debt and leases and SBITAs	(1,019,125)	(47,718)	(85,877)	(1,152,720)
Interest payments on long-term debt and leases and SBITAs	(142,183)	(2,811)	(5,056)	(150,050)
Proceeds from the sale of capital assets	166,324	-	35,215	201,539
Acquisition and construction of capital assets	(1,850,714)	(804,374)	(1,878,228)	(4,533,316)
Cash provided/(used) by capital and related financing activities	(2,894,346)	(854,903)	(1,933,946)	(5,683,195)
Cash flows from investing activity:				
Interest and dividends on investments	918,509	256,011	243,497	1,418,017
Cash provided by investing activities	918,509	256,011	243,497	1,418,017
Net increase (decrease) in pooled cash and investments	2,387,630	904,371	(1,161,624)	2,130,377
Pooled cash and investments at beginning of year	25,739,718	6,312,129	7,158,756	39,210,603
Pooled cash and investments at end of year	$ 28,127,348	$ 7,216,500	$ 5,997,132	$ 41,340,980

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Water And Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
Reconciliation of cash and investments to Statement of Net Position:				
Total unrestricted pooled cash and investments	$ 21,886,837	$ 7,020,010	$ 5,727,989	$ 34,634,836
Total restricted pooled cash and investments	6,240,511	196,490	269,143	6,706,144
Total pooled cash and investments	$ 28,127,348	$ 7,216,500	$ 5,997,132	$ 41,340,980
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 1,702,868	$ 806,835	$ 197,708	$ 2,707,411
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	2,770,458	453,454	404,121	3,628,033
Change in operating assets and liabilities:				
Decrease (increase) in accounts receivable	19,874	39,085	21,729	80,688
Decrease (increase) in due from other governments	-	7,717	-	7,717
Decrease (increase) in inventories	16,068	-	-	16,068
Decrease (increase) in deferred outflows	1,719	82,542	13,177	97,438
Increase (decrease) in accounts payable	(240,728)	321,346	(70,587)	10,031
Increase (decrease) in pension and other accrued liabilities	423	(118,934)	(41,588)	(160,099)
Increase (decrease) in deferred inflows	75,045	10,405	5,661	91,111
Increase (decrease) in customer deposits	40,193	-	-	40,193
Increase (decrease) in OPEB	(49,530)	(82,185)	(6,192)	(137,907)
Increase (decrease) in accumulated unused compensated absences	27,077	(17,002)	4,796	14,871
Net cash provided by operating activities	$ 4,363,467	$ 1,503,263	$ 528,825	$ 6,395,555
Non cash investing, capital, and financing activities:				
Construction contracts payable at year end	$ 509,343	$ -	$ -	$ 509,343
Change in fair value of investments	508,102	123,592	117,999	749,693

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

	Pension Trust Fund
Assets	
Cash and cash equivalents:	
Money market	$ 159,849
Investments, at fair value:	
Equity securities	13,667,066
U.S. Treasury Bonds, Notes and Bills	6,154,175
Total investments	19,821,241
Accounts receivable	20,545
Total assets	20,001,635
Net position	
Restricted for pension benefits	18,614,443
Restricted for pension benefits - Share Plan	1,387,192
Total net position	$ 20,001,635

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Pension Trust Fund
Additions	
Contributions:	
State	$ 191,749
City	450,537
Employees	163,811
Total contributions	806,097
Investment income:	
Interest earnings and net decrease in the fair value of investments	1,529,753
Total additions	2,335,850
Deductions	
Administrative expenses	55,157
Distributions	176,493
Total deductions	231,650
Change in net position	2,104,200
Net position - beginning of year	17,897,435
Net position - end of year	$ 20,001,635

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Safety Harbor, Florida (the City) is a political subdivision of the state of Florida. The City was originally incorporated on June 11, 1917, and in 1982, the citizens of the City ratified the current City Charter (the Charter). The Charter provides for a Commission-Manager form of government. The City was created under legal authority of Chapter 61-2735, laws of Florida, which was subsequently amended by and adopted as ordinance No. 92-36 on December 21, 1992, and passed at referendum on March 9, 1993. The government of the City is operated by the authority of the powers granted by its Charter, as limited by the State Legislature. The City provides a full complement of municipal services, except for certain education, health, and welfare services, which are administered by other governmental entities.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units, in accordance with the Governmental Accounting Standards Board (GASB). The more significant accounting policies established under GAAP and used by the City are discussed below.

The Reporting Entity

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable, and, as such, be included in the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Management has determined that the Community Redevelopment Agency is the only organization that should be included in the City's financial statements as a blended component unit.

Blended Component Unit

The Community Redevelopment Agency (CRA) was created in 1992 pursuant to Chapter 163.356, Florida Statutes, City Ordinance 92-24, and City Resolutions 92-25 and 92-26. The City Commission serves as the CRA Board and there is a financial benefit or burden relationship between the City and the CRA. Although legally separate, the CRA is appropriately blended as a special revenue fund type component unit into the primary government. Separate financial statements are prepared for the CRA. Requests for additional information should be addressed to the Finance Director, City of Safety Harbor, 750 Main Street, Safety Harbor, Florida 34695, via the City's website http://www.cityofsafetyharbor.com).

The City includes advisory boards and commissions within the City in its financial statements in circumstances where the City selects the governing authority, designates management, has the ability to influence operations, and has accountability for fiscal matters of the advisory boards and commissions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole, excluding fiduciary activities, such as employee pension plans. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in a whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the function's program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions, which finance annual operating activities; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues. As a general rule, interfund accounts and transactions are eliminated.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for nonmajor funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied.

The government-wide financial statements are presented on the accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis of accounting.

All proprietary funds are maintained on the accrual basis of accounting with revenues being recognized when earned and expenses recognized when incurred. Operating revenues and expenses of the proprietary funds are defined revenues or expenses related to the provision of the applicable service. Non-operating revenues and expenses include items unrelated to the provision of services.

Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after yearend to pay liabilities of the current period (i.e., within 60 days of the end of the current fiscal period). Revenues which are susceptible to accrual are as follows: water, sewer and solid waste collection revenue, state revenue sharing, franchise fees, local infrastructure tax, and intergovernmental grants.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Expenditures are recognized at the time the fund liability is incurred, if measurable. Interest and principal payments on general long-term debt and compensated absences are recognized when paid. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

Measurement Focus

The governmental fund measurement focus (in the fund financial statements) is based on determination of financial position and changes in financial position rather than on net income. The proprietary fund measurement focus is on the determination of operating income, changes in net position, and cash flows similar to businesses in the private sector.

Fund Accounting

To ensure observance of limitations and restrictions on the use of the available resources, the financial records and accounts are maintained in accordance with the principles of fund accounting. The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues and expenditures or expenses.

The fund financial statements are presented to emphasize the major funds of the City. GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, sets forth criteria for the determination of major funds. The general fund is always a major governmental fund. Based on the criteria of GASB No. 34, community redevelopment agency and capital projects funds are also considered major governmental funds. The combined total of nonmajor funds is reflected as other governmental funds. For the business-type activities, the water and sewer, solid waste, and stormwater funds are considered major funds. There are no other business-type activity funds for consideration. The fund financial statements are prepared on the modified accrual basis for governmental activities and the accrual basis for business-type activities.

Governmental Fund Types

Governmental fund types are as follows:

- General Fund – accounts for and reports for all financial resources not accounted for in another fund.
- Community Redevelopment Agency – accounts for and reports the proceeds of property tax revenue restricted for financing or refinancing community redevelopment pursuant to the City's adopted community redevelopment plan.
- Capital Projects Fund – accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlay.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Proprietary Fund Types

Proprietary fund types are as follows:

- Water and Sewer – accounts for the provision of water and sewer services to the residents of the City and some county residents. All activities necessary to the provision of these services are accounted for in this fund, including, but not limited to, administration and system maintenance.
- Solid Waste – accounts for the provision of solid waste removal service to the residents of the City. All activities necessary to the provision of this service are accounted for in this fund.
- Stormwater Utility Fund – accounts for the provision of stormwater and drainage services to the City and some County residents. All activities necessary to the provision of this service are accounted for in this fund.

Fiduciary Fund Type

- Fiduciary fund includes the pension trust fund. The measurement focus of the pension trust fund is similar to proprietary funds. Trust funds are used to account for assets held by the City in a trustee capacity. The City reports the Retirement Plan for the Firefighters of the City of Safety Harbor as a pension trust fund.

Interfund Activity

Interfund activity is reported as loans, services provided reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements to a fund for payments initially made, but which are applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are treated as transfers. Interfund services provided and used are not eliminated in the process of consolidation. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide statements.

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

a. At least thirty days prior to October 1, the Budget Officer submits to the City Commission an operating budget and an explanatory message. The budget message contains an outline of the proposed financial policies for the fiscal year: (1) identifies any important changes from the current year in revenue items or appropriations, (2) lists pending funding, (3) presents a complete program and financial plan for the appropriation of expenditures, and (4) presents anticipated revenues and revenue sources.

b. Public hearings are conducted by the City Commission as required by state and federal law to obtain taxpayer comments on the proposed budget.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

c. The budget is adopted by a majority of all members of the City Commission not later than three days before October 1.

d. The City Manager is authorized to transfer budgeted amounts between line items within a department; however, any revisions that alter the total expenditures of any department must be approved by the City Commission.

e. Budgets for the general, special revenue, debt service, and capital projects funds are adopted on a basis consistent with GAAP. Budgeted amounts are, as originally adopted or as amended, in accordance with City Ordinance.

Section 7.28 of the City's Code of Ordinances prohibits the expenditure of any money or the incurrence of any liability in excess of the amounts appropriated for these general classifications of expenditures: personal services, contractual and other services, materials and supplies, capital outlay, and debt service.

During the current year, the following funds had an incurrence of expenditures in excess of the appropriated amounts:

- General Fund – Contractual and Other Services, Capital outlay, and Debt service
- Public Safety Fund – Contractual and Other Services
- City Tree Bank Fund – Contractual and Other Services
- Library Impact Fee Fund – Capital Outlay
- Capital Projects Fund – Contractual and Other Services
- Solid Waste Fund – Materials and Supplies

Appropriations for outstanding authorized encumbrances are automatically re-appropriated on October 1 of the new budget year without any further action by City Commission per Section 7.13 of City Code. However, it is management's policy to request City Commission re-appropriate unexpended or unencumbered appropriations in the succeeding year's budget.

Pooled Cash and Investments

The City utilizes a consolidated cash pool to account for cash and investments of all City funds other than those which are required by ordinance to be physically segregated. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield which are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds.

Investments in U.S. government agencies, collateralized mortgage obligations and mortgage-backed securities are recorded at fair value, as determined by quoted market prices. If quoted market prices are not available, fair values are estimated on the basis of dealer quotes, pricing models, or quoted prices for instruments with similar characteristics. Florida PRIME, operated by the Florida State Board of Administration, currently meets all of the necessary GASB 79 criteria to elect to measure all of the investments in Florida PRIME at amortized cost; therefore, are valued at amortized cost.

Cash Equivalents

For purposes of the statement of cash flows, the proprietary funds consider pooled cash and investments to be cash equivalents since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Receivables

Utility (water and sewer, solid waste, and stormwater) operating revenues are generally recognized on the basis of cycle billings rendered monthly. The City recognizes as revenue the estimated unbilled consumption as of September 30. The City has recorded an allowance for potentially uncollectible water and sewer, solid waste, and stormwater billings. The City's General Fund includes $3,686,148 in code enforcement lien receivables, of which approximately 97.8% ($3,605,841) has been recorded as uncollectible.

Property Taxes

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the Pinellas County Property Appraiser and the Pinellas County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit cities to levy property taxes at a rate of up to 10 mils. The millage rate in effect for the fiscal year ended September 30, 2025, was 3.9500.

The tax levy of the City is established by the City Commission prior to October 1 of each year and the Pinellas County Property Appraiser incorporates the millage into the total tax levy, which includes the tax requirements of the municipalities, independent districts, and the Pinellas County School Board.

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

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Pinellas County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Currently a lien is placed on the property. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest up to 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by Pinellas County.

Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Inventories and Prepaids

Inventories are stated at cost (determined on the first-in, first-out method). Equipment and office supply inventories in the governmental funds are accounted for by the purchase method where inventories are recorded as expenditures when they are acquired. The unused balance is reclassified from expenditure to inventory at year end, and a portion of fund balance is considered nonspendable for the balance of these inventories on hand at year-end. Fuel inventory in the governmental funds is accounted for by the consumption method, where inventories are recorded as expenditures when used.

The following is the breakdown of governmental fund inventories on September 30, 2025:

Equipment supplies	$	32,273
Fuel supplies		34,850
	$	67,123

Certain advance payments to vendors, i.e., insurance premiums, reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and individual fund financial statements. The cost of these items are recorded as expenditures when consumed rather than when purchased. Prepaid items are equally offset by non-spendable fund balance and are not available for spending even though they are a component of net current assets.

Capital Assets

The City's property, plant, equipment, right-to-use leased equipment, subscription-based technology arrangements, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary capital assets are also reported in their respective fund financial statements. Donated assets are stated at acquisition value on the date donated. Acquisition value represents the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at acquisition date. The City generally capitalizes assets with a cost of $5,000 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated/amortized using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation/amortization are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

The estimated useful lives of the various classes of depreciable assets are as follows:

Assets	Years
Buildings	10 - 50
Infrastructure	5 - 50
Machinery and equipment	3 - 15

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Subscription-based Information Technology Arrangements (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

Long-Term Obligations

In the government-wide financial statements and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and deferred outflows of resources or deferred inflows of resources are amortized over the life of the related debt using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of bond premiums or discounts.

In the separate fund financial statements, governmental fund types recognize bond premiums and discounts as other financing sources. Premiums received on issuance of debt are reported as other financing sources while discounts on issuance of debt are reported as other financing uses. Issuance costs, whether or not withheld from the actual issuance of debt received, are reported as debt service expenditures.

Postretirement Health and Life Insurance Benefits

The City makes healthcare insurance available for eligible retirees through the City's group health insurance plan, which covers both active and retired members. Retirees pay the full cost of healthcare insurance, which is a single, blended premium rate that is used for both active employees and retired members.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Unearned Revenue

The government-wide financial statements as well as in governmental, proprietary, and fiduciary fund financial statements, can report as unearned revenue resources that have been received but not yet earned.

Recreation, library, and special events revenues received but not yet earned total $262,352.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent 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 deferred outflows of resources reported in the City's statement of net position pertain to one or more of the City's pension plans: the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the Firefighters' Pension Plan. These amounts will be recognized as increases in pension expense in future years.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the City's statement of net position pertain to one or more of the City's pension plans: the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the Firefighters' Pension Plan. These amounts will be recognized as reductions in pension expense in future years. The statement of net position and governmental funds balance sheet also report a deferred inflow of resources related to leases. The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Fund Balances

Governmental funds

The City Commission established and adopted by resolution a fund balance policy consistent with the Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The City's policy identifies the classification of fund balances as follows:

- Non-spendable fund balance cannot be spent because it is not in spendable form, legally or contractually required to be maintained intact or is not yet available for spending. The City reports inventories and prepaids as fund balance amounts that are not in spendable form.
- Restricted fund balance is restricted for specific purposes that are either externally imposed by creditors, grantors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The City's Special Revenue fund balance policy accounts for the following funds as restricted:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Public Safety Fund
The Public Safety fund is used to account for and report the proceeds of impact fee revenue r*estricted* for public safety related capital improvements limited to facilities, vehicles, and equipment for firefighting and fire protection services and for emergency medical services. The Public Safety fund is restricted per Pinellas County Resolution Number 09-38, Chapter 62, Pinellas County Code, and Section 163.31801, Florida Statutes.

Street Improvement Fund
The Street Improvement fund is used to account for and report the proceeds of the local option gas tax restricted to transportation expenditures per Section 336.025, Florida Statutes, as may be amended.

Library Impact Fee Fund
The Library Impact Fee fund is used to account for and report the proceeds of library impact fee funds *restricted* for financing of capital and resource expansion of the City's Library in accordance with standards established by the Florida Library Association. The Library Impact Fee Fund is restricted per Section 163.31801, Florida Statutes, as may be amended.

Street Assessment Fund
The Street Assessment fund is used to account for and report the proceeds of special assessment revenue *restricted* for financing capital improvements for streets pursuant to Section 170.01, Florida Statutes, as may be amended.

Community Redevelopment Agency Fund
The Community Redevelopment Agency fund is used to account for, and report proceeds of revenue *restricted* for financing or refinancing community redevelopment pursuant to Section 163.370, Florida Statutes, as may be amended.

Capital Projects Fund
The Capital Projects fund is used to account for and report the proceeds of the local government infrastructure (Penny for Pinellas) discretionary sales tax that is *restricted* for the purpose of capital outlay, including the acquisition or construction of new facilities and other capital assets, pursuant to Section 212.055(2), Florida Statutes, as may be amended.

Street Lighting Fund
The Street Lighting Fund is used to account for the proceeds of special assessment revenue *restricted* to expenditure for street lighting services and facilities charges pursuant to Section 170.201, Florida Statutes, as may be amended.

Debt Service Fund
The Debt Service fund is used to account for and report resources that are *restricted* to expenditure for principal and interest of debt service pursuant to bond covenants.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

- In the event the City no longer expects that a substantial portion of Special Revenue Fund inflows will be derived from restricted or committed revenue sources, the City may discontinue reporting these funds as a Special Revenue Fund and report the funds remaining as resources in the General Fund.

- Committed fund balance may only be used for specific purposes as imposed by formal action of the City Commission, which is the highest level of decision-making authority. Commitments of fund balance may only be removed or changed by taking the same type of action formally used to commit the amount, which is by resolution.

  Marina Fund
  The Marina fund is used to account for and report the proceeds from marina slip rentals that are *committed* for the specific purpose of marina expenditures, including operating, maintenance and capital outlay and improvements.

  City Tree Bank Fund
  The City Tree Bank fund is used to account for and reports the proceeds from fines and mitigation for tree removal fees collected in lieu of replacing protected trees that are *committed* for the specific purpose of purchasing trees for use on city property or for use in a City sponsored reforestation program within the City limits; for the payment of fees by the City to a landscape professional or certified arborist for educating City Staff or the general public with regard to tree protection and preservation; or, for such other services or programs deemed to further the intent of Article X, Section 153.07(F) of the City of Safety Harbor Land Development Code.

  Stabilization Arrangement
  Commitment of general fund balance may be made by the City Commission by authorizing resolution for such purposes including, but not limited to, a) meeting future obligations resulting from a natural disaster; b) accumulating resources pursuant to a stabilization arrangement; and/or c) setting aside amounts for specific projects. Once a fund balance has been committed, the City Commission may only change the classification upon duly adopted resolution. The City maintains at a minimum, a fund balance of twenty (20) percent of General Fund operating expenditures based on the current year's adopted budget, including amendments thereto, committed for the specific purpose for use in the event of a major storm or other unforeseen disaster of a nonrecurring character, including environmental damage, flood, fire or tornado; provided that if federal or state funds are received to offset appropriations for such purposes, such monies shall be returned to the Stabilization Arrangement. Replenishment of the stabilization arrangement will be from Unassigned Fund Balance over a period of five (5) years. On September 30, 2025, the fund balance committed for stabilization is $4,571,656.

  Fire Engine Purchase Agreement
  On January 17, 2023, City commission signed a purchase agreement with Ten-8 Fire and Safety, LLC for a fire ladder truck to replace an aging unit. The current timeline for building and delivering the apparatus is four years, with delivery expected in 2026. While the cost of the project is budgeted in the City's FY25/26 Capital Improvement Plan, the City commission committed $1,468,021 City of Safety Harbor reserves beginning in fiscal year 2025 to secure funding until project completion.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

- Assigned fund balance is established by City Commission or City Management, the City Manager, and is intended to be used for specific purposes, which are neither considered restricted nor committed. The subsequent year's budgeted fund balance shall be assigned by the City Commission and/or City Management (the City Manager) as set forth in the annual budget, and any amendments thereto, to appropriate a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount not to exceed the projected excess of estimated expenditures over estimated revenues, transfers, and other financing sources.

- Unassigned fund balance is the residual classification for the general fund that has not been assigned to other funds and has not been restricted, committed, or assigned to a specific purpose within the general fund. The City Commission adopted a resolution whereby there shall be a targeted minimum unassigned fund balance of two months or seventeen (17) percent of General Fund operating expenditures based on the prior year's audited financial statements. This minimum unassigned fund balance shall be in addition to all other categories of unrestricted fund balances.

The spending order of fund balances as established by the City is to first spend restricted amounts when both restricted and unrestricted fund balances are available, unless there are legal restrictions that prohibit such action, such as grant agreements that require a dollar match. Additionally, when expenditures are incurred for purposes for which unrestricted fund balances could be used, the City shall first spend committed fund balance, followed by assigned fund balance, and then unassigned fund balance.

Restrictions on Net Position (Proprietary and Government-Wide)

Net position represents the difference between assets and liabilities. The net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. All net position not reported as net investment in capital assets or restricted net position, is reported as unrestricted net position.

Fiduciary Fund Type

Fiduciary net position is used to indicate that a portion of net position that is not available for appropriation or expenditure or are legally segregated for a specified future use.

NOTE 2 – DEPOSITS AND INVESTMENTS:

Equity in Pooled Cash and Investments

On September 30, 2025, the carrying amount of the City's deposits with financial institutions, excluding fiduciary funds, was $5,911,018 and the bank account balance was $6,255,529. The City's cash deposits were fully insured by federal depository insurance or by collateral held by the City's agent pursuant to the Public Depository Security Act of the State of Florida. This act establishes a multiple financial institution collateral pool in which all financial institutions holding public deposits pledge a pool of collateral against all public deposits they collectively hold. In the event of a default or insolvency by a qualified public depository, any loss not covered by deposit insurance or the proceeds from the sale of securities pledged by the defaulting depository is covered by an assessment against the other qualified public depositories of the same type as the depository in default. The assessment is based upon the average share of the public fund deposits held by each of these depositories during the previous 12 months in relation to total public deposits held by all depositories of the same type during the same period.

Pooled Cash and Investments	Carrying Amount	% of Portfolio	Weighted average maturity (years)	Credit Rating
Cash and cash equivalents				
Cash on hand	$ 1,469	-	n/a	n/a
Cash in bank	5,911,018	-	n/a	n/a
Total cash and cash equivalents	5,912,487	9.52%		
Investments				
Certificates of Deposit	4,062	0.01%	0.80	AAA
Money Markets	8,349,445	13.45%	0.00	AAAm
SBA Florida PRIME	22,503,895	36.24%	1.00	AAAm
Federal Home Loan Mortgage ARM FHLMC	1,006,504	1.62%	26.67	AAA
Federal Home Loan Mortgage CMO FHLMC	3,463,539	5.58%	19.22	AAA
Federal Home Loan Mortgage MBS FHLMC	1,366,646	2.20%	21.10	AAA
Government National Mortgage Association ARM GNMA	60,530	0.10%	14.60	AAA
Government National Mortgage Association CMO GNMA	5,861,062	9.44%	19.41	AAA
Government National Mortgage Association MBS GNMA	1,182,954	1.91%	14.25	AAA
Federal National Mortgage Association ARM FNMA	6,218	0.01%	15.17	AAA
Federal National Mortgage Association CMO FNMA	6,867,099	11.06%	24.22	AAA
Federal National Mortgage Association MBS FNMA	5,509,869	8.87%	9.95	AAA
Federal Home Loan Bank Agency	-	0.00%	0.00	AAA
Total investments	56,181,823			
Total pooled cash and investments	$ 62,094,310	100.00%		

Equity in Pooled Investments

Custodial Risk

Custodial credit risk is the risk that a government will not be able to recover deposits or the value of investments in the event of the failure of a depository financial institution or a third party holding the investments' securities. All investments are held in the name of the City and all-time deposits are maintained with qualified public depositories, as previously discussed.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

Credit Risk

Credit quality risk results from potential default of investments that are not financially sound. Florida Statutes (166.261 and 218.415) and the City's investment policy authorize the City to invest surplus public funds in:

- The Local Government Surplus Funds Trust Fund;
- Direct obligations of the United States Government;
- Obligations guaranteed by the U.S. Government as to principal and interest;
- Interest bearing time deposits or savings accounts:
  - In banks organized under the laws of Florida,
  - In national banks organized under the laws of the United States and doing business and situated in the state of Florida,
  - In savings and loan associations which are under the state of Florida's supervision and in federal savings and loan associations located in Florida and organized under federal law and federal supervision;
  - Financial institution must be approved as a qualified public depository by the State of Florida, Department of Insurance and Treasurer;
- Obligations of the Federal Home Loan Mortgage Corporation; Federal Home Loan Mortgage Corporation Participation Certificates; Obligations of the Federal Home Loan Banks or its district banks; Obligations guaranteed by the Government National Mortgage Association.

The City does not have a policy with respect to credit rating limitations beyond the types of authorized investments.

The City is a participant in the State of Florida State Board of Administration (SBA) Local Government Surplus Funds Trust Fund (Florida PRIME). The SBA Florida PRIME, with a current Standard & Poor's rating of AAAm. The SBA is authorized to administer and invest Florida PRIME consistent with Chapter 215.47, Florida Statutes. Florida PRIME meets all the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, which approximates fair value. The weighted average days to maturity on September 30, 2025, was 47 days. The investment policy of Florida PRIME is to manage the dollar weighted average maturity to 73 days or less.

On September 30, 2025, the fair value of the City's investments in Florida PRIME was $22,503,895 with no liquidity restrictions.

Qualifying local government investment pools in the state of Florida must comply with applicable Florida statutory requirements. Chapter 218.409(8)(a), Florida Statutes, states that the principal balance within an LGIP trust fund is subject to withdrawal at any time. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest in the monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council.

With regard to liquidity fees, Chapter 218.409(4) provides authority for an LGIP to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made by the SBA.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the quantity of the government's investment in a single user. Pursuant to the City's investment policy, the City diversifies its portfolio to control risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific instrument and/or class of instruments. This is accomplished by limiting investments to avoid over concentration from a specific issuer or business sector, limiting investments in securities that have higher credit risk, investing in securities with varying maturities, and continuously investing in readily available funds.

The following table shows the City's level of investment in each financial instrument issuer as a percentage of total investments along with the maximum allowed concentration by investment type.

Investment Types	Concentration at Fair Value	Percentage Pooled Investments	Maximum Portfolio Composition per Investment Policy
Certificates of Deposit	$ 4,062	0.01%	20.00%
Money Markets	8,349,445	14.86%	10.00%
SBA Florida PRIME	22,503,895	40.06%	25.00%
US/Government Agencies			
Federal Home Loan Mortgage ARM FHLMC	1,006,504	1.79%	
Federal Home Loan Mortgage MBS FHLMC	1,366,646	2.43%	
Government National Mortgage Association ARM GNMA	60,530	0.11%	
Government National Mortgage Association MBS GNMA	1,182,954	2.11%	
Federal National Mortgage Association ARM FNMA	6,218	0.01%	
Federal National Mortgage Association MBS FNMA	5,509,869	9.81%	
Federal Home Loan Bank Agency	-	0.00%	
Total US/Government Agencies	9,132,721	16.26%	75.00%
Collateralized Mortgage Obligations (CMO's)			
Federal Home Loan Mortgage CMO FHLMC	3,463,539	6.16%	
Government National Mortgage Association CMO GNMA	5,861,062	10.43%	
Federal National Mortgage Association CMO FNMA	6,867,099	12.22%	
Total Collateralized Mortgage Obligations (CMO's)	16,191,700	28.82%	75.00%
	$ 56,181,823	100.00%	

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to the City's investment policy, the City manages exposure to declines in fair value caused by rising interest rates by not investing in securities having a maturity date of more than five years from the date of purchase. Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturity of such investments is made to coincide as nearly as practical with the expected use of the funds. Investment maturities are also laddered (staggered) throughout the year so that a portion of investments mature monthly, which further reduces exposure to declines in fair value. In addition, it is the City's practice to hold all investments until maturity, therefore, decline in fair value, if any, caused by rising interest rates are recognized for accounting purposes, but are never realized. Maturities of the City's investment portfolio are displayed in the table below.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

Investment Types	Fair Value	0 to 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	More than 4 Years
Certificates of Deposit	$ 4,062	$ 4,062	$ -	$ -	$ -	$ -
Money Markets	8,349,445	8,349,445	-	-	-	-
SBA Florida PRIME	22,503,895	22,503,895	-	-	-	-
Federal Home Loan Mortgage ARM FHLMC	1,006,504	-	-	-	-	1,006,504
Federal Home Loan Mortgage CMO FHLMC	3,463,539	-	41,000	21,934	-	3,400,605
Federal Home Loan Mortgage MBS FHLMC	1,366,646	3,541	-	44,804	-	1,318,301
Government National Mortgage Association ARM GNMA	60,530	-	-	-	-	60,530
Government National Mortgage Association CMO GNMA	5,861,062	-	-	-	-	5,861,062
Government National Mortgage Association MBS GNMA	1,182,954	-	-	-	-	1,182,954
Federal National Mortgage Association ARM FNMA	6,218	-	-	-	-	6,218
Federal National Mortgage Association CMO FNMA	6,867,099	-	-	-	8,926	6,858,173
Federal National Mortgage Association MBS FNMA	5,509,869	6,917	112,077	275,850	-	5,115,025
Federal Home Loan Bank Agency	-	-	-	-	-	-
	$ 56,181,823	$ 30,867,860	$ 153,077	$ 342,588	$ 8,926	$ 24,809,372

City's Firefighter Pension Plan Deposit and Investments

The City participates in the Florida Municipal Pension Trust Fund which invests assets in the Florida Municipal Investment Trust (FMIvT). The FMIvT is a Local Government Investment Pool (LGIP) administered by the Florida League of Cities for the Firefighters' Pension Plan. The FMIvT is an authorized investment under Section 163.01, Florida Statutes used to invest surplus and pension funds. The FMIvT is governed by a Board of Trustees consisting of the president and second vice president of the Florida League of Cities, two representatives who are appointed from the Florida Municipal Insurance Trust and up to three members who are elected officials of governmental entities actively participating in the FMIvT.

Credit Risk

Credit risk exists when there is a possibility the issuer, or other counterparty to an investment, may be unable to fulfill its obligations. The FMIvT is considered an external investment pool for GASB reporting requirements. The City is a participating employer in the FMPTF and has a beneficial interest in shares of the FMIvT portfolio – 401(a) Defined Benefit/OPEB. The City's investment is a beneficial interest in the FMIvT 401(a) Defined Benefit/OPEB portfolio, not the individual securities held in the portfolio.

The credit risk for FMIvT funds in the portfolio is as follows:

	Firefighters Pension Plan
	Fitch Rating
Fixed Income Fund:	
FMIvT Broad Market High Quality Bond Fund	AAf/S4
FMIvT Core Plus Fixed Income Fund	Not Rated
Investments, at fair value:	
FMIvT Diversified Large Cap Equity Portfolio	Not Rated
FMIvT Diversified Small to Mid Cap Equity Portfolio	Not Rated
FMIvT International Equity Portfolio	Not Rated
FMIvT Core Real Estate Portfolio	Not Rated

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

Concentration of Credit Risk

Safety of investment principal is the foremost objective of the City's investment program. Diversification of investments is practiced to reduce the chances of losses from individual securities exceeding gains from the entire portfolio. The following table reflects the portfolio's underlying funds, level of investment in each financial instrument and investment by issuer as a percentage of total investment:

	Firefighters Pension Plan	
	Portfolio Allocation	Amount in Trust as of September 30, 2025
Cash and cash equivalents:		
Money Market	0.80%	$ 159,849
Investments, at fair value:		
Broad Market HQ Bond Fund	16.00%	3,196,974
Core Plus Fixed Income	14.80%	2,957,201
Diversified Large Cap	25.40%	5,075,197
Diversified Small to Mid Cap	13.10%	2,617,523
International Blend	21.80%	4,355,878
Core Real Estate	8.10%	1,618,468
Total		$ 19,981,090

Interest Rate Risk

Through its investment policy and guidelines, the FMIvT manages its exposure to fair value losses arising from increasing interest rates by limiting the modified duration of certain bond funds as follows:

	Fire Pension Investment Pool (FMIvT)	
Fixed Income Fund	Modified Duration in Years	Weighted Average Maturity (WAM) in Years
FMIvT Broad Market High Quality Bond Fund	5.56	7.10
FMIvT Core Plus Fixed Income Fund	5.52	5.76

Fair Value Measurement

The City and the Firefighters' Pension Plan categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Investments are reported at fair value other than those using Net Asset Value (NAV) or amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value determination, other than those measured using the NAV as a practical expedient, are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

Level 1 – Inputs are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability, and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The City had the following recurring fair value measurements comprised of investments as of September 30, 2025:

	2025			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
U.S. Government Agency Securities	$ 1,073,252	$ -	$ 1,073,252	$ -
Collateralized Mortgage Obligations	16,191,700	-	16,191,700	-
Mortgage-backed Securities	8,059,469	-	8,059,469	-
Total Investments Measured at Fair Value	$ 25,324,421	$ -	$ 25,324,421	$ -
Investments Measured at Amortized Cost				
Money Market Mutual Fund	8,349,445			
Certificates of Deposit - Non-negotiable	4,062			
SBA Florida PRIME	22,503,895			
Total Investments Measured at Cost	$ 30,857,402			
Total Investments	$ 56,181,823			

Debt securities classified as Level 2 of the fair value hierarchy are valued using quoted prices for similar assets in active markets. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

The Firefighters' Pension Plan had the following recurring fair value measurements comprised of investments as of September 30, 2025:

	2025			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
External Investment Pool:				
FMIvT funds:				
Broad Market HQ Bond Fund	$ 3,196,974	$ -	$ 3,196,974	$ -
Core Plus Fixed Income	2,957,201	-	-	2,957,201
Diversified Large Cap	5,075,197	-	5,075,197	-
Diversified Small to Mid Cap	2,617,523	-	2,617,523	-
International Blend	4,355,878	-	4,355,878	-
Core Real Estate	1,618,468	-	-	1,618,468
Total Investments Measured at Fair Value	$ 19,821,241	$ -	$ 15,245,572	$ 4,575,669

FMIvT Broad Market High Quality Bond Fund

This fund invests mainly in US government and agency securities, asset-backed securities and corporate bonds and notes. The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. The City reports these shares as Level 2 since the value is based on market-corroborated data.

FMIvT Core Plus Fixed Income Fund

This fund invests in a single underlying fund, the Amundi Institutional Multi-Sector Fixed Income Portfolio, LLC. Shares of the fund are not publicly quoted. The underlying fund invests in a variety of financial instruments, including equity investments, asset-backed securities, debt securities, swaps, forward exchange contracts, credit-linked notes, escrow accounts and litigation trusts for both U.S. and foreign companies and governments. The City reports shares of this fund as Level 3, since the value is based on unobservable inputs.

FMIvT Diversified Large Cap Equity Portfolio

This portfolio invests mainly in domestic stocks and in a single underlying fund, the State Street S&P 500 Index Non-Lending Common Trust Fund (State Street Fund), shares of which are not publicly quoted. The majority of the underlying securities have observable level 1 quoted pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). The value of the portfolio's shares of the State Street Fund investment is determined based on the net asset value provided by the State Street Fund, which was calculated in accordance with generally accepted accounting principles. While most of the underlying asset values are based on quoted market prices, the net asset value of the portfolio is not publicly quoted. The City reports these shares as Level 2 since the value is based on market-corroborated data.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

FMIvT Diversified Small to Mid-Cap Equity Portfolio

This portfolio invests mainly in domestic stocks. The majority of the underlying securities have observable level 1 quoted pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted market prices, the net asset value of the portfolio is not publicly quoted. The City reports these shares as Level 2 since the value is based on market-corroborated data.

FMIvT International Equity Portfolio

This portfolio invests in two underlying funds, the Ninety One International Dynamic Equity Fund, LLC (Ninety One Fund) and the Allspring Emerging Market Large/Mid Cap Equity Fund (Allspring Fund), shares of which are not publicly quoted. Both Funds invest in stocks sold on U.S. and international exchanges, all of which have observable level 1 quoted pricing inputs. The value of the shares of the Ninety One Fund and the Allspring Fund investment is determined based on the net asset value provided by the Funds, which was calculated in accordance with generally accepted accounting principles. The City reports these shares as Level 2 since the value is based on market-corroborated data.

FMIvT Core Real Estate Fund

This portfolio invests in a single underlying fund, the Morgan Stanley Prime Property Fund (Morgan Stanley Fund), shares of which are not publicly quoted. The Morgan Stanley Fund invests in core real estate in the U.S. The value of the Morgan Stanley Fund investments was determined based on quarterly real estate appraisals, which were calculated in accordance with generally accepted accounting principles. The City reports these shares as Level 3 since the value is based on unobservable inputs.

NOTE 3 – RECEIVABLES:

Receivables on September 30, 2025, for the City's governmental and enterprise funds, including the applicable allowances for uncollectible accounts are as follows:

Governmental activities	Interest	Utility Taxes & Franchise Fees	Liens	Special Assessments	Accounts	Total Gross Receivables	Less: Allowance for Uncollectibles	Net Total Receivables
General fund	$ 22,654	$ 395,749	$ 3,686,148	$ -	$ 319,890	$ 4,424,441	$ (3,605,841)	$ 818,600
Community Redevelopment Agency	2,676	-	-	-	-	2,676	-	2,676
Capital Projects	8,523	-	-	-	-	8,523	-	8,523
Non-major governmental funds	5,436	-	-	18,398	32,809	56,643	-	56,643
Gross receivables	39,289	395,749	3,686,148	18,398	352,699	4,492,283	-	886,442
Less: allowance for uncollectibles	-	-	-	-	-	-	(3,605,841)	-
Net total receivables governmental activities	$ 39,289	$ 395,749	$ 3,686,148	$ 18,398	$ 352,699	$ 4,492,283	$ (3,605,841)	$ 886,442
Business-type activities								
Water and sewer utility	$ 44,278	$ -	$ 285,174	$ 24,213	$ 1,121,119	$ 1,474,784	$ (177,789)	$ 1,296,995
Solid waste utility	12,387	-	61,057	-	271,037	344,481	(59,102)	285,379
Stormwater utility	11,671	-	25,024	-	97,001	133,696	(22,756)	110,940
Gross receivables	68,336	-	371,255	24,213	1,489,157	1,952,961	-	1,693,314
Less: allowance for uncollectibles	-	-	-	-	-	-	(259,647)	-
Net total receivables business-type activities	$ 68,336	$ -	$ 371,255	$ 24,213	$ 1,489,157	$ 1,952,961	$ (259,647)	$ 1,693,314

Due from Other Governments

The following amounts were due from other governments as of September 30, 2025.

Fund	Name of Government	Revenue Source	Amount
Governmental Funds			
General	State of Florida	Half-Cent Sales Tax	$ 192,646
General	State of Florida	Court Fines and Costs	422
General	State of Florida	Ad Valorem, Delinquent	264
General	State of Florida	Motor Home Rebate	1,344
General	State of Florida	Firefighters' Supplemental Compensation	3,600
General	State of Florida	Communications Services Tax	157,708
General	Pinellas County	Pinellas County BOCC Reimbursement	10,505
General	State of Florida	Motor Fuel Tax Rebate	11,690
General	State of Florida	Mobile Home Licensing Fees	152
General	City of Clearwater	City of Clearwater Franchise Fee and Utility Tax	25,020
Total General Fund			403,351
Capital Projects Fund	Pinellas County	Local Government Infrastructure Tax	610,343
Total Capital Projects Fund			610,343
Street Improvement	State of Florida	Local Option Gas Tax	54,211
Total Street Improvement Fund			54,211
Total governmental funds			1,067,905

NOTE 4 – CAPITAL ASSETS:

The following is a summary of changes in capital assets on September 30, 2025:

	Balance September 30, 2024	Additions	Disposals	Balance September 30, 2025
Governmental activities:				
Nondepreciable assets:				
Land	$ 10,683,166	$ -	$ -	$ 10,683,166
Construction in progress	5,964,777	2,570,155	2,313,379	6,221,553
Total Nondepreciable Assets	16,647,943	2,570,155	2,313,379	16,904,719
Depreciable assets:				
Buildings	6,115,342	58,874	-	6,174,216
Infrastructure	37,678,338	3,191,658		40,869,996
Equipment and Vehicles	9,782,208	756,575	372,618	10,166,165
Right-to-Use Leased Equipment	81,187	-	13,164	68,023
Total Depreciable Assets	53,657,075	4,007,107	385,782	57,278,400
Less, accumulated depreciation/amortization for:				
Buildings	4,285,595	175,519	-	4,461,114
Infrastructure	26,529,225	1,794,151	-	28,323,376
Equipment and Vehicles	6,046,032	859,285	372,618	6,532,699
Right-to-Use Leased Equipment	33,892	16,685	13,164	37,413
Total accumulated depreciation/amortization	36,894,744	2,845,640	385,782	39,354,602
Total Depreciable, Net of Accumulated Depreciation/Amortization	16,762,331	1,161,467	-	17,923,798
Governmental activities capital assets, net	$ 33,410,274	$ 3,731,622	$ 2,313,379	$ 34,828,517
Business-type activities:				
Nondepreciable assets:				
Land	606,548	88,100	-	694,648
Construction in progress	9,368,352	1,911,079	2,838	11,276,593
Total Nondepreciable Assets	9,974,900	1,999,179	2,838	11,971,241
Depreciable assets:				
Buildings	343,689	-	-	343,689
Infrastructure	58,957,697	874,102	-	59,831,799
Equipment and Vehicles	11,096,731	1,948,316	735,110	12,309,937
Right-to-Use Leased Equipment	36,471	-	13,164	23,307
SBITA	130,757	82,929	73,353	140,333
Total Depreciable Assets	70,565,345	2,905,347	821,627	72,649,065
Less, accumulated depreciation/amortization for:				
Buildings	352,075	6,851	-	358,926
Infrastructure	30,743,292	2,646,596	-	33,389,888
Equipment and Vehicles	8,459,066	890,845	735,110	8,614,801
Right-to-Use Leased Equipment	18,244	7,742	13,164	12,822
SBITA	70,390	75,999	73,353	73,036
Total accumulated depreciation/amortization	39,643,067	3,628,033	821,627	42,449,473
Total Depreciable, Net of Accumulated Depreciation/Amortization	30,922,278	(722,686)	-	30,199,592
Business-type activities Capital assets, net	$ 40,897,178	$ 1,276,493	$ 2,838	$ 42,170,833

NOTE 4 – CAPITAL ASSETS (continued):

Depreciation and amortization expense was charged to governmental functions as follows:

	Amount
General government	$ 319,713
Law enforcement	356
Fire protection	365,423
Building department	645
Transportation	502,043
Library	385,149
Parks and recreation	1,272,311
Total depreciation expense	$ 2,845,640

Depreciation and amortization expense for the Water and Sewer Fund, Solid Waste Fund, and the Stormwater Fund is $2,770,458, $453,454, and $404,121, respectively.

Construction projects actively underway as of September 30, 2025, were as follows:

Project	Original Commitment	Remaining Commitment
Governmental Activities		
Folly Trail Electric Installation	$ 24,889	$ 11,487
Basin Decking Replacement	165,000	24,270
Driveway and Parking Improvements	712,437	703,837
Replace Fishing Pier Shelter	1,442,687	890,311
Waterfront Park Lighting Improvements	58,382	58,382
Library 2nd Floor Meeting Room Addition	4,280,362	19,154
Total Governmental Activities	$ 6,683,757	$ 1,707,441
Business-Type Activities		
Watershed Management Plan	$ 691,720	$ 319,004
Pipe Relining	79,748	3,195
2nd Street South at 6th Ave. Intersection Improvements	100,000	-
ER Culvert Repair - North Bay Hills	724,330	34,492
Seminole Park & Maple Way Water Line Replacement	2,348,821	2,067,649
Safety Harbor Heights Water Main Repair	231,655	169,705
MLK, Cedar St., Pine St. water main replacement-Survey and Design	4,960,538	4,049,033
Northeast Regional Wastewater Treatment Plant	133,248	-
Sanitary Sewer Point Repair @ 1 Harbor	146,644	18,040
Master Lift Station Repair Pump #2	18,245	-
Elm St./Pine St. Gravity Sewer Replacement-Design	4,948,406	4,128,201
FS 53 Force Main Bypass Design	33,160	27,162
Huntington Lift Station Rebuild-Design	80,000	28,645
Total Business-Type Activities	$ 14,496,515	$ 10,845,126

NOTE 5 – INTERFUND TRANSFERS AND BALANCES:

Interfund transfers for the year ended September 30, 2025, consisted of the following:

Transfers to funds:		
General Fund	$	305,740
Community Redevelopment Agency		-
Capital Projects Fund		300,000
Street Improvement Fund		400,000
Marina Fund		36,000
Debt Service		187,940
Street Lighting Fund		7,650
Total transfers to	$	1,237,330
Transfers from funds:		
General Fund	$	543,650
Community Redevelopment Agency		129,700
Capital Projects Fund		513,980
Water and Sewer Fund		50,000
Total transfers from	$	1,237,330

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs and capital projects accounted for in the funds in accordance with budgetary authorizations.

In addition to transfers, the General Fund has a long-term advance to the Redevelopment Fund with an outstanding balance of $642,860 as of September 30, 2025. The principal amount is due starting in fiscal year 2024 based on a repayment plan that matures in fiscal year 2030. The purpose of this advance was to provide the necessary funding to the Redevelopment Fund in order to purchase land to be used for parking in the Community Redevelopment District. The interfund activity is eliminated in the basic Government-Wide financial statement.

NOTE 6 – LONG-TERM LIABILITIES:

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

	Balance Sep 30, 2024	Increases	Decreases	Balance Sep 30, 2025	Amount Due Within One Year	Long Term Debt
Governmental Activities						
Direct borrowings:						
Revenue Note, Series 2018	$ 612,300	$ -	$ 145,300	$ 467,000	$ 150,400	$ 316,600
Refunding Capital Revenue Note, Series 2021	114,965	-	22,434	92,531	22,717	69,814
Total direct borrowings	727,265	-	167,734	559,531	173,117	386,414
Lease Payable	47,908	-	16,245	31,663	13,853	17,810
Compensated absences*	1,188,302	146,939	-	1,335,241	200,286	1,134,955
Governmental activities total	1,963,475	146,939	183,979	1,926,435	387,256	1,539,179
Business-Type Activities						
Direct borrowings:						
Water and Sewer Revenue Note, Series 2018	6,168,180	-	563,100	5,605,080	574,360	5,030,720
Refunding Capital Revenue Note, Series 2021	2,631,034	-	514,267	2,116,767	520,183	1,596,584
Total direct borrowings	8,799,214	-	1,077,367	7,721,847	1,094,543	6,627,304
Lease Payable	18,211	-	7,362	10,849	4,747	6,102
SBITA Payable	62,091	82,929	67,991	77,029	61,261	15,768
Compensated absences*	368,781	14,871	-	383,652	28,774	354,878
Business-type activities totals	9,248,297	97,800	1,152,720	8,193,377	1,189,325	7,004,052
Total all activities	$ 11,211,772	$ 244,739	$ 1,336,699	$ 10,119,812	$ 1,576,582	$ 8,543,230

* Restated for adoption of GASB 101, *Compensated Absences*

Accrued compensated absences, pension and OPEB are liquidated in the funds that incur the respective liabilities, which are the General fund and Enterprise funds.

In prior years the increases and decreases in compensated absences were presented in the footnotes, starting in FY2025, the change will now be presented as a net change.

NOTE 6 – LONG-TERM LIABILITIES (continued):

DEBT SERVICE

2018 Revenue Note – On November 8, 2018, the City issued a $1,395,500 Revenue Note, Series 2018, at a fixed interest rate of 3.430% with Capital One Public Funding, LLC, which matures on March 1, 2028. The note was issued for the acquisition of two parcels of land within the city to be used for parkland and a building maintenance facility. Debt service payments are made semi-annually. The note repayment is payable solely from and secured by pledged non-ad valorem revenues budgeted, appropriated, and deposited in the debt service fund for purposes of payment.

2018 Revenue Note

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2025
Non Ad Valorem Revenue Refunding Bond	3.43% 3/1; 9/1	3/1/2028	$ 1,395,500	$ 467,000

2018 Water and Sewer Infrastructure Improvements – On December 20, 2018, the City issued a $8,663,200 Water and Sewer Revenue Note, Series 2018, at a fixed interest rate of 3.360% with Central State Bank, N.A., which matures on November 1, 2033. Upon original issuance, the note was initially a non-revolving line of credit allowing the city to draw up to $8,663,200 at any one time, or through a series of draws through October 31, 2019. The city issued a series of draws through September 30, 2019, in the amount of $2,093,422, with the final draw of $6,569,778 on October 31, 2019. The note was issued to finance various infrastructure improvements for the City's water and sewer system. Debt service payments are made semi-annually. Payment of the loan is from pledged revenues of the net revenues of the water and sewer system. On September 13, 2021, the City reissued the 2018 Water and Sewer Note to lower the interest rate to 1.99% and thus create a net present value savings of $606,153. There was no economic gain or loss on the transaction. There were no changes to the maturity date or any other terms.

2018 Water and Sewer Infrastructure Improvements

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2025
Non Ad Valorem Revenue Refunding Bond	1.99% 11/1; 5/11	11/1/2033	$ 8,663,200	$ 5,605,080

NOTE 6 – LONG-TERM LIABILITIES (continued):

2021 Refunding Capital Improvement Revenue Note – On October 8, 2021, the city issued a $4,296,700 refunding note at a fixed rate of 1.15% with Sterling National Bank, which matures on July 1, 2029. The note was issued to refund the 2006 Capital Improvement Revenue Note. Debt service payments are made semiannually. The note contains a provision that in the event of default, interest on the Note may be included in gross income for federal income tax purposes retroactively to the date of issuance. Acceleration of the payment of principal of and interest on the Note shall not be a remedy hereunder in the case of an Event of Default.

The Revenue Note consists of the following:

2021 Refunding Capital Improvement Revenue Note

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2025
Non Ad Valorem Revenue Refunding Bond	1.15% 1/1; 7/1	7/1/2029	$ 4,296,700	$ 2,209,298

NOTE 6 – LONG-TERM LIABILITIES (continued):

DEBT SERVICE

	Governmental Activities			Business - Type Activities				
	Land Purchase	Capital Improvements	Total	Water & Sewer Capital Improvements	Stormwater Capital Improvements	Water & Sewer Capital Improvements	Solid Waste Capital Improvements	Total
Issue Date	2019	2021		2019	2021	2021	2021	
Retirement Date	2028	2029		2034	2029	2029	2029	
Debt at Issuance	$ 1,395,500	$ 385,198	$ 1,780,698	$ 8,663,200	$ 1,425,296	$ 6,393,426	$ 796,080	$ 17,278,002
Outstanding Principal	$ 467,000	$ 92,531	$ 559,531	$ 5,605,080	$ 352,601	$ 1,568,669	$ 195,497	$ 7,721,847
Interest Rate	3.4300%	1.1500%		1.9900%	1.1500%	1.1500%	1.1500%	
Annual Debt Service								
2026	163,839	23,780	187,619	680,186	90,702	403,533	50,291	1,224,713
2027	163,791	23,778	187,569	680,201	90,696	403,503	50,288	1,224,687
2028	163,761	23,778	187,539	680,165	90,693	403,492	50,286	1,224,636
2029	-	23,868	23,868	680,172	90,696	403,507	50,288	1,224,663
2030	-	-	-	680,187	-	-	-	680,187
2031-2035	-	-	-	2,720,904	-	-	-	2,720,904
	$ 491,391	$ 95,204	$ 586,595	$ 6,121,815	$ 362,788	$ 1,614,034	$ 201,153	$ 8,299,790

DEBT SERVICE REQUIREMENTS

The annual debt service requirements for the governmental activities long-term debt as of September 30, 2025, are as follows:

Year Ending	Series 2021, Capital Improvement Revenue Note		
September 30,	Principal	Interest	Total
2026	$ 22,717	$ 1,063	$ 23,780
2027	22,976	802	23,778
2028	23,240	538	23,778
2029	23,598	270	23,868
Total debt service	$ 92,531	$ 2,673	$ 95,204

NOTE 6 – LONG-TERM LIABILITIES (continued):

Year Ending	Series 2018, Revenue Note		
September 30,	Principal	Interest	Total
2026	$ 150,400	$ 13,439	$ 163,839
2027	155,600	8,191	163,791
2028	161,000	2,761	163,761
2029	-	-	-
Total debt service	$ 467,000	$ 24,391	$ 491,391

The annual debt service requirements for the business-type activities long-term debt as of September 30, 2025, are as follow:

Year Ending	Series 2021, Capital Improvement Revenue Note		
September 30,	Principal	Interest	Total
2026	$ 520,183	$ 24,344	$ 544,527
2027	526,124	18,362	544,486
2028	532,160	12,311	544,471
2029	538,300	6,191	544,491
Total debt service	$ 2,116,767	$ 61,208	$ 2,177,975

Year Ending	Series 2018, Water and Sewer Revenue Note		
September 30,	Principal	Interest	Total
2026	$ 574,360	$ 105,826	$ 680,186
2027	585,920	94,281	680,201
2028	597,660	82,505	680,165
2029	609,680	70,492	680,172
2030	621,950	58,237	680,187
2031 - 2035	2,615,510	105,394	2,720,904
Total debt service	$ 5,605,080	$ 516,735	$ 6,121,815

NOTE 6 – LONG-TERM LIABILITIES (continued):

Lease Liability

The City leases equipment for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2028 and have no renewal options.

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities	
	Principal	Interest
2026	$ 13,853	$ 634
2027	14,203	283
2028	3,607	15
Total minimum lease payments	$ 31,663	$ 932

	Business Type Activities	
	Principal	Interest
2026	$ 4,747	$ 217
2027	4,867	97
2028	1,235	5
Total minimum lease payments	$ 10,849	$ 319

NOTE 6 – LONG-TERM LIABILITIES (continued):

Subscription-Based Information Technology Arrangements

The City has entered into subscription based-information technology arrangements (SBITAs) that expire at various dates through 2028.

As of September 30, 2025, SBITA assets and the related accumulated amortization totaled $140,333 and $73,036, respectively.

The future subscription payments under SBITA agreements are as follows:

	Business Type Activities	
	Principal	Interest
2026	$ 61,261	$ 525
2027	11,777	235
2028	3,991	12
Total minimum SBITA payments	$ 77,029	$ 772

NOTE 7 – PENSION PLANS:

The City currently contributes to three defined benefit plans, two of which are no longer available to incoming employees. The Florida Retirement System Plan along with its Retiree Health Insurance Subsidy are both multiple employer cost sharing plans. These two plans are no longer offered to incoming full-time general employees. The Safety Harbor Firefighter's Pension Fund is a single employer defined benefit plan and is still offered to full-time firefighters employed with the City. The Florida Retirement System defined benefit plans were replaced with a defined contribution plan currently offered to all full-time general employees. Each of the City's pension plans are administered by a third party.

A. Florida Retirement System

Plan Description

The City contributes to the Florida Retirement System (FRS), a cost-sharing multiple employer Public Employees Retirement System (PERS) defined benefit pension plan controlled by the State Legislature and administered by the Florida Department of Administration and Division of Retirement and covers twenty-seven percent of all the City's full-time employees. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, health insurance subsidy, and survivor benefits to plan members and beneficiaries, respectively. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the law can be made only by an act of the Florida Legislature. Rules governing the operations and administration of the System may be found in Chapter 60S of the Florida Administrative Code. A comprehensive annual financial report of the Florida Retirement System, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website: www.dms.myflorida.com/workforce_operations/retirement/publications.

NOTE 7 – PENSION PLANS (continued):

There are over 1,000 participating employers served by the FRS and Retiree Health Insurance Subsidy (HIS) defined benefit plans. Since January of 1996, the FRS pension plan has been closed to new entrants. The number of years of creditable service required to vest for enrolled employees is determined by the employee's membership class. Employees vest after completing 10 years of creditable service apart from the senior management class which vests after completion of 7 years of creditable service. This plan includes an early retirement option which allows members who are vested but have not reached the normal retirement age or date to take a benefit reduction for each year the retirement date precedes the normal retirement age.

Deferred Retirement Option Program (DROP)
The FRS pension plan allows eligible members to participate in the Deferred Retirement Option Program (DROP). This program allows members to retire and continue working, drawing both salary and retirement benefits during participation in this program, up to 8 years.

Benefits Provided
The monthly benefit an employee receives is dependent upon the years of creditable service, percentage value of each year of creditable service and average final compensation. Average final compensation is the average of the five highest fiscal years of salary earned during covered employment. The total percentage value of the benefit received is determined by calculating the total value of all service, based on the retirement plan and/or class the employee belonged to when the service credit was earned.

Benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment each July which is based on the June benefit amount. The cost-of-living adjustment (COLA) for retirements or DROP participation effective prior to August 1, 2011, is 3 percent per year. The COLA calculation for retirements with effective retirement dates or DROP begin dates on or after August 1, 2011, is calculated by dividing pre-July 2011 service credit by total service credit at retirement and multiplying by 3 percent.

Contributions
Presently, the System requires a 3.00% contribution from covered members in the regular, special risk and senior management classes. The City is required to contribute an actuarially determined rate. The employer's contribution rates are based upon employees' gross earnings and are effective from July 1 through June 30. The rates effective for July 1, 2025, through June 30, 2026, are regular employees, 14.03%; special risk, 35.19%; senior management, 33.24%; and DROP, 22.02%. The rates effective for July 1, 2024, through June 30, 2025, are: regular employees, 13.63%; special risk, 32.79%; senior management, 34.52%; and DROP, 21.13%. The contribution requirements of the City are established by and may be amended by the State Legislature. The City's contributions to the System for the fiscal year ending September 30, 2025, was $75,943 equal to the required contribution for this year.

Pension Costs
On September 30, 2025, the City reported a liability of $462,564 for its proportionate share of the FRS pension plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The City's proportion of the net pension liability was based on contributions made by the city to FRS during the measurement period relative to the total employer contributions made to FRS by all participating employers. On June 30, 2025, the City's proportion was .001490452%, which was a decrease of 0.000379270% from the proportion measured as of June 30, 2024.

NOTE 7 – PENSION PLANS (continued):

The City recognized a pension expense of $(105,098) for its proportionate share on September 30, 2025. The proportionate share of deferred outflows of resources and deferred inflows of resources were as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 49,407	$ -
Changes in Actuarial Assumptions	53,716	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	77,230
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	22,542	366,435
City Contributions Subsequent to the Measurement Date	10,726	-
Total	$ 136,391	$ 443,665

A total of $10,726 was reported as deferred outflows of resources because of contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30	Amount
2026	$ (29,132)
2027	(126,427)
2028	(112,164)
2029	(50,277)

Investments

Investment management of assets contributed and held on behalf of the Florida Retirement System is provided by the State Board of Administration. Accounting and administration of benefits and contributions, commissions, actuarial studies and proposal rules and regulations for the administration of the FRS is provided by the Florida Division of Retirement. The State Legislature is responsible for setting contribution and benefit levels and providing the statutory guidance for the administration of the FRS. Plan target allocation as of June 30, 2025, was as follows:

NOTE 7 – PENSION PLANS (continued):

Investment Category	Target Allocations	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed Income	29.0%	5.5%	5.4%	4.0%
Global Equity	45.0%	8.5%	6.9%	18.3%
Real Estate	12.0%	8.4%	7.1%	16.8%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.5%	6.1%	8.7%
Totals	100.0%			
Assumed Inflation - mean			2.4%	1.5%

Actuarial Methods and Assumptions: Total pension liability was determined by actuarial valuation as of July 1, 2025, using the following actuarial assumptions:

	Florida Retirement System
Valuation date	7/1/2025
Measurement date	6/30/2025
Inflation	2.40%
Salary increases (including inflation)	3.50%
Mortality	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2021
Actuarial cost method	Individual Entry Age
Investment rate of return	6.70%

The actuarial assumptions that determined the total pension liability as of June 30, 2025, were based on the results of an actuarial experience study for the period July 1, 2018 – June 30, 2023.

*The municipal bond rate used to determine total pension liability did not change from the prior year.

NOTE 7 – PENSION PLANS (continued):

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability calculated using the current discount rate of 6.70%, along with what the net pension liability would be if the discount rate used was 1-percentage-point lower (5.70 percent) and 1-percentage-point higher (7.70 percent).

	1% Decrease 5.70%	Current Rate 6.70%	1% Increase 7.70%
FRS Net Pension Liability	$ 60,905,966,278	$ 31,035,131,278	$ 5,991,855,278
City's proportion of net pension liability	907,774	462,564	89,306

Amounts presented were determined as of June 30

B. Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program.

Plan Benefits

The Program provides a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45, and the maximum payment is $225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Contributions

The HIS plan is funded by required contributions from FRS participating employers set by the Florida Legislature. Employer contributions are a percentage of gross compensation for active FRS members. The City is required to contribute an actuarially determined rate. The contribution requirements of the City are established by and may be amended by the State Legislature. Pursuant to Section 112.363, Florida Statutes, for the plan fiscal year ended June 30, 2025, the contribution rate was 2.00 percent of gross compensation. The City's contribution to the HIS plan for fiscal year ending September 30, 2025, was $8,579, equal to the required contribution for this year.

Pension Costs

On September 30, 2025, the City reported a liability of $136,539 for its proportionate share of the HIS pension plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportion of the net pension liability was based on contributions made by the city during the measurement period relative to the total employer contributions made by all participating employers. On June 30, 2025, the City's proportion was .001065258%, which was a decrease of 0.000267016% from the same as the proportion measured as of June 30, 2024.

NOTE 7 – PENSION PLANS (continued):

The City recognized a pension expense in the amount of $(60,483) for its proportionate share on September 30, 2025. The proportionate share of deferred outflows of resources and deferred inflows of resources were as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 815	$ 217
Changes in Actuarial Assumptions	1,209	33,025
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	114
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	1,057	155,937
City Contributions Subsequent to the Measurement Date	1,463	-
Total	$ 4,544	$ 189,293

A total of $1,463 was reported as deferred outflows of resources as a result of contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30	Amount
2026	$ (55,737)
2027	(43,458)
2028	(38,955)
2029	(33,054)
2030	(15,008)

NOTE 7 – PENSION PLANS (continued):

Actuarial Assumptions

Valuations for the HIS program are performed biennially. Total pension liability was determined by actuarial valuation using the following assumptions:

	HIS Pension Plan Assumptions
Valuation date	7/1/2024
Measurement date	6/30/2025
Inflation	2.40%
Salary increases (including inflation)	3.50%
Mortality	Generational PUB-2010 with Projection Scale MP-2021
Actuarial cost method	Individual Entry Age
Municipal Bond Rate*	5.20%

*The municipal bond rate used to determine total pension liability increased from 3.93% to 5.20%

The actuarial assumptions that determined the total pension liability as of June 30, 2025, were based on the results of an actuarial experience study for the period July 1, 2018 – June 30, 2023.

The discount rate used to measure the total pension liability was 5.20% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the municipal bond index.

NOTE 7 – PENSION PLANS (continued):

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability calculated using the current discount rate of 5.20 percent, along with what the net pension liability would be if the discount rate used was 1-percentage-point lower (4.20 percent) and 1-percentage-point higher (6.20 percent).

	1% Decrease 4.20%	Current Rate 5.20%	1% Increase 6.20%
HIS Net Pension Liability	$ 14,453,731,622	$ 12,817,444,130	$ 11,445,119,065
City's proportion of net pension liability (asset)	153,970	136,539	121,920

Amounts presented were determined as of June 30

C. Defined Contribution Plan

The City contributes to one defined contribution plan for employees starting after January 1, 1996 (Opt-Out Plan). Plan provisions and contributions are established by City Resolution. The plan is administered by ICMA Retirement Corporation, now known as Mission Square. Plan investments are recorded at fair value. The Opt-Out Plan is fully vested upon completion of five or more years of service. The City contributes 8% of participants' earnings to the 401(a) plan accounts for general employees. Employees are not permitted to contribute to this plan. Employer contributions are recognized in the period that the contributions are due. The City contribution to the 401(a) plan accounts for general employees was $525,317 for the year ended September 30, 2025. For the City Manager, retirement participation is in a 401(a) plan with Mission Square with a 10% City contribution. The total plan contribution for fiscal year 2025 for the City Manager was $18,733.

D. Firefighters' Pension Plan

Plan Description

Plan Administration. The City of Safety Harbor Firefighter Pension Fund (Firefighters Plan) has been established to conform to the Retirement Trust Fund provisions of Chapter 175 of Florida Statutes, as modified by local ordinance. The Firefighter's Plan is a single employer defined benefit plan, which is administered by the Board of Trustees, which was established by local ordinance and covers all firefighters employed by the City of Safety Harbor.

The Board of Trustees is composed of five members. Two members are appointed by City Commission, two are elected by plan members and one is elected by the Board of Trustees and appointed by the City Commission.

The Firefighters Plan issues a stand-alone financial report each year that contains information about the plan's fiduciary net position. The plan's fiduciary net position has been determined on the same basis used by the pension plan and is equal to the fair value of assets calculated under the accrual basis of accounting. This report is available to the public at the plan's administrative office: Retirement Department, Florida League of Cities, Inc., P.O. Box 1757, Tallahassee, FL 32302 or calling (800) 342-8112.

NOTE 7 – PENSION PLANS (continued):

Plan Membership. On September 30, 2025, pension plan membership consists of the following:

Membership Classification	Number of Plan Members
Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	12
Active plan members	27
	43

Benefits Provided. The Firefighters Plan provides retirement, disability, and pre-retirement death benefits. Retirement benefits for plan members are calculated as 3 percent of average earnings (highest 5 years of pensionable earnings out of last 10 years) times the members' years of service. Disability benefits are calculated as 42 percent of average earnings or result of retirement pension formula, whichever is largest. The minimum disability benefit is calculated as 2 percent of average earnings times the years of service. Pre-retirement death benefits are calculated as 50 percent of pensionable earnings. Normal retirement for plan members is 55 years of age with 10 years of service or any age with at least 25 years of service. Early retirement is available to plan members 50 years of age with at least 10 years of service. Early retirement pension is reduced by 3 percent for each year by which the early retirement date precedes the normal retirement date. Plan members become 100 percent vested after 10 years of service. Benefit terms provide for annual cost-of-living adjustments of 2 percent per annum.

Contributions. Plan members are required to contribute 1 percent of their annual covered salary. The City's contribution to the fund is determined by actuarial valuation. The City is required to contribute an amount equal to the minimum required contribution as a percentage of covered payroll. The employee contribution requirement may be amended by City ordinance, but the employer contribution requirement is subject to State minimums. The City's contribution of $450,536 for 2025 is reflected in the departmental expenditures section of the General Fund. The state of Florida levies a tax on property, casualty and auto insurance premiums, the proceeds of which are distributed to the Plan.

Pension Expense and Deferred Outflows and Inflows of Resources. On September 30, 2025, the City reported a net pension asset of $4,223,621. The net pension asset was measured as of September 30, 2025, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2024. The City recognized pension expense of $144,185 on September 30, 2025. Deferred outflows of resources and deferred inflows of resources were as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	$ -	$ 776,035
Differences Between Expected and Actual Economic Experience	161,913	1,143,454
Changes in Actuarial Assumptions	447,587	135,883
Total	$ 609,500	$ 2,055,372

NOTE 7 – PENSION PLANS (continued):

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

Year Ending September 30	Amount
2026	$ 54,849
2027	(506,014)
2028	(466,728)
2029	(176,105)
2030	(123,313)
Thereafter	(228,561)

Investment Policy. The Plan's policy regarding the allocation of invested assets is established and may be amended by the Florida League of Cities. The primary investment objective is long-term capital and income growth consistent with capital conservation. Consistent returns and avoiding extreme fair value volatility is emphasized. Plan target allocation as of September 30, 2025, was as follows:

Investment Category	Target Allocations
Core Bonds	15%
Core Plus	15%
U.S. Large Cap Equity	25%
U.S. Small Cap Equity	14%
Non U.S. Equity	21%
Core Real Estate	10%
Total or Weighted Arithmetic Average	100%

For the year ended September 30, 2025, the long-term investment rate of return assumption was 4.38%. The money-weighted rate of return, which expresses investment performance, net of investment expense, adjusted for the changing amounts invested, was 8.483% for the year ended September 30, 2025.

Net Pension Liability (Asset)

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

Total pension liability	$ 14,390,820
Plan fiduciary net position	(18,614,441)
City's net pension liability (asset)	$ (4,223,621)

Plan fiduciary net position as a percentage of total pension liability	-129.35%

NOTE 7 – PENSION PLANS (continued):

Actuarial Methods and Assumptions: Total pension liability was determined by actuarial valuation as of October 1, 2024, using the following actuarial assumptions:

	Firefighters Pension Plan
Valuation date	10/1/2024
Measurement date	9/30/2025
Actuarial cost method	Aggregate Cost**
Asset valuation method	Fair value
Discount rate*	7.00% per annum
Salary increases	4.50% per annum
Cost of living increases	2.00% per annum

Mortality Basis: Selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.

*The discount rate of 7.00% was used to discount all future benefit payments (2.62% per annum is attributable to long-term inflation).

**Because the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funded progress is prepared using the entry age normal cost method and is intended to serve as a surrogate for the funded status of the plan.

Rate of Return: The long-term expected real rate of return on plan asset classes as of September 30, 2025, are as follows:

Investment Category	Long-Term Expected Real Rate of Return	
Core Bonds	1.60%	per annum
Core Plus	2.10%	per annum
US Large Cap Equity	4.60%	per annum
US Small Cap Equity	5.50%	per annum
Non-US Equity	6.70%	per annum
Core Real Estate	5.00%	per annum
Total or Weighted Arithmetic Average	4.38%	per annum

NOTE 7 – PENSION PLANS (continued):

Changes in Net Pension Liability:

Changes in Net Pension Liability

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance as of September 30, 2024	$ 13,174,306	$ (16,629,845)	$ (3,455,539)
Changes due to:			
Service Cost	702,354	-	702,354
Expected Interest Growth	956,008	(247,644)	708,364
Unexpected Investment Income	-	(1,183,145)	(1,183,145)
Demographic Experience	(265,355)	-	(265,355)
Employer Contributions	-	(450,536)	(450,536)
Employee Contributions	-	(163,811)	(163,811)
State Contributions	-	(171,110)	(171,110)
Benefit Payments & Refunds	(176,493)	176,493	-
Administrative Expenses	-	55,157	55,157
Assumption Changes	-	-	-
Balance as of September 30, 2025	$ 14,390,820	$ (18,614,441)	$ (4,223,621)

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension asset calculated using the current discount rate of 7.00 percent, along with what the net pension liability would be if the discount rate used was 1-percentage-point lower (6.00 percent) and 1- percentage-point higher (8.00 percent).

NOTE 7 – PENSION PLANS (continued):

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Total pension liability	$ 16,712,995	$ 14,390,820	$ 12,545,687
Fiduciary net position	(18,614,441)	(18,614,441)	(18,614,441)
Net pension liability (asset)	$ (1,901,446)	$ (4,223,621)	$ (6,068,754)

E. Summary

The aggregate amount of net pension asset, pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense for the City's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual funds in which the employee's costs are associated.

Description	Firefighters Plan	FRS Plan	HIS Plan	Total
Net Pension Asset	$4,223,621	$ -	$ -	$ 4,223,621
Net Pension Liability	-	462,564	136,539	599,103
Deferred Outflows of Resources Related to Pensions	609,500	136,391	4,544	750,435
Deferred Inflows of Resources Related to Pensions	2,055,372	443,665	189,293	2,688,330
Pension Expense	144,185	(105,098)	(60,483)	(21,396)

F. Firefighters' Pension Plan – Share Plan

Plan Description

In accordance with Chapter 175, Section 351(6) of Florida Statutes, the Firefighters Plan has a defined contribution plan component (Share Plan) which provides special benefits to firefighters enrolled in the defined benefit plan. This Share Plan is funded solely by State of Florida Chapter 175 premium tax monies allocated to the plan. There is no employer or employee contributions. Since 1999 annual premium tax proceeds have been set aside for extra benefits and in fiscal year 2014, City Commission adopted a resolution allowing firefighters enrolled in the Firefighters Plan a share of these proceeds based on years of service until retirement. Normal vesting in this plan occurs after 10 years of employment. The Share Plan balance as of September 30, 2025, is $1,387,192. The Share Plan balance is reported in the City's fiduciary trust fund financial statements.

NOTE 8 – DEFERRED COMPENSATION PLAN:

The City offers an optional deferred compensation plan, created in accordance with Internal Revenue Code Section 457, to all employees in addition to pension plans. Under the provisions of Internal Revenue Code Section 457, *Deferred Compensation Plans,* and GASB Statement No. 32, *Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans,* all assets and income of the plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the plan are not reported within the City's financial statements on September 30, 2025.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB):

Plan Description

The City operates a single-employer retiree benefit plan (the "Plan") that provides certain healthcare related benefits to retirees and certain other employees. The City is required by section 112.0801, Florida Statutes, to allow retirees and certain other former employees to continue to participate in the City's fully insured plan.

Benefits Provided

Retirees are fully responsible for payment of their insurance premiums, and the City generally does not contribute toward this payment. However, retirees pay for the cost of this benefit at a single, blended premium rate that the City uses for both active employees and retirees. The difference between the amount the retiree is required to pay at the implicitly subsidized premium rates and the actual cost to the City meets the definition of OPEB.

Plan Membership. On September 30, 2025, pension plan membership consists of the following:

Membership Classification	Number of Plan Members
Inactive plan members or beneficiaries currently receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	137
	144

Contributions

The required contribution by the City is based on pay-as-you-go financing requirements. Retirees must contribute an amount equal to 100% of the applicable health insurance premium as determined by the carrier. The City has no legal or contractual obligation to make contributions to a qualified trust to fund OPEB.

Total OPEB Liability

The City's OPEB Liability was measured as of September 30, 2025, and was determined by an actuarial valuation as of September 30, 2025.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued):

Actuarial Assumptions

Total OPEB liability was determined by actuarial valuation using the following actuarial assumptions:

	Other Postemployment Benefit Plan
Discount rate	3.81% per annum (BOY) 4.90% per annum (EOY) *Source: Bond Buyer 20-Bond GO Index*
Salary increases	3.65% per annum
Healthcare cost trend rates	The health care cost trend assumptions are used to project the cost of healthcare in future years. The following annual trends are applied on a select and ultimate basis. Select trends are reduced 0.39% each year for nine years, and 0.10% thereafter until reaching the ultimate trend rate.

Expense Type	Select	Ultimate
Pre-Midicate Medical and Rx Benefits	8.50%	4.00%
Administration Fees	4.00%	4.00%

Mortality	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).
Changes	The discount rate was updated from 3.81% to 4.90%.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued):

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

This actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined in the valuation are subject to constant revision as actual experience are compared with past expectations and new estimates are made about the future. The schedule of changes in the City's net OPEB liability, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information and shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Discount Rate Liability

The discount rate used to measure total OPEB Liability was 4.90%. This rate is based on the Bond Buyer 20-GO Index as of the measurement date.

Changes on Total OPEB Liability

Balance as of October 01, 2024	$ 2,813,568
Changes due to:	
Service cost	161,999
Interest cost	111,051
Differences between expected and actual experience	184,302
Changes in assumptions or other inputs	(587,817)
Benefit payment	(121,683)
Net change in total OPEB Liability	(252,148)
Balance as of September 30, 2025	$ 2,561,420

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued):

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability calculated using the current discount rate of 4.90%, along with what the total OPEB liability would be if the discount rate used was 1-percentage-point lower (3.90 percent) and 1-percentage-point higher (5.90 percent).

	1% Decrease 3.90%	Current Rate 4.90%	1% Increase 5.90%
Total OPEB liability	$ 3,008,000	$ 2,561,420	$ 2,210,000

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability calculated using the current healthcare cost trend rate of 8.50 percent graded down to 4.00 percent, along with what the total OPEB liability would be if the healthcare cost trend rate used was 1-percentage-point lower (7.50 percent graded down to 3.00 percent) and 1-percentage-point higher (9.50 percent graded down to 5.00 percent).

	1% Decrease 7.50% graded down to 3.00%	Trend Rate 8.50% graded down to 4.00%	1% Increase 9.50% graded down to 5.00%
Total OPEB liability	$ 2,126,000	$ 2,561,420	$ 3,130,000

OPEB Costs – For the year ended September 30, 2025, the City recognized OPEB contra-expense of $200,786. In addition, the City reported OPEB deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,503,735	$ (283,945)
Changes of assumptions/inputs	625,348	(983,028)
Total	$ 2,129,083	$ (1,266,973)

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued):

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending September 30,	Amount
2026	$ 49,417
2027	49,417
2028	49,417
2029	49,635
2030	60,391
Thereafter	603,833

NOTE 10 – REDEVELOPMENT TRUST FUND:

Pursuant to Florida Statute 163.387, the schedule below provides a summary of the sources of deposits into, and the amount and purpose of withdrawals from, the Redevelopment Trust Fund (Community Redevelopment Agency Fund) for the fiscal year ended September 30, 2025.

	Deposits	Withdrawals
Sources of deposits:		
Ad valorem taxes from Pinellas County	$ 1,560,988	-
Library Construction Grant - State	200,000	-
Interest and investment income	55,910	-
Purpose of withdrawals:		
Personal services	-	54,575
Auditing & Accounting	-	1,364
Public Art	-	5,000
District fees	-	1,045
Facade and partnership incentives	-	37,038
Creative Arts Pinellas Study	-	748
Special Event Holiday Lighting	-	28,884
Streetscaping - benches, trash cans, planter, ballasts	-	3,850
Buildings - Library 2nd Story Expansion	-	1,530,855
Transfer to Series 2018 Debt for Baranoff Oak	-	129,700
Totals	$ 1,816,898	$ 1,793,059

NOTE 11 – RISK MANAGEMENT:

The City is a member of Public Risk Management (PRM), a local government liability risk pool. PRM administers insurance activities relating to property, general, automobile, and public officials' liability, employees' health, and auto physical damage. PRM absorbs losses up to a specified amount annually and purchases excess and other specific coverages from third-party carriers. PRM assesses each member their pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, PRM can make additional limited assessments. Losses, if any, in excess of PRM's ability to assess its members would revert back to the member that incurred the loss. No additional assessments were levied by PRM to the City for the fiscal year ended September 30, 2025. The City had no significant reductions in insurance coverage during the fiscal year ended September 30, 2025. In addition, there have been no settlements that exceeded the City's insurance coverage in any of the past three fiscal years.

The City is a defendant in various legal actions that, in the opinion of management, will not have a significant effect on the financial position or results of operations of the City.

NOTE 12 – STATE AND FEDERAL GRANT CONTINGENCIES:

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowance, if any, would have a material effect on the financial position of the City.

NOTE 13 – LEASES – LESSOR

The City, acting as lessor, leases cell tower property under a long-term, non-cancelable lease agreement. The leases expires in 2061 and contain no renewal options. During the year ended September 30, 2025, the City recognized $20,540 and $0 in lease revenue and interest revenue, respectively, pursuant to this contract.

Since this lease was prepaid by the lessee, there is no total future minimum lease payments to be received under the lease agreement.

NOTE 14 – RESTATEMENT OF BEGINNING NET POSITION

Effective October 1, 2024, the City implemented GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of October 1, 2024 was understated by $251,869 in the governmental activities and $59,543 in the business-type activities.

NOTE 14 – RESTATEMENT OF BEGINNING NET POSITION (CONTINUED)

The effect of the implementation of this standard is shown below.

	October 1, 2024, As Previously Reported	Change in Accounting Principle	October 1, 2024, As Adjusted or Restated
Government-Wide:			
Governmental Activities	$ 53,672,978	$ (251,869)	$ 53,421,109
Business-Type Activities	69,775,803	(59,543)	69,716,260
Total Primary Government	$ 123,448,781	$ (311,412)	$ 123,137,369
Proprietary Funds:			
Water and Sewer	$ 51,512,307	$ (36,251)	$ 51,476,056
Solid Waste	6,780,965	(19,885)	6,761,080
Stormwater	11,482,531	(3,407)	11,479,124
Total Proprietary Funds	$ 69,775,803	$ (59,543)	$ 69,716,260

NOTE 15 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through the date on which the financial statements were issued. Based on this evaluation, the City found no subsequent events that require recognition or disclosure in the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Property taxes	$ 7,779,440	$ 7,779,440	$ 7,375,972	$ (403,468)
Utility taxes	3,137,900	3,137,900	3,306,505	168,605
Local business tax	126,000	126,000	143,031	17,031
Franchise fees	1,762,200	1,762,200	1,761,294	(906)
Licenses and permits	34,000	34,000	57,643	23,643
Sales tax	1,510,000	1,510,000	1,364,283	(145,717)
Intergovernmental	2,858,300	2,858,300	3,216,660	358,360
Charges for services	1,633,730	1,633,730	1,598,096	(35,634)
Fines and forfeitures	29,200	29,200	40,682	11,482
Investment income	150,000	150,000	473,336	323,336
Contributions and donations	41,500	41,500	54,708	13,208
Sale of capital assets	60,000	60,000	104,380	44,380
Insurance recoveries	20,000	20,000	91,944	71,944
Transfers in from other funds	384,310	434,310	305,740	(128,570)
Other	651,180	651,180	814,516	163,336
Amounts available for appropriation	20,177,760	20,227,760	20,708,790	481,030
Charges to appropriations (outflows):				
General Government:				
City Commission	204,860	569,578	429,035	140,543
City Manager	312,364	315,314	302,097	13,217
City Clerk	223,564	223,594	233,626	(10,032)
Elections	2,000	2,000	75	1,925
Finance	350,890	429,305	529,330	(100,025)
Human Resources	521,940	465,940	363,427	102,513
Community Development	387,190	380,994	383,728	(2,734)
City Attorney	205,860	205,860	213,467	(7,607)
Nondepartmental	816,330	1,785,787	2,192,784	(406,997)
Maintenance	918,590	918,809	865,487	53,322
Nonoperating	562,530	562,530	562,530	-
Total general government	4,506,118	5,859,711	6,075,586	(215,875)
Public Safety:				
Law enforcement	1,905,250	1,905,252	1,840,692	64,560
Fire protection	5,007,590	5,042,767	5,080,588	(37,821)
Building department	382,800	400,729	353,639	47,090
Total public safety	7,295,640	7,348,748	7,274,919	73,829
Physical environment	557,110	556,303	563,143	(6,840)
Transportation	999,730	973,156	568,582	404,574
Culture and recreation:				
Library	1,621,850	1,624,586	1,447,330	177,256
Parks and recreation	5,294,490	5,311,821	4,929,916	381,905
Total culture and recreation	6,916,340	6,936,407	6,377,246	559,161

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND – GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Capital outlay	132,950	41,163	210,075	(168,912)
Debt Service:				
Principal Retirement	-	-	16,244	(16,244)
Interest and other charges	-	-	1,003	(1,003)
Total Debt Services	-	-	17,247	(17,247)
Transfers out to other funds	543,650	1,142,792	543,650	599,142
Total charges to appropriations	20,951,538	22,858,280	21,630,448	1,227,832
Excess (deficiency) of resources over (under) charges to appropriations	(773,778)	(2,630,520)	(921,658)	1,708,862
Appropriated fund balance	773,778	2,630,520	-	(2,630,520)
Deficiency of resources under charges to appropriations	$ -	$ -	$ (921,658)	$ (921,658)
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriation from the budgetary comparisons schedule			$ 20,708,790	
Differences - budget to GAAP				
Sale of capital assets are inflows of budgetary resources but are not resources for financial reporting purposes			104,380	
Insurance recoveries are inflows of budgetary resources but are not resources for financial reporting purposes			91,944	
Transfers from other funds are inflows of budgetary resources but are not resources for financial reporting purposes			305,740	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			$ 20,206,726	
Explanation of differences between budgetary outflows and GAAP revenues:				
Actual amounts (budgetary basis) charged to appropriations per the budgetary comparisons schedule			$ 21,630,448	
Differences - budget to GAAP				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes			543,650	
Total expenditures as reported on the statement of revenues expenditures and changes in fund balances governmental funds			$ 21,086,798	

Notes:
1. For information relating to the City's budgeting process, refer to Note 1 - Summary of Significant Accounting Policies.

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND – COMMUNITY REDEVELOPMENT AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Property taxes	$ 1,098,450	$ 1,098,450	$ 1,560,988	$ 462,538
Investment income	8,000	8,000	55,910	47,910
Contributions and donations	-	-	200,000	200,000
Amounts available for appropriation	1,106,450	1,106,450	1,816,898	710,448
Charges to appropriations (outflows):				
General Government	244,910	236,308	132,504	103,804
Capital outlay	325,000	2,000,578	1,530,855	469,723
Transfers out to other funds	258,270	258,270	129,700	128,570
Total charges to appropriations	828,180	2,495,156	1,793,059	702,097
Excess (deficiency) of resources over (under) charges to appropriations	278,270	(1,388,706)	23,839	1,412,545
Appropriated fund balance	(278,270)	1,388,706	-	(1,388,706)
Deficiency of resources under charges to appropriations	$ -	$ -	$ 23,839	$ 23,839

Notes:

Actual amounts (budgetary basis) charged to appropriations per the budgetary comparisons schedule	$ 1,793,059
Differences - budget to GAAP	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	129,700
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances governmental funds	$ 1,663,359

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN[1]
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	0.000014905%	0.000018697%	0.002777267%	0.003514073%	0.003243011%	0.003184306%	0.003993798%	0.005466957%	0.006937320%	0.010163558%
City's proportionate share of the net pension liability	$ 462,564	$ 723,296	$ 1,106,672	$ 1,307,518	$ 244,993	$ 1,380,125	$ 1,375,408	$ 1,646,675	$ 2,052,013	$ 2,566,306
Plan fiduciary net position as a percentage of the total pension liability (asset)	87%	84%	83%	83%	96%	79%	83%	84%	84%	85%
City's covered payroll	$ 475,936	$ 563,837	$ 795,782	$ 868,501	$ 834,946	$ 879,658	$ 1,107,117	$ 1,402,897	$ 1,704,511	$ 2,319,170
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	97%	128%	139%	151%	29%	157%	124%	117%	120%	111%

1 Amounts presented for each fiscal year were determined as of June 30

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF THE CITY'S CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN[1]
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 75,943	$ 106,048	$ 118,539	$ 151,824	$ 127,709	$ 110,825	$ 114,958	$ 147,506	$ 170,230	$ 247,855
Contributions in relation to the statutorily required contribution	(75,943)	(106,048)	(118,539)	(151,824)	(127,709)	(110,825)	(114,958)	(147,506)	(170,230)	(247,855)
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 428,848	$ 557,399	$ 697,195	$ 874,115	$ 831,412	$ 870,509	$ 1,025,472	$ 1,321,018	$ 1,586,879	$ 2,282,984
City's contributions as a percentage of covered payroll	18%	19%	17%	17%	15%	13%	11%	11%	11%	11%

1 Amounts presented for each fiscal year were determined as of September 30

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN[1]
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	0.001065258%	0.001332274%	0.002010443%	0.002383184%	0.002358448%	0.002532575%	0.003291212%	0.004272498%	0.005347533%	0.007417542%
City's proportionate share of the net pension liability	$ 136,539	$ 199,854	$ 319,285	$ 252,417	$ 289,299	$ 309,223	$ 368,254	$ 452,206	$ 571,783	$ 864,484
Plan fiduciary net position as a percentage of the total pension liability (asset)	6%	5%	4%	5%	4%	3%	3%	2%	2%	1%
City's covered payroll	$ 475,936	$ 563,837	$ 795,782	$ 868,501	$ 834,946	$ 879,658	$ 1,107,117	$ 1,402,897	$ 1,704,511	$ 2,319,170
City's proportionate share of the net pension liability as a percentage of covered payroll	29%	35%	40%	29%	35%	35%	33%	32%	34%	37%

1 Amounts presented for each fiscal year were determined as of June 30

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF THE CITY'S CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN[1]
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 8,579	$ 11,151	$ 11,926	$ 14,684	$ 13,634	$ 14,453	$ 16,910	$ 21,810	$ 26,348	$ 38,020
Contributions in relation to the statutorily required contribution	(8,579)	(11,151)	(11,926)	(14,684)	(13,634)	(14,453)	(16,910)	(21,810)	(26,348)	(38,020)
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 428,848	$ 557,399	$ 697,195	$ 874,115	$ 831,412	$ 870,509	$ 1,025,472	$ 1,321,018	$ 1,586,879	$ 2,282,984
City's contributions as a percentage of covered payroll	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

1 Amounts presented for each fiscal year were determined as of September 30

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – FIREFIGHTERS' RETIREMENT FUND
LAST TEN FISCAL YEARS

Year ending September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Changes due to:										
Service Cost	$ 702,354	$ 703,131	$ 620,892	$ 591,236	$ 608,221	$ 562,872	$ 473,494	$ 490,136	$ 436,960	$ 338,895
Expected Interest Growth	956,008	877,036	779,799	723,891	649,367	542,297	510,843	449,280	390,035	239,563
Demographic Experience	(265,355)	(252,945)	21,237	(414,593)	(14,154)	310,761	(577,812)	(20,193)	(307,493)	(5,117)
Benefit Payments & Refunds	(176,493)	(131,630)	(99,748)	(97,792)	(102,278)	(91,426)	(20,757)	(3,498)	-	(5,142)
Changes in Benefit Terms	-	-	-	-	-	182,301	-	-	-	-
Assumption Changes	-	-	-	-	(26,090)	-	-	-	273,806	1,484,984
Net Change in Total Pension Liability	1,216,514	1,195,592	1,322,180	802,742	1,115,066	1,506,805	385,768	915,725	793,308	2,053,183
Total Pension Liability-Beginning	$ 13,174,306	$ 11,978,714	$ 10,656,534	$ 9,853,792	$ 8,738,726	$ 7,231,921	$ 6,846,153	$ 5,930,428	$ 5,137,120	$ 3,083,937
Total Pension Liability-Ending	$ 14,390,820	$ 13,174,306	$ 11,978,714	$ 10,656,534	$ 9,853,792	$ 8,738,726	$ 7,231,921	$ 6,846,153	$ 5,930,428	$ 5,137,120
Fiduciary Net Position:										
Changes due to:										
Expected Interest Growth	$ (247,644)	$ (956,471)	$ (855,235)	$ (959,828)	$ (777,786)	$ (699,572)	$ (634,095)	$ (557,899)	$ (461,895)	$ (399,621)
Unexpected Investment Income	(1,183,145)	(1,767,023)	(196,421)	2,804,314	(1,386,148)	21,003	140,107	(43,156)	(426,077)	(64,282)
Employer Contributions	(450,536)	(350,746)	(325,699)	(301,752)	(442,796)	(482,530)	(530,342)	(512,791)	(497,252)	(389,600)
Employee Contributions	(163,811)	(144,638)	(134,031)	(118,722)	(77,463)	(42,044)	(16,657)	(15,181)	(14,270)	(12,244)
State Contributions	(171,110)	(171,110)	(1,807)	(112,568)	(111,899)	-	-	-	-	-
Benefit Payments & Refunds	176,493	131,630	99,748	97,792	102,278	91,426	20,757	3,498	-	5,142
Administrative Expenses	55,157	57,973	46,804	50,813	42,705	41,183	37,053	38,673	30,224	24,690
Net Change in Fiduciary Net Position	(1,984,596)	(3,200,385)	(1,366,641)	1,460,049	(2,651,109)	(1,070,534)	(983,177)	(1,086,856)	(1,369,270)	(835,915)
Plan Fiduciary Net Position-Beginning	(16,629,845)	(13,429,460)	(12,062,819)	(13,522,868)	(10,871,759)	(9,801,225)	(8,818,048)	(7,731,192)	(6,361,922)	(5,526,007)
Plan Fiduciary Net Position-Ending (b)	$ (18,614,441)	$ (16,629,845)	$ (13,429,460)	$ (12,062,819)	$ (13,522,868)	$ (10,871,759)	$ (9,801,225)	$ (8,818,048)	$ (7,731,192)	$ (6,361,922)
City's Net Pension Liability/(Asset)	(4,223,621)	(3,455,539)	(1,450,746)	(1,406,285)	(3,669,076)	(2,133,033)	(2,569,304)	(1,971,895)	(1,800,764)	(1,224,802)
Plan Fiduciary Net Position as a percentage of Total Pension Liability/(Asset)	-129%	-126%	-112%	-113%	-137%	-124%	-136%	-129%	-130%	-124%
Covered Payroll	$ 1,963,943	$ 2,013,514	$ 1,803,394	$ 1,733,508	$ 1,720,479	$ 1,584,365	$ 1,488,212	$ 1,541,067	$ 1,367,798	$ 1,133,154
City's Net Pension Liability/(Asset) as a percentage of Covered Payroll	-215%	-172%	-80%	-81%	-213%	-135%	-173%	-128%	-132%	-108%

*Amounts presented as of September 30

**State Contributions separated out from Employer Contributions starting with fiscal year 2021.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF CONTRIBUTIONS –
FIREFIGHTERS' RETIREMENT FUND
LAST TEN FISCAL YEARS

Year Ended September 30,	Actuarially Determined Contribution (a)	Contributions Recognized By the Plan (b)	Contribution Excess (Deficiency) (b-a)	Covered Payroll (d)	Contributions Recognized as a % of Covered Payroll (b/d)
2025	$ 696,243	$ 621,646	(74,597)	$ 1,963,943	31.65%
2024	553,962	521,856	(32,106)	2,013,514	25.92%
2023	463,079	327,506	(135,573)	1,803,394	18.16%
2022	426,014	414,320	(11,694)	1,733,508	23.90%
2021	548,552	554,695	6,143	1,720,479	32.24%
2020	490,099	482,530	(7,569)	1,584,365	30.46%
2019	544,685	530,342	(14,343)	1,488,212	35.64%
2018	510,920	512,791	1,871	1,541,067	33.28%
2017	393,136	497,252	104,116	1,367,798	36.35%
2016	337,319	389,600	52,281	1,133,154	34.38%

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF INVESTMENT RETURNS –
FIREFIGHTERS' RETIREMENT FUND
LAST TEN FISCAL YEARS

Year Ended September 30,	Money-Weighted Rate of Return
2025	8.483%
2024	19.840%
2023	8.475%
2022	13.37%
2021	19.20%
2020	6.67%
2019	5.98%
2018	8.20%
2017	4.39%
2016	7.91%

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

Year ending September 30,	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Changes due to:								
Service Cost	$ 161,999	$ 145,252	$ 12,549	$ 17,186	$ 105,885	$ 103,667	$ 82,391	$ 77,955
Expected Interest Growth	111,051	110,223	22,871	16,791	31,255	28,064	47,770	46,189
Unexpected Investment Income	-	-	-	-	-	-	-	-
Demographic Experience	184,302	-	1,548,482	-	(334,629)	(91,102)	94,100	-
Employer Contributions	-	-	-	-	-	-	-	-
Employee Contributions	-	-	-	-	-	-	-	-
Benefit Payments & Refunds	(121,683)	(161,654)	(134,222)	(60,431)	(63,998)	(55,927)	(51,698)	(74,401)
Administrative Expenses	-	-	-	-	-	-	-	-
Changes in Benefit Terms	-	-	-	-	-	-	-	-
Assumption Changes	(587,817)	89,243	557,342	(106,063)	(369,153)	166,389	(214,592)	-
Net Change in Total OPEB Liability	(252,148)	183,064	2,007,022	(132,517)	(630,640)	151,091	(42,029)	49,743
Total OPEB Liability/(Asset)-Beginning	$ 2,813,568	$ 2,630,504	$ 623,482	$ 755,999	$ 1,386,639	$ 1,235,548	$ 1,277,577	$ 1,227,834
Total OPEB Liability/(Asset)-Ending	$ 2,561,420	$ 2,813,568	$ 2,630,504	$ 623,482	$ 755,999	$ 1,386,639	$ 1,235,548	$ 1,277,577
Net OPEB Liability/(Asset) (a) + (b)	2,561,420	2,813,568	2,630,504	623,482	755,999	1,386,639	1,235,548	1,277,577
Covered Employee Payroll	$ 9,011,574	$ 7,580,731	$ 6,861,469	$ 7,427,000	$ 7,211,087	$ 6,589,674	$ 6,816,718	$ 6,752,698
Total OPEB Liability/(Asset) as a percentage of Covered Employee Payroll	28%	37%	38%	8%	10%	21%	18%	19%

Note: Amounts presented as of September 30

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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Firefighters' Pension Plan

Actuarial assumptions and methods.

The amounts reported for the year ended September 30, 2025, are based on the October 1, 2024 actuarial valuation.

Discount rate: 7.00% per annum

Salary increases: 4.50% per annum

Cost-of-living increases: 2.00% per annum

Mortality basis: For non-retired participants, sex-distinct rate as set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees, with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year (pre-retirement mortality); for non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees , with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP -2018.

Retirement: Retirement is assumed to occur at the most valuable retirement age.

Future Contributions: Contributions from the employer and employees are assumed to be made as legally required.

Changes: No assumptions were changed since the prior measurement date.

Other Postemployment Benefits Plan

Actuarial assumptions and methods.

The amounts reported for the year ended September 30, 2025, are based on the September 30, 2025 actuarial valuation.

Discount rate: 3.81% per annum (BOY)
4.90% per annum (EOY)
Source: Bond Buyer 20-Bond GO Index

Spouse Age: Male spouses are assumed to be three years older than female spouses.

Medicare Eligibility: All current and future retirees are assumed to be eligible for Medicare at age 65.

Actuarial Cost Method: Entry Age Normal based on level percentage of projected salary.

Amortization Method: *Experience/Assumptions* gains and losses are amortized over a closed period of 19.8 years starting the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).

Other Postemployment Benefits Plan (continued)

Plan Participation Percentage: The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 33% of all employees and their dependents who are eligible for early retiree benefits will participate in the pre-Medicare retiree medical plan, and 10% will participate during Medicare ages. This assumes that a one-time irrevocable election to participate is made at retirement.

Mortality basis: PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

The valuation incorporates updated census information, and current plan cost information, including retiree premiums and contributions, from the prior valuation. The aggregate impact of experience changes to the total OPEB liability is an increase of $184,000.

Other assumption changes include:

The retirement and termination assumptions were updated to the rates from the Florida Retirement System (FRS) actuarial valuation as of July 1, 2025.

The trend rates were updated to an initial rate of 8.50% grading down to an ultimate rate of 4.00%. The Select trend rates are updated to reflect the higher than anticipated rising healthcare costs environment.

The marriage assumption was reduced from 50% to 40% based on current census information.

The salary increase assumption was increased from 3.00% to 3.65% based on information in the FRS actuarial valuation as of July 1, 2025.

The aggregate impact of assumption changes to the total OPEB liability is a decrease of $588,000.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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CITY OF SAFETY HARBOR, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds												
	Public Safety Impact Fee	Street Improvement Fund	Street Assessment	Marina Boat Basin	City Tree Bank	Multimodal Impact Fees	Library Impact Fee	Law Enforcement Trust Fd	Street Lighting Fund	Parkland Fund	Total Special Revenue Funds	Debt Service	Total Nonmajor Governmental Funds
Assets													
Pooled cash and investments	$ 17,065	$ 1,808,353	$ 38,409	$ 343,162	$ 288,083	$ 578,021	$ 100,339	$ 309	$ 35,120	$ 6,464	$ 3,215,325	$ 56,852	$ 3,272,177
Receivables, net:													
Accounts receivable	52	2,974	1,109	33,429	463	1,041	194	1	17,373	7	56,643	-	56,643
Due from other governments	-	54,211	-	-	-	-	-	-	-	-	54,211	-	54,211
Total assets	$ 17,117	$ 1,865,538	$ 39,518	$ 376,591	$ 288,546	$ 579,062	$ 100,533	$ 310	$ 52,493	$ 6,471	$ 3,326,179	$ 56,852	$ 3,383,031
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	$ -	$ 22,316	$ -	$ -	$ 18,970	$ -	$ -	$ -	$ 21,573	$ 9	$ 62,868	$ -	$ 62,868
Customer deposits	-	-	-	5,440	-	-	-	-	-	-	5,440	-	5,440
Unearned revenue	-	-	153	1,863	-	-	-	-	-	-	2,016	-	2,016
Total liabilities	-	22,316	153	7,303	18,970	-	-	-	21,573	9	70,324	-	70,324
Deferred Inflows of Resources:													
Unavailable Revenue	-	17,670	-	-	-	-	-	-	-	-	17,670	-	17,670
Fund Balances:													
Restricted for:													
Fire protection	5,628	-	-	-	-	-	-	-	-	-	5,628	-	5,628
Transportation	-	459,739	39,365	-	-	-	-	-	30,920	-	530,024	-	530,024
Library	-	-	-	-	-	-	86,803	-	-	-	86,803	-	86,803
Debt service	-	-	-	-	-	-	-	-	-	-	-	56,852	56,852
Committed to:													
Physical environment	-	-	-	275,937	-	-	-	-	-	-	275,937	-	275,937
Public safety	-	-	-	-	245,177	-	-	-	-	-	245,177	-	245,177
Assigned to:													
Fire protection	11,489	-	-	-	-	-	-	-	-	-	11,489	-	11,489
Library	-	-	-	-	-	-	13,730	-	-	-	13,730	-	13,730
Parks and recreation	-	-	-	-	-	-	-	-	-	6,462	6,462	-	6,462
Public safety	-	-	-	-	24,399	-	-	310	-	-	24,709	-	24,709
Physical environment	-	-	-	93,351	-	-	-	-	-	-	93,351	-	93,351
Transportation	-	1,365,813	-	-	-	579,062	-	-	-	-	1,944,875	-	1,944,875
Total fund balances	17,117	1,825,552	39,365	369,288	269,576	579,062	100,533	310	30,920	6,462	3,238,185	56,852	3,295,037
Total liabilities and fund balances	**$ 17,117**	**$ 1,865,538**	**$ 39,518**	**$ 376,591**	**$ 288,546**	**$ 579,062**	**$ 100,533**	**$ 310**	**$ 52,493**	**$ 6,471**	**$ 3,326,179**	**$ 56,852**	**$ 3,383,031**

CITY OF SAFETY HARBOR, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds												
	Public Safety Impact Fee	Street Improvement Fund	Street Assessment	Marina Boat Basin	City Tree Bank	Multimodal Impact Fees	Library Impact Fee	Law Enforcement Trust Fd	Street Lighting Fund	Parkland Fund	Total Special Revenue Funds	Debt Service	Total Nonmajor Governmental Funds
Revenues:													
Local option tax	$ -	$ 204,001	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 204,001	$ -	$ 204,001
Impact fees	1,454	-	-	-	-	1,368	1,820	-	-	7,200	11,842	-	11,842
Special assessments	-	-	-	-	-	-	-	-	220,390	-	220,390	-	220,390
Charges for services	-	2,400	-	35,831	113,346	-	-	-	-	-	151,577	-	151,577
Investment income	1,090	62,142	-	12,957	9,678	21,711	4,063	12	1,751	141	113,545	-	113,545
Contributions and donations	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	2,544	268,543	-	48,788	123,024	23,079	5,883	12	222,141	7,341	701,355	-	701,355
Expenditures:													
Current operating:													
Public safety													
Fire protection	275	-	-	-	-	-	-	-	-	-	275	-	275
Building department	-	-	-	-	69,671	-	-	-	-	-	69,671	-	69,671
Physical environment	-	-	-	37,349	-	-	-	-	-	-	37,349	-	37,349
Transportation	-	118,239	-	-	-	-	-	-	253,505	-	371,744	-	371,744
Culture and recreation													
Parks and recreation	-	-	-	-	-	-	-	-	-	5,746	5,746	-	5,746
Capital outlay	24,958	33,995	-	23,424	-	-	16,801	-	-	5,089	104,267	-	104,267
Debt service:													
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	167,734	167,734
Interest and other charges	-	-	-	-	-	-	-	-	-	-	-	19,830	19,830
Total expenditures	25,233	152,234	-	60,773	69,671	-	16,801	-	253,505	10,835	589,052	187,564	776,616
Excess (deficiency) of revenues over (under) expenditures	(22,689)	116,309	-	(11,985)	53,353	23,079	(10,918)	12	(31,364)	(3,494)	112,303	(187,564)	(75,261)
Other financing sources (uses):													
Transfers in	-	400,000	-	36,000	-	-	-	-	7,650	-	443,650	187,940	631,590
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	400,000	-	36,000	-	-	-	-	7,650	-	443,650	187,940	631,590
Net change in fund balances	(22,689)	516,309	-	24,015	53,353	23,079	(10,918)	12	(23,714)	(3,494)	555,953	376	556,329
Fund balances, beginning of year	39,806	1,309,243	39,365	345,273	216,223	555,983	111,451	298	54,634	9,956	2,682,232	56,476	2,738,708
Fund balances, end of year	$ 17,117	$ 1,825,552	$ 39,365	$ 369,288	$ 269,576	$ 579,062	$ 100,533	$ 310	$ 30,920	$ 6,462	$ 3,238,185	$ 56,852	$ 3,295,037

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – PUBLIC SAFETY FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Impact fees	$ 3,500	$ 3,500	$ 1,454	$ (2,046)
Investment income	2,000	2,000	1,090	(910)
Amounts available for appropriation	5,500	5,500	2,544	(2,956)
Charges to appropriations (outflows):				
Fire protection	-	-	275	(275)
Capital outlay	29,000	29,000	24,958	4,042
Total charges to appropriations	29,000	29,000	25,233	3,767
Excess (deficiency) of resources over (under) charges to appropriations	(23,500)	(23,500)	(22,689)	811
Appropriated fund balance	23,500	23,500	-	(23,500)
Deficiency of resources under charges to appropriations	$ -	$ -	$ (22,689)	$ (22,689)

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – STREET IMPROVEMENT FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Local option tax	$ 227,500	$ 227,500	$ 204,001	$ (23,499)
Charges for services	11,000	11,000	2,400	(8,600)
Investment income	10,000	10,000	62,142	52,142
Transfers in from other funds	400,000	400,000	400,000	-
Amounts available for appropriation	648,500	648,500	668,543	20,043
Charges to appropriations (outflows):				
Transportation	163,500	175,065	118,239	56,826
Capital outlay	855,000	485,760	33,995	451,765
Total charges to appropriations	1,018,500	660,825	152,234	508,591
Excess (deficiency) of resources over (under) charges to appropriations	(370,000)	(12,325)	516,309	528,634
Appropriated fund balance	370,000	12,325	-	(12,325)
Excess of resources under charges to appropriations	$ -	$ -	$ 516,309	$ 516,309

Notes:
Explanation of differences between budgetary inflows and GAAP revenues:

Actual amounts (budgetary basis) available for appropriations from the budgetary comparisons schedule	$ 668,543
Differences - budget to GAAP	
Transfers from other funds are inflows of budgetary resources but are not resources for financial reporting purposes	400,000
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds	$ 268,543

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – STREET ASSESSMENT FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Special Assessments	$ -	$ -	$ -	$ -
Investment income	-	-	-	-
Amounts available for appropriation	$ -	$ -	$ -	$ -
Charges to appropriations (outflows):				
Total charges to appropriations	-	-	-	-
Excess (deficiency) of resources over (under) charges to appropriations	-	-	-	-
Appropriated fund balance	-	-	-	-
Deficiency of resources under charges to appropriations	$ -	$ -	$ -	$ -

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – MARINA BOAT BASIN FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Charges for services	$ 72,000	$ 72,000	$ 35,831	$ (36,169)
Investment income	3,000	3,000	12,957	9,957
Transfers in from other funds	36,000	36,000	36,000	-
Amounts available for appropriation	111,000	111,000	84,788	(26,212)
Charges to appropriations (outflows):				
Physical environment	42,830	42,830	37,349	5,481
Capital outlay	-	78,060	23,424	54,636
Total charges to appropriations	42,830	120,890	60,773	60,117
Excess (deficiency) of resources over (under) charges to appropriations	68,170	(9,890)	24,015	33,905
Appropriated fund balance	(68,170)	9,890	-	(9,890)
Excess of resources under charges to appropriations	$ -	$ -	$ 24,015	$ 24,015
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriations from the budgetary comparisons schedule			$ 84,788	
Differences - budget to GAAP				
Transfers from other funds are inflows of budgetary resources but are not resources for financial reporting purposes			36,000	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			$ 48,788	

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – CITY TREE BANK FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Charges for services	$ 30,000	$ 30,000	$ 113,346	$ 83,346
Investment income	2,000	2,000	9,678	7,678
Amounts available for appropriation	32,000	32,000	123,024	91,024
Charges to appropriations (outflows):				
Building Department	38,400	22,422	69,671	(47,249)
Total charges to appropriations	38,400	22,422	69,671	(47,249)
Excess (deficiency) of resources over (under) charges to appropriations	(6,400)	9,578	53,353	43,775
Appropriated fund balance	6,400	(9,578)	-	9,578
Excess of resources under charges to appropriations	$ -	$ -	$ 53,353	$ 53,353

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – MULTIMODAL IMPACT FEE FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Impact fees	$ 54,000	$ 54,000	$ 1,368	$ (52,632)
Investment income	6,000	6,000	21,711	15,711
Amounts available for appropriation	60,000	60,000	23,079	(36,921)
Charges to appropriations (outflows):				
Capital outlay	-	-	-	-
Total charges to appropriations	-	-	-	-
Excess (deficiency) of resources over (under) charges to appropriations	60,000	60,000	23,079	(36,921)
Appropriated fund balance	(60,000)	(60,000)	-	60,000
Excess of resources under charges to appropriations	$ -	$ -	$ 23,079	$ 23,079

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – LIBRARY IMPACT FEE FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Impact fees	$ 4,800	$ 4,800	$ 1,820	$ (2,980)
Investment income	-	-	4,063	4,063
Amounts available for appropriation	4,800	4,800	5,883	1,083
Charges to appropriations (outflows):				
Capital outlay	-	-	16,801	(16,801)
Total charges to appropriations	-	-	16,801	(16,801)
Excess (deficiency) of resources over (under) charges to appropriations	4,800	4,800	(10,918)	(15,718)
Appropriated fund balance	(4,800)	(4,800)	-	4,800
Excess of resources under charges to appropriations	$ -	$ -	$ (10,918)	$ (10,918)

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – LAW ENFORCEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Investment income	$ -	$ -	$ 12	$ 12
Amounts available for appropriation	-	-	12	12
Charges to appropriations (outflows):				
Capital outlay	-	-	-	-
Total charges to appropriations	-	-	-	-
Excess (deficiency) of resources over (under) charges to appropriations	-	-	12	12
Appropriated fund balance	-	-	-	-
Excess of resources under charges to appropriations	$ -	$ -	$ 12	$ 12

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – STREET LIGHTING FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Special Assessments	$ 225,000	$ 225,000	$ 220,390	$ (4,610)
Investment income	1,800	1,800	1,751	(49)
Transfers in from other funds	7,650	7,650	7,650	-
Amounts available for appropriation	234,450	234,450	229,791	(4,659)
Charges to appropriations (outflows):				
Transportation	273,420	273,420	253,505	19,915
Total charges to appropriations	273,420	273,420	253,505	19,915
Excess (deficiency) of resources over (under) charges to appropriations	(38,970)	(38,970)	(23,714)	15,256
Appropriated fund balance	38,970	38,970	-	(38,970)
Excess of resources under charges to appropriations	$ -	$ -	$ (23,714)	$ (23,714)

Notes:
Explanation of differences between budgetary inflows and GAAP Revenues:

Actual amounts (budgetary basis) available for appropriations from the budgetary comparisons schedule	$ 229,791
Differences - budget to GAAP	
Transfers from other funds are inflows of budgetary resources but are not resources for financial reporting purposes	7,650
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds	$ 222,141

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – PARKLAND FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Impact fees	$ 103,900	$ 103,900	$ 7,200	$ (96,700)
Investment income	2,300	2,300	141	(2,159)
Amounts available for appropriation	106,200	106,200	7,341	(98,859)
Charges to appropriations (outflows):				
Parks and recreation	-	5,800	5,746	54
Capital outlay	57,120	86,127	5,089	81,038
Total charges to appropriations	57,120	91,927	10,835	81,092
Excess (deficiency) of resources over (under) charges to appropriations	49,080	14,273	(3,494)	(17,767)
Appropriated fund balance	(49,080)	(14,273)	-	14,273
Excess of resources under charges to appropriations	$ -	$ -	$ (3,494)	$ (3,494)

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUND – DEBT SERVICE FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Transfers in from other funds	$ 187,940	$ 187,940	$ 187,940	$ -
Amounts available for appropriation	187,940	187,940	187,940	-
Charges to appropriations (outflows):				
Principal retirement	167,760	167,763	167,734	29
Interest and other charges	19,831	19,831	19,830	1
Total charges to appropriations	187,591	187,594	187,564	30
Excess (deficiency) of resources over (under) charges to appropriations	349	346	376	30
Appropriated fund balance	(349)	(346)	-	346
Excess of resources under charges to appropriations	$ -	$ -	$ 376	$ 376

Notes:

Explanation of differences between budgetary inflows and GAAP Revenues:	
Actual amounts (budgetary basis) available for appropriations from the budgetary comparisons schedule	$ 187,940
Differences - budget to GAAP	
Transfers from other funds are inflows of budgetary resources but are not resources for financial reporting purposes	187,940
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds	$ -

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND – CAPITAL PROJECTS FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Local option tax	$ 2,807,900	$ 2,807,900	$ 2,364,525	$ (443,375)
Investment income	15,000	15,000	156,795	141,795
Transfers in from other funds	300,000	899,141	300,000	(599,141)
Amounts available for appropriation	3,122,900	3,722,041	2,821,320	(900,721)
Charges to appropriations (outflows):				
Transportation	-	2,539	23,553	(21,014)
Capital outlay	3,036,620	4,131,546	2,418,684	1,712,862
Transfers out to other funds	513,980	513,980	513,980	-
Total charges to appropriations	3,550,600	4,648,065	2,956,217	1,691,848
Excess (deficiency) of resources over (under) charges to appropriations	(427,700)	(926,024)	(134,897)	791,127
Appropriated fund balance	427,700	926,024	-	(926,024)
Excess of resources under charges to appropriations	$ -	$ -	$ (134,897)	$ (134,897)

Explanation of differences between budgetary inflows and GAAP revenues:	
Actual amounts (budgetary basis) available for appropriation from the budgetary comparisons schedule	$ 2,821,320
Differences - budget to GAAP	
Transfers from other funds are inflows of budgetary resources but are not resources for financial reporting purposes	300,000
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds	$ 2,521,320

Explanation of differences between budgetary outflows and GAAP expenditures:	
Actual amounts (budgetary basis) charged to appropriations per the budgetary comparisons schedule	$ 2,956,217
Differences - budget to GAAP	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	513,980
Total expenditures as reported on the statement of revenues expenditures and changes in fund balances governmental funds	$ 2,442,237

OTHER SUPPLEMENTAL SCHEDULES

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CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET
FIRE DISTRICT AND EMERGENCY MEDICAL SERVICES SUB-FUNDS
YEAR ENDED SEPTEMBER 30, 2025

		Actual Amounts				
	Fire Budget	City Amounts	Fire District Amounts	EMS Amounts	Total Amounts	Variance Favorable (Unfavorable)
Revenue:						
Municipality - City of Safety Harbor	$ 3,397,968	$ 3,387,482	$ -	$ -	$ 3,387,482	$ (10,486)
EMS District funds	1,328,500	-	-	1,328,567	1,328,567	67
EMS District funds[a]	11,800	(10,504)	-	10,504	-	(11,800)
Safety Harbor Fire District	182,500	-	167,618	-	167,618	(14,882)
State Excise Pass Thru	122,000	191,749	-	-	191,749	69,749
Total revenues	5,042,768	3,568,727	167,618	1,339,071	5,075,416	32,648
Expenditures:						
Personnel services	4,262,470	2,824,304	167,618	1,266,826	4,258,748	3,722
Contractual/other services	371,343	299,082	-	96,314	395,396	(24,053)
State Excise Passing Thru	133,350	245,043	-	-	245,043	(111,693)
Station/Overhead allowable costs[a]	-	(10,504)	-	10,504	-	-
Materials and supplies	275,605	56,318	-	119,911	176,229	99,376
Capital outlay	-	-	-	-	-	-
Total expenditures	5,042,768	3,414,243	167,618	1,493,555	5,075,416	(32,648)
Excess of revenues over expenditures	$ -	$ 154,484	$ -	$ (154,484)	$ -	$ -

[a] Reference Emergency Medical Services ALS First Responder Agreement October 1, 2024, Article VII, Section 701(g)

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET
LIBRARY SUB-FUNDS
YEAR ENDED SEPTEMBER 30, 2025

		Actual Amounts			
	Library Budget	City Amounts	Cooperative Amounts	Total Amounts	Variance Favorable (Unfavorable)
Revenue:					
Municipality - City of Safety Harbor	$ 1,408,520	$ 1,108,594	$ -	$ 1,108,594	$ (299,926)
Intergovernmental	303,000	-	424,401	424,401	121,401
Total revenues	1,711,520	1,108,594	424,401	1,532,995	(178,525)
Expenditures:					
Personnel services	1,297,500	834,450	340,221	1,174,671	122,829
Contractual/other services	304,078	258,289	-	258,289	45,789
Materials and supplies	23,008	15,855	-	15,855	7,153
Capital outlay	86,934	-	84,180	84,180	2,754
Total expenditures	1,711,520	1,108,594	424,401	1,532,995	178,525
Excess of revenues over expenditures	$ -	$ -	$ -	$ -	$ -

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET
WATER AND SEWER FUND
YEAR ENDED SEPTEMBER 30, 2025

	Budget	Budgetary Basis Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for Services	$ 12,857,060	$ 12,485,407	$ (371,653)
Other	16,000	17,462	1,462
Total operating revenue	12,873,060	12,502,869	(370,191)
OPERATING EXPENSES			
Salaries, wages, and employee benefits	2,246,820	2,119,945	126,875
Materials and supplies	333,305	281,622	51,683
Contractual and other services	6,176,135	5,627,976	548,159
Capital outlay	5,726,850	2,136,152	3,590,698
Total operating expenses	14,483,110	10,165,695	4,317,415
Operating income (loss)	(1,610,050)	2,337,174	3,947,224
NONOPERATING INCOME (EXPENSES)			
Investment income	187,210	925,140	737,930
Interest and other charges	(138,635)	(136,301)	2,334
Insurance recoveries	-	1,352	1,352
Gain on the sale of capital assets	17,500	166,324	148,824
Debt service principal retirement	1,055,851	-	(1,055,851)
Total nonoperating income (expenses)	1,121,926	956,515	(165,411)
TRANSFERS			
Transfers in	604,900	3,319,010	2,714,110
Transfers out	596,920	3,369,010	2,772,090
TRANSFERS IN	7,980	(50,000)	(57,980)
Income (loss) before appropriated net position	(480,144)	3,243,689	3,723,833
Appropriated net position	480,144	-	(480,144)
Changes in net position	**$ -**	3,243,689	$ 3,243,689
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(2,770,458)	
Capital outlay		2,136,152	
Debt service principal repayment		-	
Change in net position GAAP basis		$ 2,609,383	

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET
SOLID WASTE FUND
YEAR ENDED SEPTEMBER 30, 2025

	Budget	Budgetary Basis Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for Services	$ 3,878,630	$ 3,993,135	$ 114,505
Intergovernmental	12,000	-	(12,000)
Other	9,600	7,018	(2,582)
Total operating revenue	3,900,230	4,000,153	99,923
OPERATING EXPENSES			
Salaries, wages, and employee benefits	1,620,830	1,114,397	506,433
Materials and supplies	299,450	340,240	(40,790)
Contractual and other services	1,367,850	1,285,227	82,623
Capital outlay	915,000	804,377	110,623
Total operating expenses	4,203,130	3,544,241	658,889
Operating income (loss)	(302,900)	455,912	758,812
NONOPERATING INCOME (EXPENSES)			
Investment income	40,000	258,823	218,823
Interest and other charges	(2,680)	(2,672)	8
Gain on the sale of capital assets	35,000	-	(35,000)
Total nonoperating income (expenses)	72,320	256,151	183,831
Income (loss) before appropriated net position	(230,580)	712,063	942,643
Appropriated net position	230,580	-	(230,580)
Changes in net position	$ -	712,063	$ 712,063
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(453,454)	
Capital outlay		804,377	
Change in net position GAAP basis		$ 1,062,986	

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF OPERATIONS – ACTUAL AND BUDGET
STORMWATER FUND
YEAR ENDED SEPTEMBER 30, 2025

	Budget	Budgetary Basis Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for Services	$ 1,550,000	$ 1,517,622	$ (32,378)
Total operating revenue	1,550,000	1,517,622	(32,378)
OPERATING EXPENSES			
Salaries, wages, and employee benefits	480,120	418,398	61,722
Materials and supplies	155,440	121,029	34,411
Contractual and other services	434,290	376,366	57,924
Capital outlay	2,073,000	1,878,227	194,773
Total operating expenses	3,142,850	2,794,020	348,830
Operating income (loss)	(1,592,850)	(1,276,398)	316,452
NONOPERATING INCOME (EXPENSES)			
Investment income	25,000	243,854	218,854
Interest and other charges	(4,830)	(4,804)	26
Gain on the sale of capital assets	-	35,215	35,215
Total nonoperating income (expenses)	20,170	274,265	254,095
Income (loss) before appropriated net position	(1,572,680)	(1,002,133)	570,547
Appropriated net position	1,572,680	-	(1,572,680)
Changes in net position	$ -	(1,002,133)	$ (1,002,133)
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(404,121)	
Capital outlay		1,878,227	
Change in net position GAAP basis		$ 471,973	

See Independent Auditors' Report.

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STATISTICAL SECTION

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This section of the City's ACFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health. This information has not been audited by the independent auditor.

Contents

Financial Trends

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

Schedule 1 Net Position by Component
Schedule 2 Changes in Net Position
Schedule 3 Program Revenues by Function/Program
Schedule 4 Fund Balances of Governmental Funds
Schedule 5 Changes in Fund Balances of Governmental Funds

Revenue Capacity

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

Schedule 6 Assessed Value and Estimated Actual Value of Taxable Property
Schedule 7 Direct and Overlapping Property Tax Rates
Schedule 8 Principal Taxpayers - Real Property
Schedule 9 Principal Taxpayers - Personal Property
Schedule 10 Property Tax Levies and Collections

Debt Capacity

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

Schedule 11 Ratios of Outstanding Debt by Type
Schedule 12 Legal Debt Margin Information
Schedule 13 Direct and Overlapping Governmental Activities Debt
Schedule 14 Pledged Revenue Coverage - Governmental Activities
Schedule 15 Pledged Revenue Coverage - Business-Type Activities

Demographic and Economic Information

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

Schedule 16 Demographic and Economic Statistics
Schedule 17 Principal Employers

Operating Information

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

Schedule 18 Full-time Equivalent City Government Employees by Function
Schedule 19 Operating Indicators by Function
Schedule 20 Capital Asset Statistics by Function

Sources: Unless otherwise noted, the information in this section is derived from the City's annual comprehensive financial reports for the relevant year.

SCHEDULE 1
CITY OF SAFETY HARBOR, FLORIDA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2025	2024	2023	2022	2021	2020	2019	2018*	2017	2016
Governmental Activities										
Net investment in capital assets	$ 33,984,188	$ 32,381,967	$ 27,339,458	$ 25,655,529	$ 26,175,658	$ 25,839,181	$ 24,716,131	$ 22,559,405	$ 22,503,388	$ 20,413,796
Restricted	6,643,796	6,492,335	5,364,468	5,876,424	6,012,532	1,201,497	1,738,084	2,499,538	2,113,838	2,158,213
Unrestricted	13,996,502	14,798,676	18,673,459	19,776,765	9,418,244	11,950,569	10,160,392	8,957,190	8,562,317	9,981,724
Total governmental activities net position	$ 54,624,486	$ 53,672,978	$ 51,377,385	$ 51,308,718	$ 41,606,434	$ 38,991,247	$ 36,614,607	$ 34,016,133	$ 33,179,543	$ 32,553,733
Business-type Activities										
Net investment in capital assets	$ 33,851,765	$ 31,793,761	$ 28,639,293	$ 25,479,614	$ 23,116,018	$ 19,116,813	$ 24,816,184	$ 22,904,068	$ 19,839,464	$ 19,967,583
Restricted	5,929,187	5,012,681	4,871,621	4,652,292	4,606,106	16,232,120	11,332,008	10,321,373	10,568,422	10,231,976
Unrestricted	34,079,650	32,969,361	28,817,257	25,233,268	22,668,436	9,949,715	4,547,404	4,280,845	5,370,298	4,144,658
Total business-type activities net position	$ 73,860,602	$ 69,775,803	$ 62,328,171	$ 55,365,174	$ 50,390,560	$ 45,298,648	$ 40,695,596	$ 37,506,286	$ 35,778,184	$ 34,344,217
Primary Government										
Net investment in capital assets	$ 67,835,953	$ 64,175,728	$ 55,978,751	$ 51,135,143	$ 49,291,676	$ 44,955,994	$ 49,532,315	$ 45,463,473	$ 42,342,852	$ 40,381,379
Restricted	12,572,983	11,505,016	10,236,089	10,528,716	10,618,638	17,433,617	13,070,092	12,820,911	12,682,260	12,390,189
Unrestricted	48,076,152	47,768,037	47,490,716	45,010,033	32,086,680	21,900,284	14,707,796	13,238,035	13,932,615	14,126,382
Total primary government net position	$ 128,485,088	$ 123,448,781	$ 113,705,556	$ 106,673,892	$ 91,996,994	$ 84,289,895	$ 77,310,203	$ 71,522,419	$ 68,957,727	$ 66,897,950

*Restated

Note: The City implemented GASB 68 in 2015. Financial data restated in 2014 for comparative purposes.
The City implemented GASB 85 in 2018. Financial data restated in 2018 for comparative purposes.

SCHEDULE 2
CITY OF SAFETY HARBOR, FLORIDA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities:										
General government	$ 6,559,316	$ 4,594,678	$ 4,315,128	$ 3,617,239	$ 3,506,083	$ 3,283,817	$ 3,454,214	$ 3,180,590	$ 3,257,408	$ 2,965,594
Law enforcement	1,846,106	1,736,395	1,612,409	1,532,963	1,453,856	1,427,226	1,359,740	1,313,651	1,277,859	1,260,699
Fire protection	5,148,136	4,755,203	5,003,702	4,261,405	3,958,157	4,011,958	4,096,325	3,881,364	4,000,144	3,942,197
Building department	434,803	371,206	347,809	343,934	588,892	690,456	548,162	542,380	484,448	390,407
Physical environment	614,277	532,903	507,205	467,169	445,092	460,790	501,629	500,711	491,636	467,017
Transportation	1,502,158	1,501,075	1,467,894	1,351,413	1,415,505	1,318,193	1,306,846	1,318,998	1,594,249	1,614,526
Library	1,758,470	1,606,569	1,560,315	1,517,358	1,345,498	1,396,194	1,593,137	1,577,190	1,542,784	1,498,730
Parks and recreation	6,214,231	5,612,200	5,134,883	4,506,518	4,231,580	4,025,073	4,050,804	3,740,028	3,545,138	3,274,817
Interest and other charges on long-term debt	20,351	25,944	30,917	20,430	71,516	80,545	150,009	54,488	146,190	119,243
Total governmental activities expenses	24,097,848	20,736,173	19,980,262	17,618,429	17,016,179	16,694,252	17,060,866	16,109,400	16,339,856	15,533,230
Business-type activities:										
Water and wastewater	10,936,302	10,594,914	9,232,770	9,022,523	8,764,856	8,601,867	9,214,092	8,423,410	8,287,692	8,235,173
Solid waste	3,195,990	3,099,901	3,249,561	3,187,515	2,968,009	3,007,606	2,917,406	2,807,743	2,861,263	2,586,702
Stormwater	1,324,718	1,268,170	964,229	1,064,619	929,468	981,637	910,440	1,166,631	1,043,174	1,050,346
Total business-type activities expenses	15,457,010	14,962,985	13,446,560	13,274,657	12,662,333	12,591,110	13,041,938	12,397,784	12,192,129	11,872,221
Total primary government expenses	$ 39,554,858	$ 35,699,158	$ 33,426,822	$ 30,893,086	$ 29,678,512	$ 29,285,362	$ 30,102,804	$ 28,507,184	$ 28,531,985	$ 27,405,451
Program Revenues (see Schedule 3)										
Governmental activities:										
Charges for services:										
General government	$ 59,610	$ 46,267	$ 58,792	$ 24,732	$ 28,434	$ 134,716	$ 145,743	$ 122,823	$ 153,275	$ 78,602
Law enforcement	3,160	7,205	8,052	11,970	6,854	10,441	17,052	15,384	17,262	13,442
Fire protection	12,999	17,150	12,250	13,600	17,375	12,820	54,650	85,787	31,425	31,567
Building department	329,034	302,788	261,200	163,561	487,883	483,373	811,984	532,923	322,968	250,257
Physical environment	-	-	-	-	-	-	215,135	53,485	252,343	39,435
Transportation	224,157	277,475	225,230	238,359	269,280	264,817	453,586	261,768	283,183	282,396
Library	14,659	16,450	12,203	15,048	23,600	22,423	47,934	41,169	55,144	51,460
Parks and recreation	1,436,611	1,361,323	1,274,145	1,172,589	856,380	964,841	802,000	885,164	813,304	798,929
Operating grants and contributions	2,457,300	1,884,843	1,581,555	1,501,049	1,629,871	1,648,240	1,740,458	1,419,324	1,296,499	1,287,503
Capital grants and contributions	200,000	963,882	42,556	3,574	56,173	39,200	163,842	73,297	335,104	868,643
Total governmental activities program revenues	4,737,530	4,877,383	3,475,983	3,144,482	3,375,850	3,580,871	4,452,384	3,491,124	3,560,507	3,702,234
Business-type activities:										
Charges for services:										
Water and wastewater	$ 12,485,407	12,600,065	12,788,981	12,258,195	12,303,062	11,470,343	10,135,847	9,331,647	8,585,590	7,461,978
Solid waste	3,993,135	4,026,008	3,798,670	3,596,994	3,419,589	3,134,459	2,989,087	2,955,565	2,954,431	2,923,310
Stormwater	1,517,622	1,544,135	1,545,894	1,544,802	1,544,164	1,501,379	1,447,489	1,399,020	1,149,837	1,012,228
Operating grants and contributions	-	7,717	12,238	-	-	8,388	76,627	5,884	55,231	32,934
Capital grants and contributions	-	-	-	-	-	-	1,145	56,908	-	-
Total business-type activities program revenues	17,996,164	18,177,925	18,145,783	17,399,991	17,266,815	16,114,569	14,650,195	13,749,024	12,745,089	11,430,450
Total primary government program revenues	$ 22,733,694	$ 23,055,308	$ 21,621,766	$ 20,544,473	$ 20,642,665	$ 19,695,440	$ 19,102,579	$ 17,240,148	$ 16,305,596	$ 15,132,684

SCHEDULE 2
CITY OF SAFETY HARBOR, FLORIDA
CHANGES IN NET POSITION, CONTINUED
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (Expense)/Revenue										
Governmental activities	$ (19,360,318)	$ (15,858,790)	$ (16,504,279)	$ (14,473,947)	$ (13,640,329)	$ (13,113,381)	$ (12,608,482)	$ (12,618,276)	$ (12,779,349)	$ (11,830,996)
Business-type activities	2,539,154	3,214,940	4,699,223	4,125,334	4,604,482	3,523,459	1,608,257	1,351,241	552,960	(441,771)
Total primary government net expense	$ (16,821,164)	$ (12,643,850)	$ (11,805,056)	$ (10,348,613)	$ (9,035,847)	$ (9,589,922)	$ (11,000,225)	$ (11,267,035)	$ (12,226,389)	$ (12,272,767)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 8,439,332	$ 7,828,459	$ 7,131,307	$ 6,784,259	$ 6,345,780	$ 5,723,956	$ 5,257,349	$ 4,913,710	$ 4,571,161	$ 4,390,452
Utility taxes	3,306,505	2,917,072	3,195,103	3,084,868	2,566,340	2,521,486	2,436,400	2,324,144	2,288,535	2,322,071
Local business tax	143,031	132,987	139,061	131,022	145,664	141,507	144,019	149,597	140,393	141,389
Local option tax	2,868,626	2,814,899	2,822,696	2,774,708	2,419,622	2,211,086	2,307,990	2,215,907	2,113,583	2,082,591
Franchise fees	1,761,294	1,706,366	1,576,515	1,568,699	1,474,949	1,473,793	1,502,259	1,416,403	1,315,493	1,347,753
Sales tax	1,364,283	1,357,831	1,448,441	1,428,874	1,288,238	1,090,262	1,150,183	1,125,671	1,078,525	1,151,421
Intergovernmental	820,198	804,914	836,581	10,049,319	793,692	595,815	628,185	611,561	593,293	568,087
Investment income	799,586	1,526,311	398,955	(1,078,788)	(7,195)	363,095	623,432	(58,532)	42,800	228,367
Other	814,516	518,461	579,701	1,232,910	1,228,426	1,369,021	1,157,139	1,273,426	1,261,376	1,059,184
Gain on sale of capital assets	104,380	243,538	47,688	-	-	-	-	-	-	-
Insurance recoveries	91,944	3,545	12,858	-	-	-	-	-	-	-
Transfers	50,000	(1,700,000)	(1,615,960)	(1,799,640)	-	-	-	-	-	-
Total governmental activities	20,563,695	18,154,383	16,572,946	24,176,231	16,255,516	15,490,021	15,206,956	13,971,887	13,405,159	13,291,315
Business-type activities:										
Intergovernmental	-	-	-	12,525	12,570	-	-	-	-	-
Investment income	1,427,817	2,458,710	535,155	(1,467,365)	(16,365)	611,328	830,015	(107,028)	62,990	289,499
Other	24,480	22,356	85,014	450,814	468,664	457,347	697,159	656,820	750,612	656,365
Proceeds from sale of capital assets	201,539	45,853	15,800	53,666	22,561	10,918	53,879	35,888	67,405	38,059
Insurance recoveries	1,352	5,773	11,845	-	-	-	-	-	-	-
Transfers	(50,000)	1,700,000	1,615,960	1,799,640	-	-	-	-	-	-
Total business-type activities	1,605,188	4,232,692	2,263,774	849,280	487,430	1,079,593	1,581,053	585,680	881,007	983,923
Total primary government	$ 22,168,883	$ 22,387,075	$ 18,836,720	$ 25,025,511	$ 16,742,946	$ 16,569,614	$ 16,788,009	$ 14,557,567	$ 14,286,166	$ 14,275,238
Change in Net Position										
Governmental activities	$ 1,203,377	$ 2,295,593	$ 68,667	$ 9,702,284	$ 2,615,187	$ 2,376,640	$ 2,598,474	$ 1,353,611	$ 625,810	$ 1,460,319
Business-type activities	4,144,342	7,447,632	6,962,997	4,974,614	5,091,912	4,603,052	3,189,310	1,936,921	1,433,967	542,152
Total primary government	$ 5,347,719	$ 9,743,225	$ 7,031,664	$ 14,676,898	$ 7,707,099	$ 6,979,692	$ 5,787,784	$ 3,290,532	$ 2,059,777	$ 2,002,471

SCHEDULE 3
CITY OF SAFETY HARBOR, FLORIDA
PROGRAM REVENUES BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Function/Program										
Governmental activities:										
General government	$ 59,610	$ 46,267	$ 58,792	$ 24,732	$ 28,434	$ 134,716	$ 145,743	$ 122,823	$ 153,275	$ 83,602
Law enforcement	246,760	109,710	8,052	11,970	6,854	10,441	17,052	15,384	19,535	13,442
Fire protection	1,740,159	1,564,327	1,339,018	1,241,108	1,405,910	1,397,706	1,521,128	1,280,284	1,181,764	1,103,427
Building department	329,034	302,788	261,200	163,561	487,883	483,373	811,984	536,239	322,968	250,257
Physical environment	-	-	8,500	-	-	-	215,135	53,485	252,343	39,435
Transportation	231,588	284,689	231,597	244,232	274,682	270,061	458,678	266,711	337,114	290,095
Library	692,368	1,205,379	274,479	262,716	257,534	263,708	319,602	252,737	216,339	257,791
Parks and recreation	1,438,011	1,364,223	1,294,345	1,196,163	914,553	1,020,866	963,062	963,461	1,077,169	1,664,185
Total governmental activities program revenues	4,737,530	4,877,383	3,475,983	3,144,482	3,375,850	3,580,871	4,452,384	3,491,124	3,560,507	3,702,234
Business-type activities:										
Water and wastewater	12,485,407	12,600,065	12,788,981	12,258,195	12,303,062	11,470,343	10,196,879	9,324,805	8,623,997	7,464,998
Solid waste	3,993,135	4,033,725	3,810,908	3,596,994	3,419,589	3,142,847	3,004,682	2,968,291	2,972,346	2,952,133
Stormwater	1,517,622	1,544,135	1,545,894	1,544,802	1,544,164	1,501,379	1,448,634	1,455,928	1,148,746	1,013,319
Total business-type activities program revenues	17,996,164	18,177,925	18,145,783	17,399,991	17,266,815	16,114,569	14,650,195	13,749,024	12,745,089	11,430,450
Total primary government program revenues	$ 22,733,694	$ 23,055,308	$ 21,621,766	$ 20,544,473	$ 20,642,665	$ 19,695,440	$ 19,102,579	$ 17,240,148	$ 16,305,596	$ 15,132,684

SCHEDULE 4
CITY OF SAFETY HARBOR, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	$ 722,516	$ 948,869	$ 77,948	$ 101,960	$ 54,664	$ 37,106	$ 47,227	$ 56,861	$ 49,054	$ 55,115
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	6,039,677	5,725,993	4,460,926	3,806,935	3,406,014	3,090,454	3,094,602	3,105,626	2,959,770	3,277,514
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	5,432,706	6,441,695	9,060,790	13,439,249	6,706,315	6,950,539	5,572,409	4,121,377	4,686,532	5,043,036
Total general fund	$ 12,194,899	$ 13,116,557	$ 13,599,664	$ 17,348,144	$ 10,166,993	$ 10,078,099	$ 8,714,238	$ 7,283,864	$ 7,695,356	$ 8,375,665
All Other Governmental Funds										
Nonspendable	$ 1,018	$ 1,018	$ 1,018	$ 756,324	$ 683,944	$ -	$ -	$ -	$ -	$ -
Restricted	2,421,782	2,421,781	3,916,276	4,473,146	2,370,508	1,220,924	1,770,480	2,539,831	793,526	2,219,447
Committed	521,114	466,381	401,321	467,994	244,212	234,938	270,368	305,950	136,495	1,101,979
Assigned	5,301,472	4,910,935	5,868,414	2,803,336	2,271,070	2,367,665	1,810,263	2,092,446	1,178,449	1,158,634
Unassigned	-	-	-	-	-	-	-	-	(351,469)	-
Total all other governmental funds	$ 8,245,386	$ 7,800,115	$ 10,187,029	$ 8,500,800	$ 5,569,734	$ 3,823,527	$ 3,851,111	$ 4,938,227	$ 1,757,001	$ 4,480,060

SCHEDULE 5
CITY OF SAFETY HARBOR, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Property taxes	$ 8,936,960	$ 7,330,831	$ 7,131,307	$ 6,784,259	$ 6,345,780	$ 5,723,956	$ 5,257,349	$ 4,913,710	$ 4,571,161	$ 4,390,452
Utility taxes	3,306,505	2,917,072	3,195,103	3,084,868	2,566,340	2,521,486	2,436,400	2,324,144	2,288,535	2,322,071
Local business tax	143,031	132,987	139,061	131,022	145,664	141,507	144,019	149,597	140,393	141,389
Local option tax	2,568,526	2,814,899	2,822,696	2,774,708	2,419,622	2,211,086	2,307,990	2,215,907	2,113,583	2,082,591
Franchise fees	1,761,294	1,706,366	1,576,515	1,568,699	1,474,949	1,473,793	1,502,259	1,416,403	1,315,493	1,347,753
Licenses and permits	57,643	54,012	29,632	39,542	350,358	456,010	546,706	356,505	313,308	244,417
Impact fees	11,842	54,538	2,123	19,184	42,116	231,593	434,211	98,772	282,018	66,932
Special assessments	220,390	222,946	222,256	223,008	246,751	248,548	246,398	246,527	246,399	246,523
Sales tax	1,364,283	1,357,831	1,448,441	1,428,874	1,288,238	1,090,262	1,150,183	1,125,671	1,078,525	1,151,421
Intergovernmental	3,216,660	2,686,955	2,440,492	11,530,367	2,421,563	2,201,862	2,435,214	2,005,369	2,087,631	1,938,918
Charges for services	1,749,673	1,645,135	1,497,523	1,250,771	973,115	893,524	1,394,621	1,403,501	1,124,691	947,888
Fines and forfeitures	40,682	52,027	100,340	107,355	77,466	64,109	17,052	15,384	84,544	40,328
Investment income	799,586	1,526,311	398,955	(1,078,788)	(7,195)	363,094	623,432	(58,527)	42,800	228,367
Contributions and donations	254,708	963,882	20,200	23,574	58,173	81,393	91,271	93,813	137,265	24,387
Other	814,516	742,151	604,820	1,232,910	1,228,428	1,369,021	1,072,235	1,156,235	1,139,320	1,064,184
Total revenues	25,246,299	24,207,943	21,629,464	29,120,353	19,631,368	19,071,244	19,659,340	17,463,011	16,965,666	16,237,621
Expenditures										
General government	6,208,090	4,443,844	4,060,468	3,307,055	3,210,402	2,964,213	3,175,775	2,937,077	3,019,755	2,683,451
Law enforcement	1,840,692	1,732,044	1,609,248	1,530,279	1,449,252	1,366,127	1,355,163	1,312,142	1,277,165	1,260,277
Fire protection	5,080,863	4,493,044	4,161,690	4,153,098	3,959,526	3,684,135	3,964,948	3,881,238	3,814,412	3,716,483
Building department	423,310	362,470	330,269	340,787	618,725	676,660	532,507	519,765	477,770	386,078
Physical environment	600,492	520,537	499,303	457,318	435,476	460,197	493,901	491,378	476,995	469,248
Transportation	963,879	982,184	968,306	877,917	988,027	928,641	934,366	973,410	1,093,147	1,096,530
Library	1,447,330	1,299,739	1,261,549	1,206,317	1,081,667	1,111,312	1,307,317	1,330,932	1,278,687	1,204,159
Parks and recreation	4,935,662	4,554,069	4,213,354	3,654,909	3,402,146	3,220,158	3,370,197	3,347,990	3,078,040	2,799,249
Capital outlay	4,263,881	7,736,384	3,987,539	1,161,635	1,594,462	2,265,258	4,476,774	1,357,742	2,605,597	2,025,945
Debt service										
Finance Obligation	-	-	-	-	5,000	5,000	5,000	5,000	5,000	5,000
Principal retirement	183,978	374,322	181,228	476,963	987,693	959,752	937,728	303,141	1,254,309	746,860
Interest and other charges	20,833	26,410	31,370	44,475	63,891	93,514	157,906	65,287	156,332	129,645
Total expenditures	25,969,010	26,525,047	21,304,324	17,210,753	17,796,267	17,734,967	20,711,582	16,525,102	18,537,209	16,522,925
Excess (deficiency) of revenues over (under) expenditures	(722,711)	(2,317,104)	325,140	11,909,600	1,835,101	1,336,277	(1,052,242)	937,909	(1,571,543)	(285,304)
Other Financing Sources (Uses)										
Transfers in	1,237,330	1,319,810	3,418,190	1,668,851	2,302,460	2,016,250	$ 2,206,153	1,743,553	1,610,096	1,158,780
Transfers out	(1,187,330)	(3,019,810)	(5,034,150)	(3,468,491)	(2,302,460)	(2,016,250)	(2,206,153)	(1,743,553)	(1,610,096)	(1,158,780)
Lease	-	-	68,023	-	-	-	-	-	-	-
Gain on sale of capital assets	104,380	243,538	47,688	-	-	-	-	-	-	-
Insurance recoveries	91,944	3,545	12,858							
Issuance of Debt	-	-	-	179,786	-	-	1,395,500	-	-	-
Payments to refunded note escrow	-	-	-	(177,529)	-	-	-	-	-	-
Total other financing sources (uses)	246,324	(1,452,917)	(1,487,391)	(1,797,383)	-	-	1,395,500	-	-	-
Net change in fund balances	$ (476,387)	$ (3,770,021)	$ (1,162,251)	$ 10,112,217	$ 1,835,101	$ 1,336,277	$ 343,258	$ 937,909	$ (1,571,543)	$ (285,304)
Debt service as a percentage of noncapital expenditures	0.94%	2.13%	1.23%	3.25%	6.52%	6.84%	6.78%	8.89%	6.08%	6.33%

SCHEDULE 6
CITY OF SAFETY HARBOR, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

			Estimated Actual Value			Exemptions [a]			Taxable Assessed Value				
Fiscal Year	Tax Year	Direct Rate	Real Property	Personal Property	Centrally Assessed Property	Real Property	Personal Property	Centrally Assessed Property	Real Property	Personal Property	Centrally Assessed Property	Total	Total Direct Tax Rate
2026	2025	3.9500	$ 2,826,333,185	$ 130,213,618	$ 903,683	$ 272,159,366	$ 69,150,105	$ 70,697	$ 2,154,173,819	$ 61,063,513	$ 832,986	$ 2,216,070,318	3.9500
2025	2024	3.9500	2,827,058,251	130,213,618	903,683	671,653,173	69,150,105	70,697	2,155,405,078	61,063,513	832,986	2,217,301,577	3.9500
2024	2023	3.9500	2,641,341,538	129,453,349	865,122	629,176,738	71,362,775	75,295	2,012,164,800	58,090,574	789,827	2,071,045,201	3.9500
2023	2022	3.9500	2,467,116,079	131,736,988	863,391	603,792,906	72,685,609	68,882	1,863,323,173	59,051,379	794,509	1,923,169,061	3.9500
2022	2021	3.9500	2,272,699,370	117,318,675	881,875	567,597,390	63,675,345	79,521	1,705,101,980	53,643,330	802,354	1,759,547,663	3.9500
2021	2020	3.9500	2,068,085,614	102,791,337	795,702	542,349,271	54,790,783	77,548	1,525,736,343	48,000,554	718,154	1,574,455,051	3.9500
2020	2019	3.9500	1,951,334,197	93,439,896	792,601	522,055,998	46,721,064	81,585	1,429,278,199	46,718,832	711,016	1,476,708,047	3.9500
2019	2018	3.9500	1,808,313,627	92,176,036	716,344	490,208,700	45,892,913	78,633	1,318,104,927	46,283,123	637,711	1,365,025,761	3.9500
2018	2017	3.9500	1,717,274,331	89,681,666	745,210	465,654,538	45,625,521	95,548	1,251,619,793	44,056,145	649,662	1,296,325,600	3.9500
2017	2016	3.9500	1,617,262,554	80,152,457	718,032	453,337,192	35,535,741	90,822	1,163,925,362	44,616,716	627,210	1,209,169,288	3.9500

SCHEDULE 7
CITY OF SAFETY HARBOR, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years

		Direct Rate	Overlapping Rates					
Fiscal Year	Taxable Year	City of Safety Harbor Operating	Pinellas County	School District	Emergency Medical Services [a]	Transit District [a]	Other [b]	Total
2025	2024	3.9500	4.6136	6.2930	0.8050	0.7300	1.0256	17.4172
2024	2023	3.9500	4.666	5.822	0.8050	0.7342	1.0359	17.0131
2023	2022	3.9500	4.740	5.963	0.8780	0.7500	1.177	17.4580
2022	2021	3.9500	5.130	6.325	0.9160	0.7500	1.246	18.3170
2021	2020	3.9500	5.2760	6.4270	0.9160	0.7500	1.2640	18.5830
2020	2019	3.9500	5.2760	6.5840	0.9160	0.7500	1.2770	18.7530
2019	2018	3.9500	5.2760	6.7270	0.9160	0.7500	1.2930	18.9120
2018	2017	3.9500	5.2760	7.0090	0.9160	0.7500	1.3100	19.2110
2017	2016	3.9500	5.2760	7.3180	0.9160	0.7500	1.3070	19.5170
2016	2015	4.0479	5.2760	7.7700	0.9160	0.7310	1.3250	20.0659

Source: Pinellas County Tax Collector's Office

[a] Emergency Medical Services and Transit District assessed on Real Property only.

[b] Other includes:
Juvenile Welfare Board
Southwest Florida Water Management District
Health Department
Pinellas County Planning Council

SCHEDULE 8
CITY OF SAFETY HARBOR, FLORIDA
PRINCIPAL TAXPAYERS – REAL PROPERTY
Current Year and Ten Years Ago

	2025		2016	
Taxpayer	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation
Safety Harbor Property Holdings, LLC	$ 22,700,000	1.22%	$ -	0.00%
Preedom Land Trust	$ 22,153,000	1.19%	$ 15,919,270	1.55%
Adelphia 4 LLC	$ 20,510,160	1.10%	$ -	0.00%
E C A Elle Northwood Partners LLC	$ 11,330,000	0.61%	$ 8,975,000	0.88%
Leisure Associates Ltd Partnership	$ 10,400,000	0.56%	$ 6,699,649	0.65%
Northwood Pinellas, LLC	$ 9,735,000	0.50%	$ 7,235,000	0.71%
Baycare Properties, LLC	$ 9,311,769	0.52%	$ -	0.00%
201 Main Street LLC	$ 9,100,000	0.49%	$ -	0.00%
Leverkusen Land LLC	$ 8,729,385	0.47%	$ -	0.00%
Wickshire Countryside Property Co. LLS	$ 7,659,300	0.41%	$ -	0.00%
ARHC CSCLWFL01 LLC	$ -	0.00%	$ 4,900,000	0.48%
Safety Harbor Spa & Resort, LLC	$ -	0.00%	$ 16,427,440	1.60%
Mease Hospital, Inc.	$ -	0.00%	$ 16,303,000	1.59%
Safety Harbor Multifamily Partners LLC	$ -	0.00%	$ 9,200,000	0.90%
Health Care Property Inv Inc	$ -	0.00%	$ 5,862,831	0.57%
Safety Harbo INV Properties	$ -	0.00%	$ 5,100,000	0.50%
	$ 131,628,614	7.06%	$ 96,622,190	9.42%
Total Taxable Assessed Value	$ 1,865,283,173		$ 1,025,243,802	

Source: Pinellas County Property Appraiser

Note: Pinellas County Property Apprasier 2025 Top Ten Taxpayers - Real Property (Final)

SCHEDULE 9
CITY OF SAFETY HARBOR, FLORIDA
PRINCIPAL TAXPAYERS – PERSONAL PROPERTY
Current Year and Ten Years Ago

	2025		2016	
Taxpayer	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation
Duke Energy Florida	$ 15,931,581	26.98%	$ 8,944,773	21.20%
Mastercut Tool Corp	$ 9,475,081	16.05%	$ 4,900,017	11.61%
Florida Gas Transmission	$ 3,225,535	5.46%	$ 3,498,056	8.29%
Frontier Communications	$ 3,100,355	5.25%	$ 1,872,669	4.44%
Spectrum Sunshine State LLC	$ 2,042,017	3.46%	$ -	0.00%
Countryside Cancer Center	$ 1,404,792	2.38%	$ -	0.00%
Safety Harbor Resort & Spa	$ 1,359,379	2.29%	$ -	0.00%
Safety Harbor Yard Waster Transfer LLC	$ 1,354,718	2.30%	$ -	0.00%
Countryside Surgi-Center	$ 1,137,864	1.93%	$ 910,084	2.16%
T-Mobile South, LLC	$ 853,308	1.45%	$ -	0.00%
Bright House Networks LLC	$ -	0.00%	$ 2,862,141	6.78%
Angelica Textile Services	$ -	0.00%	$ 1,435,455	3.40%
Wow! Internet, Cable, & Phone	$ -	0.00%	$ 908,458	2.15%
Alliance Healthcare Services	$ -	0.00%	$ 902,911	2.14%
Diagnostic Clinic Medical Group	$ -	0.00%	$ 817,340	1.94%
	$ 39,884,630	67.54%	$ 27,051,904	64.12%
Total Taxable Assessed Value	$ 59,051,379		$ 42,188,026	

Source: Pinellas County Property Appraiser

Note: Pinellas County Property Apprasier 2025 Top Ten Taxpayers - Tangible Personal Property (Final)

SCHEDULE 10
CITY OF SAFETY HARBOR, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Taxable Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy [a] Amount	Collected Within the Fiscal Year of the Levy [a] Percentage of Levy	Delinquent Tax Collections [b]	Total Collections to Date Amount	Total Collections to Date Percentage of Levy
2025	2024	$ 8,753,478	$ 7,907,651	90.34%	$ 14,494	$ 7,922,145	90.50%
2024	2023	8,180,629	6,557,040	80.15%	3,830	6,560,870	80.20%
2023	2022	6,602,710	6,024,650	91.25%	9,528	6,034,178	91.39%
2022	2021	5,908,010	5,462,427	92.46%	75,139	5,537,566	93.73%
2021	2020	5,553,790	5,105,491	91.93%	5,608	5,111,099	92.03%
2020	2019	5,391,852	4,816,836	89.34%	4,523	4,821,360	89.42%
2019	2018	5,120,486	4,693,889	91.67%	639	4,694,528	91.68%
2018	2017	4,776,219	4,419,680	92.54%	21,524	4,441,204	92.99%
2017	2016	4,467,829	4,138,275	92.62%	13,386	4,151,661	92.92%
2016	2015	4,323,266	4,012,278	92.81%	8,072	4,020,350	92.99%

Sources: City of Safety Harbor Finance Department; Pinellas County Tax Collector's Office

[a] Discounts are allowed for early payment: 4% for November, 3% for December, 2% for January and 1% for February. No discount is allowed for payment in March. Payments must be made by March 31 to avoid

SCHEDULE 11
CITY OF SAFETY HARBOR, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities					
Fiscal Year	Public Improvement Revenue Bonds	Capital Improvement Revenue Note	Leases and Financed Purchases[b]	Water and Wastewater Refunding Bond	Capital Improvement Revenue Note	Leases, SBITA, and Financed Purchases[b]	Total Primary Government	Debt as a Ratio to Personal Income[a]	Debt per Capita[a]
2025	$ -	$ 559,531	$ 31,663	$ 5,605,080	$ 2,116,767	$ 87,878	$ 8,400,919	0.81%	497
2024	-	727,265	47,908	6,168,180	2,631,034	80,302	9,654,689	0.93%	571
2023	-	889,844	259,651	6,720,140	3,139,455	124,481	11,133,571	1.40%	608
2022	-	1,047,374	215,326	7,261,200	3,642,126	9,774	12,175,800	1.42%	665
2021	315,000	1,196,929	205,000	7,909,300	4,065,234	-	13,691,463	1.68%	759
2020	620,000	1,879,622	210,000	8,536,500	4,499,248	-	15,745,370	2.02%	874
2019	920,000	2,539,371	215,000	2,578,422	4,918,892	-	11,171,685	1.47%	620
2018	1,210,000	1,791,509	220,000	640,000	5,324,265	-	9,185,774	1.21%	509
2017	1,495,000	1,809,650	225,000	790,000	5,739,147	-	10,058,797	1.49%	571
2016	1,775,000	2,783,958	230,000	935,000	6,135,453	-	11,859,411	1.88%	679

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

SCHEDULE 12
CITY OF SAFETY HARBOR, FLORIDA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

There are no limitations placed upon the amount of debt which the City of Safety Harbor may issue by either the City's Charter or Code of Ordinance or by State Statute; however, the City Commission has traditionally practiced conservative debt issuance.

SCHEDULE 13
CITY OF SAFETY HARBOR, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2025

Government Unit	Debt Outstanding	Applicable to City of Safety Harbor Percent [a]	Applicable to City of Safety Harbor Amount
Bonded Debt:			
Pinellas County School Board [b]	$ -	1.47%	$ -
Pinellas County [b]	-	1.58%	-
Leases and Subscription Based Information Technology Arrangements:			
Pinellas County School Board [b]	1,636,739	1.47%	24,102
Pinellas County [b]	38,548,000	1.58%	608,991
Total Overlapping Debt	$ 40,184,739		$ 633,092
Total Direct Debt [c]			559,531
Total Direct and Overlapping Governmental Activities Debt			$ 1,192,623
Total Direct and Overlapping Governmental Activities Debt Per Capita [d]			$ 70

Source: Pinellas County, Florida

[a] Applicable net debt percentage is based on ratio of City to County-wide taxable values for tax year 2025.

[b] Obtained from the Pinellas County School Board and Pinellas County fiscal year 2025 ACFR.
The City of Safety Harbor is not responsible for the debt of the County or the School Board.

[c] The City of Safety Harbor currently does not have any general obligation bonded debt.

[d] 2025 permanent Safety Harbor population is estimated at 16,950.

SCHEDULE 14
CITY OF SAFETY HARBOR, FLORIDA
PLEDGED-REVENUE COVERAGE – GOVERNMENTAL ACTIVITIES
Last Ten Fiscal Years

	Governmental Activities						
				Debt Service Requirements			
Fiscal Year	Gross Revenues [a]	Operating Expenses [b]	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2025	$ 15,352,074	$ 12,996,866	$ 2,355,208	$ 173,117	$ 14,502	$ 187,619	12.55
2024	$ 14,842,298	$ 10,506,372	$ 4,335,926	$ 167,757	$ 19,831	$ 187,588	23.11
2023	$ 13,794,797	$ 9,650,446	$ 4,144,351	$ 162,602	$ 24,987	$ 187,589	22.09
2022	$ 21,948,928	$ 8,866,643	$ 13,082,285	$ 157,551	$ 29,972	$ 187,523	69.76
2021	$ 12,664,073	$ 8,383,964	$ 4,280,109	$ 465,752	$ 42,589	$ 508,341	8.42
2020	$ 12,503,587	$ 7,903,774	$ 4,599,813	$ 987,691	$ 63,892	$ 1,051,583	4.37
2019	$ 13,121,302	$ 8,143,281	$ 4,978,021	$ 959,752	$ 93,513	$ 1,053,265	4.73
2018	$ 11,791,319	$ 7,925,975	$ 3,865,344	$ 810,735	$ 76,688	$ 887,423	4.36
2017	$ 11,378,861	$ 7,950,654	$ 3,428,207	$ 1,254,309	$ 156,332	$ 1,410,641	2.43
2016	$ 11,190,207	$ 7,521,407	$ 3,668,800	$ 746,860	$ 129,645	$ 876,505	4.19

Note: The City's bond coverage, per the bond covenants, is 1.50%.

SCHEDULE 15
CITY OF SAFETY HARBOR, FLORIDA
PLEDGED-REVENUE COVERAGE – BUSINESS-TYPE ACTIVITIES
Last Ten Fiscal Years

	Business-type Activities						
		Operating	Net Revenue	Debt Service Requirements			
Fiscal Year	Gross Revenues [a]	Expenses Less Depreciation [b]	Available for Debt Service	Principal	Interest	Total	Coverage
2025	$ 19,651,352	$ 11,828,977	$ 7,822,375	$ 1,094,543	$ 130,170	$ 1,224,713	6.39
2024	$ 22,357,047	$ 11,529,055	$ 10,827,992	$ 1,077,343	$ 147,402	$ 1,224,745	8.84
2023	$ 20,381,519	$ 9,916,842	$ 10,464,677	$ 1,060,358	$ 164,343	$ 1,224,701	8.54
2022	$ 18,195,605	$ 9,729,043	$ 8,466,562	$ 1,043,709	$ 180,999	$ 1,224,708	6.91
2021	$ 17,731,684	$ 9,404,165	$ 8,327,519	$ 1,097,459	$ 236,175	$ 1,333,634	6.24
2020	$ 17,174,856	$ 9,563,347	$ 7,611,509	$ 1,061,447	$ 430,349	$ 1,491,796	5.10
2019	$ 16,099,597	$ 10,597,306	$ 5,502,291	$ 1,031,344	$ 464,134	$ 1,495,478	3.68
2018	$ 14,236,024	$ 10,318,787	$ 3,917,237	$ 560,531	$ 198,438	$ 758,969	5.16
2017	$ 13,503,460	$ 10,058,446	$ 3,445,014	$ 541,326	$ 194,822	$ 736,148	4.68
2016	$ 12,343,380	$ 9,798,220	$ 2,545,160	$ 525,211	$ 209,229	$ 734,440	3.47

Note: The City's bond coverage, per the bond covenants, is 1.25%.

SCHEDULE 16
CITY OF SAFETY HARBOR, FLORIDA
DEMOGRAPHICS AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population [a]	Estimated Personal Income [b]	Per Capita Personal Income [c]	Median Age [d]	Public School Enrollment [e]	Unemployment Rate [f]
2025	16,950	$ 1,068,494,100	$ 63,038	50	1,612	3.8%
2024	16,900	$ 1,033,874,400	$ 61,176	49	1,631	3.3%
2023	18,304	$ 793,826,176	$ 43,369	47.7	1,631	3.8%
2022	18,304	$ 860,471,040	$ 47,010	47.7	1,724	2.6%
2021	18,028	$ 816,686,428	$ 45,301	48.0	1,827	3.9%
2020	18,016	$ 781,335,904	$ 43,369	48.0	1,881	6.0%
2019	18,031	$ 758,762,511	$ 42,081	47.5	1,882	2.6%
2018	17,844	$ 702,429,060	$ 39,365	49.3	2,073	3.0%
2017	17,606	$ 674,521,072	$ 38,312	51.4	2,073	3.4%
2016	17,454	$ 632,498,052	$ 36,238	50.8	2,073	4.7%

Sources:

[a] World Population Review

[b] Estimated personal income is calculated by multiplying population by per capita personal income.

[c] World Population Review

[d] World Population Review

[e] U.S. News and World Report: Safety Harbor Elementary/Middle

[f] U.S. Bureau of Labor Statistics, Tamp-St. Petersburg-Clearwater, FL; Labor Force Data

SCHEDULE 17
CITY OF SAFETY HARBOR, FLORIDA
PRINCIPAL EMPLOYERS

Employer [a]	Employees [a]	Percentage of Total City Employment
Mease Countryside Hospital	1,262	14.54%
Bay to Bay Properties LLC	200	2.30%
Jacobsen Homes	200	2.30%
Safety Harbor Resort & Spa	200	2.30%
Angelica Corporation	150	1.73%
Safety Harbor Middle School	143	1.65%
Medsource Travelers	121	1.39%
Consulate Health Care	131	1.51%
Master Cut Tool Corp	42	0.48%
Safety Harbor Elementary School	99	1.14%
Total Employed Population [b]	8,677	

[a] Source: AtoZ Databases, current data.

[b] Pinellas County Economic Development, Safety Harbor 2025.

SCHEDULE 18
CITY OF SAFETY HARBOR, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

	Full-time Equivalent Employees as of September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
City Manager	1.90	1.75	1.75	1.65	1.80	1.80	1.30	1.30	1.30	1.30
City Clerk	1.50	1.35	1.35	1.75	1.20	1.35	1.35	1.35	1.35	1.35
Human Resources	4.00	4.00	3.00	2.50	2.50	2.50	2.50	2.00	2.00	2.00
Finance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water & Wastewater Finance	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Economic Dev. Director	-	-	-	-	-	-	-	-	-	-
Planning	3.30	3.30	4.30	3.36	3.36	3.36	3.36	3.30	3.30	3.30
Fleet Maintenance	3.15	3.15	3.15	3.15	3.15	3.10	3.10	3.10	3.10	3.10
Building Maintenance	6.25	6.25	6.25	6.00	6.00	6.00	6.62	6.45	6.45	5.95
CRA	0.40	0.40	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Total General Government	32.50	32.20	32.10	30.71	30.31	30.41	30.53	29.80	29.80	29.30
Public Safety										
Building Department	4.00	4.00	4.00	4.00	6.63	6.50	6.50	6.50	5.50	5.00
Fire Control and EMS	31.50	31.50	30.50	30.50	30.50	30.50	30.50	30.00	30.00	30.00
Total Public Safety	35.50	35.50	34.50	34.50	37.13	37.00	37.00	36.50	35.50	35.00
Physical Environment										
Engineering	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Information Systems	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Water	5.90	5.90	5.90	5.90	5.90	6.40	6.40	6.40	6.40	7.40
Stormwater	5.90	5.90	5.90	5.90	5.90	5.40	5.40	5.40	5.40	5.40
Wastewater	8.90	8.90	8.90	8.90	8.90	8.40	8.40	8.40	8.40	8.40
Sanitation	20.40	20.40	20.40	20.40	20.25	20.25	20.25	19.25	19.25	19.30
Total Physical Environment	49.60	49.60	49.60	49.60	49.45	48.95	48.95	47.95	47.95	49.00
Transportation										
Streets	11.75	9.75	9.75	9.75	9.75	10.40	10.40	10.40	10.40	10.40
Culture and Recreation										
Library	15.75	15.75	15.93	16.11	16.77	16.97	17.04	17.12	17.12	18.09
Parks	17.00	17.00	15.00	14.00	14.12	14.12	13.89	13.90	13.90	13.90
Recreation	28.74	28.74	27.74	27.84	28.06	28.46	29.11	26.04	26.04	24.91
Total Culture and Recreation	61.49	61.49	58.67	57.95	58.95	59.55	60.04	57.06	57.06	56.90
Total City	190.84	188.54	184.62	182.51	185.59	186.31	186.92	181.71	180.71	180.60

Source: City of Safety Harbor Annual Budget, Fiscal Years 2016 - 2025

SCHEDULE 19
CITY OF SAFETY HARBOR, FLORIDA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Fire Control and EMS										
Inspections	-	-	-	-	-	-	-	715	715	715
Investigations	-	-	-	-	-	-	-	22	22	22
Fire responses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EMS responses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Building Department										
Building permits issued	701	380	375	330	2,082	3,039	3,268	3,054	2,762	1,903
Occupational licenses issued	1,083	980	960	1,125	963	1,125	1,177	1,177	1,166	1,212
Stormwater										
Storm drain/pipe cleaned (miles)	2.27	0.85	3.81	0.85	3.82	0.81	0.63	0.69	0.85	0.37
Ditches/creeks cleaned (miles)	27.82	26.50	20.50	26.50	26.50	26.29	5.34	7.11	7.83	15.00
Water										
Customer accounts	7,280	7,280	7,426	7,684	7,389	7,684	8,053	7,560	8,320	7,560
Average daily water consumption in millions of gallons	1.26	1.23	1.32	1.32	1.32	1.39	1.38	1.44	1.55	1.39
Wastewater										
Customer accounts	8,594	8,068	8,447	8,068	8,418	8,068	9,023	8,955	8,942	8,942
Average daily sewage flow in millions of gallons	1.12	1.52	1.52	1.52	1.52	1.53	1.47	1.52	1.61	1.53
Sanitation (solid waste)										
Refuse collected (tons)	12,000	12,000	12,250	11,000	11,637	11,249	11,077	11,361	11,493	12,544
Recyclables collected (tons)	2,055	2,055	3,990	3,990	3,284	3,499	3,636	3,606	3,835	3,484
Streets										
Streets swept (curb miles)	920	920	920	920	920	920	920	920	920	920
Curb/gutter/sidewalks replaced (cubic yds)	150	130	150	160	155	152	156	156	257	163
Pothole repairs (asphalt tons)	50	70	100	100	125	42	192	73	25	1299*
Culture and Recreation										
Recreation - Persons listed in programs										
Trips	1,370	1,368	1,200	1,200	703	1,037	1,943	2,087	1,919	2,324
Classes	50,000	47,064	29,817	25,978	27,041	22,493	31,237	31,363	31,505	30,362
Camps/After-school	24,970	24,898	21,326	18,013	19,344	15,596	17,606	29,158	30,166	25,989
Special events	13,040	13,204	8,240	4,329	7,474	3,749	2,423	1,336	1,740	3,201
Parks - Acres maintained	130.89	130.89	130.57	130.57	130.57	129.20	125.43	123.93	123.89	123.89
Library circulation	225,000	262,000	225,000	240,000	221,442	211,696	241,875	237,775	239,756	248,686
Library registered borrowers	16,500	16,950	18,200	18,200	18,139	16,753	19,275	16,053	15,156	14,140

* 1,285 tons of asphalt was used to repair Streets Department roadways resulting from damage caused by Hurricane Hermine.

Source: City of Safety Harbor Annual Budget, Fiscal Years 2016 - 2025

N/A - Information not available

SCHEDULE 20
CITY OF SAFETY HARBOR, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

	Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
Buildings	4	4	4	4	4	4	4	4	4	4
Vehicles	21	21	15	15	16	21	20	18	18	18
Public Safety										
Fire stations	2	2	2	2	2	2	2	2	2	2
Vehicles	14	14	13	11	11	14	13	12	12	12
Physical Environment										
Vehicles	42	42	42	42	40	44	42	35	35	35
Stormwater										
Drainage basins/creeks (sq. miles)	13.91	13.91	13.91	13.91	13.91	13.91	13.91	12.88	5.50	5.50
Water										
Pipeline (miles)	89	89	89	76.6	76.6	76.9	76.9	76.6	76.5	76.5
Fire hydrants maintained	571	571	571	570	570	566	566	560	554	554
Wastewater										
Lift stations	25	25	25	25	25	25	25	25	25	25
Mains in collection system (miles)	74.11	74.11	74.11	74.11	66.48	66.48	66.48	66.44	66.3	66.3
Sanitation (solid waste)										
Collection vehicles	21	21	21	21	20	21	20	19	21	21
Streets										
Curb miles of street	106	104	104	104	104	104	104	100	100	100
Vehicles	22	18	18	18	18	19	19	18	17	17
Culture and Recreation										
Parks	20	20	20	20	20	20	18	17	17	16
Dog park	3	3	3	3	3	3	3	3	2	2
Skate park	1	1	1	1	1	1	1	1	1	1
Football/Soccer Fields	2	3	3	3	3	3	3	3	3	3
Playgrounds	7	9	9	9	9	9	9	9	8	7
Gymnasiums	3	3	3	3	3	3	3	3	3	3
Recreation centers	3	2	2	2	2	2	2	2	2	2
Library	1	1	1	1	1	1	1	1	1	1
Marina	1	1	1	1	1	1	1	1	1	1
Boat Ramps	2	2	2	2	2	2	2	2	2	2
Picnic Shelters	15	13	13	13	13	13	13	12	12	12
Baseball fields	3	3	3	3	3	3	3	3	3	4
Softball fields	2	2	2	2	2	2	2	2	2	1
Tennis courts	4	4	4	4	4	4	4	4	4	4
Racquetball courts	0	2	2	2	2	2	2	2	2	2
Restroom facilities	23	16	16	16	16	16	16	16	16	16
Basketball courts										
Outdoor	6	7	7	7	7	7	7	4	4	4
Indoor	3	3	3	3	3	3	3	3	3	3
Vehicles	11	18	18	18	18	20	19	17	17	17
Museum/Cultural Center	1	1	1	1	1	1	1	1	1	1
Pickleball Courts	5	-	-	-	-	-	-	-	-	-
Sand Volleyball Courts	1	-	-	-	-	-	-	-	-	-

Sources: City of Safety Harbor Annual Budget, Fiscal Years 2016 - 2025; Various City departments

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REGULATORY REPORTS

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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*

Honorable Mayor and
Members of the City Commission
City of Safety Harbor, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Safety Harbor, Florida (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 23, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002 that we consider to be material weaknesses.

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Honorable Mayor and
Members of the City Commission
City of Safety Harbor, Florida

Report on Compliance and Other Matters

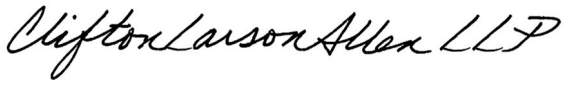
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

City of Safety Harbor, Florida's Response to Findings

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Tampa, Florida
October 23, 2026

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MANAGEMENT LETTER

Honorable Mayor and
Members of the City Commission
City of Safety Harbor, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Safety Harbor, Florida (the City), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated October 23, 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 Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated October 23, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Findings reported in the prior year's audit remain uncorrected and are included in the Schedule of Findings and Responses.

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. Information regarding the specific legal authority for the entity is contained in Note 1 to the financial statements.

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Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and 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, our recommendation is include in the accompanying schedule of findings and responses as 2025-003.

Property Assessed Clean Energy (PACE) Programs

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires the City include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes operated within the City's geographical boundaries during the fiscal year under audit. A PACE program did not operate within the City'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 that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Community Redevelopment Agency of the City of Safety Harbor, Florida reported their required information in their audit report.

Honorable Mayor and
Members of the City Commission
City of Safety Harbor, Florida

Additional Matters

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

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 City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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Tampa, Florida
October 23, 2026

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2025

CURRENT YEAR FINDINGS

2025-001 – Bank Reconciliations

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Condition: The City's bank accounts were not completely reconciled to the general ledger in a timely manner.

Criteria or Specified Requirement: The City's management is responsible for establishing and maintaining internal controls over cash transactions. Timely preparation of complete and accurate bank reconciliations is key to maintaining adequate control over receipts, disbursements, and other transactions.

Effect: Not completely and accurately reconciling pooled cash accounts could result in errors, including the misstatement of pooled cash or other general ledger accounts, and can provide an opportunity for fraud. Delays in reconciling accounts also results in inefficiency due to the additional time needed to research and resolve differences.

Cause: Due to staffing constraints throughout fiscal year 2025, the bank reconciliations were not completed in a timely manner.

Reported in Prior Year: This finding was reported in prior years as 2022-001, 2023-001, and 2024-001.

Recommendation: Management should consider developing a checklist of internal controls and procedures which tracks the completion of key processes and reconciliations for monthly and fiscal year-end closing. That checklist should be monitored to identify any gaps or deficiencies in the control environment and take appropriate corrective actions.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding. The continued deficiency is a result of the prior year, as bank reconciliations must be completed consecutively to ensure accuracy. The City engaged a consultant in fiscal year 2026 to assist in finalization of bank reconciliations for fiscal year 2026. Bank reconciliations for fiscal year 2026 have been completed and the City has budgeted for a part-time accounting assistant dedicated to bank reconciliations moving forward as needed.

2025-002 – Material Adjustments

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: Material errors were detected in the City's account balances during our audit. As a result, material adjustments were proposed to correct the account balances.

Criteria or Specified Requirement: Management is responsible for establishing and maintaining internal control over recording the City's transactions so that balances are reported in accordance with GAAP.

- Under the modified accrual basis of accounting, governmental funds recognize revenues when they are measurable and available and expenditures when the related fund liability is incurred. The City considers revenues available when collected within 60 days after year-end. Revenues collected after this period should be reported as deferred inflows of resources.

- Retainage related to construction work performed should be recognized as an expenditure and retainage payable in the period the liability is incurred. The subsequent payment of retainage reduces the existing liability and does not constitute an expenditure in the period paid.

Effect: In the Capital Improvement Fund, intergovernmental revenue was overstated and deferred inflows of resources were understated. In the Governmental Activities and CRA Fund, retainage payable and capital outlay expenditures were overstated.

Cause: The City's year-end close process did not include procedures to compare the receipt dates of subsequent collections to the period of availability before recognizing revenue. The City also paid retainage during the fiscal year for work completed over multiple years and recorded the full payment as a current-year expenditure. However, part of that retainage had already been recorded as retainage payable and expenditures in the prior year.

Repeat Finding: This is a repeat of finding 2024-002.

Recommendation: The year-end close process should include a review of receivables collected after year-end. That review should confirm that receipts are collected within the City's period of availability before revenue is recognized in the governmental funds. Amounts collected outside the period should be reported as deferred inflows of resources. The City should also reconcile retainage payable at year-end by comparing the balance to the most recent pay applications for each open contract. Payments made during the year should be compared to the prior year-end retainage balance so that only the current-year portion is recorded as an expenditure.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding. Revenue was accrued at year end as per policy, but not recorded as deferred inflows upon receipt to account for the date of receipt. Retainage accrual from prior year was mistakenly reversed in the wrong fund. Staffing concerns in prior fiscal years contributed to this oversight. The City’s finance department is now fully staffed and year-end processes and review processes have been put in place to reduce oversight moving forward.

2025-003 – Budgets

Type of Finding:

- State Compliance

Condition: Testing of compliance with budgetary requirements identified that the City's expenditures exceeded the final budget by classification as noted below.

Criteria or Specified Requirement: Section 7.28 of the City's Code of Ordinances prohibits the expenditure of any money or the incurrence of any liability in excess of the amounts appropriated for these general classifications of expenditures: personal services, contractual and other services, materials and supplies, capital outlay, and debt service. If there are any changes in expenditures or revenues during the fiscal year, the budget must be amended to reflect these changes. The adopted budget must regulate expenditures, ensuring that the total appropriations for expenditures and reserves do not exceed the amount available.

Effect: The City is not in compliance with the budgetary requirements.

Cause: The budget was not amended for increases in expenditures for the following funds and expenditure classifications:

- General Fund – Contractual and Other Services, Capital Outlay, and Debt Service
- Public Safety Fund – Contractual and Other Services
- City Tree Bank Fund – Contractual and Other Services
- Library Impact Fee Fund – Capital Outlay
- Capital Projects Fund – Contractual and Other Services
- Solid Waste Fund – Materials and Supplies

Repeat Finding: This is a repeat of finding 2024-003.

Recommendation: Budgets should be monitored and amended when needed, within the time period allowed by statute, to ensure that the City does not incur expenditures in excess of budgeted amounts.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding. The delay in prior year bank reconciliations and financials contributed to the over-budget accounts, due to needed prior year adjustments. Moving forward, the City expects fewer prior year adjustments, which will keep budget amendments timely.

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INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and
Members of the City Commission
City of Safety Harbor, Florida

We have examined the City of Safety Harbor, Florida's (the City), compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investments of public funds, during the year ended September 30, 2025.

This report is intended solely for the information and use of the City and the Auditor General, state of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
October 23, 2026

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