



City of Indian Rocks Beach
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

for the
**FISCAL YEAR ENDED
SEPTEMBER 30, 2023**



WORKING TOGETHER

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CITY OF INDIAN ROCKS BEACH, FLORIDA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

Year Ended September 30, 2023

Prepared by the Finance Department

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

Elected Officials

Mayor/Commissioner.....	Joanne “Cookie” Kennedy
Commissioner	Jude Bond
Commissioner	Lan Vaughan
Commissioner.....	Joe McCall
Commissioner.....	Denise Houseberg

Financial Related Management

City Manager.....	Brently Gregg Mims
City Clerk.....	Lorin Kornijtschuk
City Finance Director.....	Dan Carpenter
City Attorney.....	Randy Mora

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City of Indian Rocks Beach

1507 Bay Palm Boulevard, Indian Rocks Beach, Florida 33785

www.indian-rocks-beach.com

Administrative
727/595-2517

Library
727/596-1822

Public Works
727/595-6889

March 27, 2024

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Indian Rocks Beach, Florida, for the fiscal year ended September 30, 2023, as mandated by both local ordinances and State Statutes. The Annual Comprehensive Financial Report was compiled by the City Finance Director & City Manager, in close cooperation with the external auditor and associates, and represents the official report of the City's financial operations and condition to the citizens, City Commission, the financial community, and other persons interested in the financial affairs of the City of Indian Rocks Beach. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

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

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

The City of Indian Rocks Beach financial statements have been audited by MSL, P.A., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the Fiscal Year ended September 30, 2023, are free of material misstatement. The audit involved examining evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the Fiscal Year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented on page 1 of this report.

Profile of the Government

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

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

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

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

Local Economy

The City primarily consists of residential properties, including single and multi-family homes. Commercial properties include hotels, restaurants, and real estate offices. In total, taxable property values rose 13.58% in 2023. The City continues to experience high numbers of conversions of full-time residences to short-term or vacation rental properties. In addition, new construction and highly desirable waterfront properties added to the large increases in property values. High inflation continues to be a focal point of the economy and impacts the purchasing abilities of both governmental and enterprise operations. Interest rates have risen dramatically over the previous year, increasing investment returns for operating and surplus funds.

Long-term Financial Planning

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

Major Initiatives

The City proactively addresses the strategic needs for services and investing in its capital infrastructure. In total, over \$6.3 million in capital project funding is budgeted for fiscal year 2024. Major projects include:

- *\$400,000 Street Reconstruction;*
- *\$410,000 City Park upgrades and improvements;*
- *\$3.1 million Utility undergrounding Phase II North Gulf Blvd.*
- *\$2.4 million Future drainage enhancement projects*

Relevant Financial Policies

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

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

Internal and Budgetary Control

A major emphasis is placed by the City on effective internal control in the City's accounting system. Internal control seeks to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that financial records are reliable for preparing financial statements and maintaining accountability for assets. In addition, the independent certified public accountants perform annual reviews as part of their examination of the financial statements. Budgetary control is maintained at the department level by using comparisons to budgeted amounts before releasing purchase orders to vendors. Any increase or decrease in the total budget of a fund must be approved by the City Commission.

Award for Financial Reporting

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

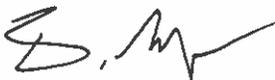
In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that conforms to rigorous program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City last received the award for its FY 2022 ACFR. The administration believes the current ACFR also conforms to all program requirements and will, therefore, be submitted to the GFOA to determine its eligibility for another certificate.

Acknowledgements

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

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

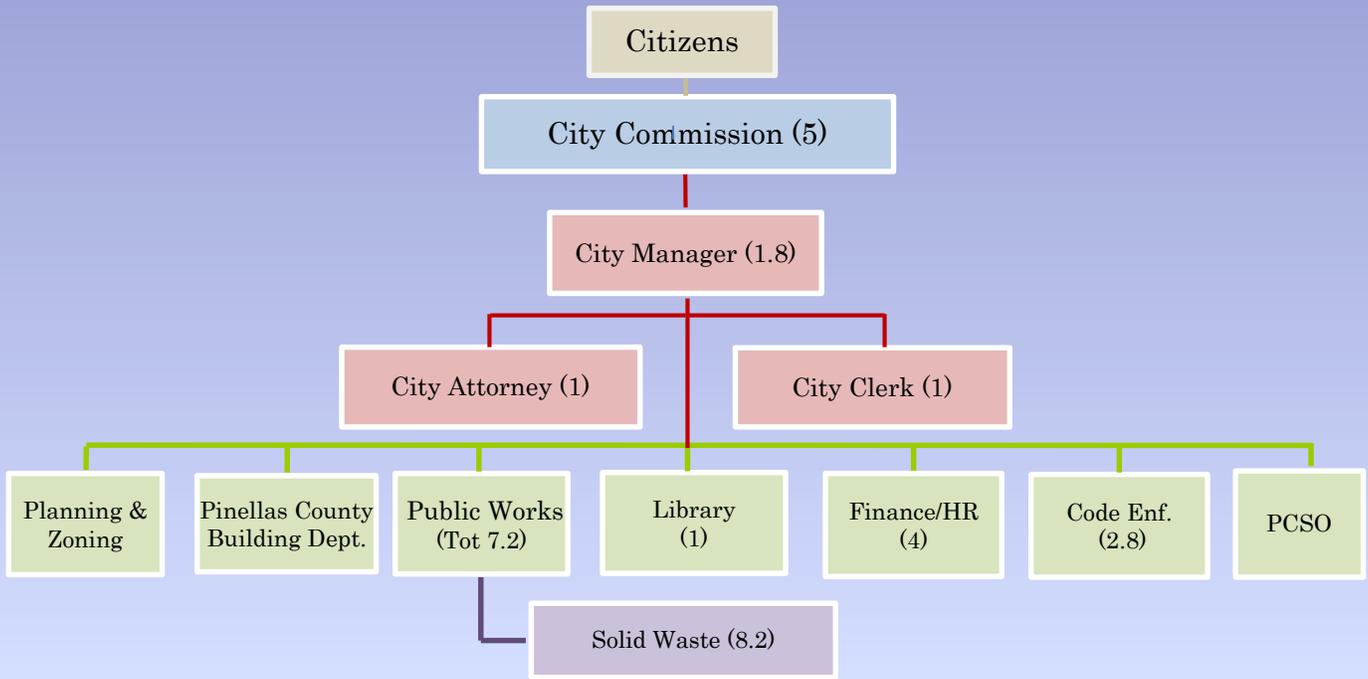
Respectfully Submitted,



Brently Gregg Mims,
City Manager



Dan Carpenter
City Finance Director



**City of
Indian Rocks Beach**

As of October 1, 2023



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Indian Rocks Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Commission
Indian Rocks Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Indian Rocks Beach, Florida (the "City") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Honorable Mayor and
Members of the City Commission
Indian Rocks Beach, Florida

INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Honorable Mayor and
Members of the City Commission
Indian Rocks Beach, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024, 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 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 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.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 27, 2024

CITY OF INDIAN ROCKS BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2023

The City of Indian Rocks Beach's (the "City") Management's Discussion and Analysis (the "MD&A") presents an overview of the City's financial activities for the fiscal year ended September 30, 2023. This document should be read in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2023 by \$21.6 million (net position). Of this amount, \$5.5 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- At September 30, 2023, the City's governmental funds reported combined ending fund balances of \$7.4 million, an increase of \$839 thousand in comparison with the prior year.
- At September 30, 2023, the unassigned fund balance for the General Fund was \$5.3 million, or 124% of total General Fund expenditures.
- Governmental funds revenues of \$7.1 million increased \$1.8 million, or 33% more than the prior fiscal year.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

The *statement of activities* presents information showing how the government's net position changed during fiscal year 2023. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected but earned revenue and unused vacation leave).

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

Fund financial statements

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

Governmental funds

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

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

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

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

Proprietary funds

The City maintains one proprietary fund. The *enterprise 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 the fiscal activities relating to solid waste disposal.

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

Notes to the financial statements

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

Other information

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$21.6 million at the close of the fiscal year ended September 30, 2023. At the end of fiscal year 2023, the City continues to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

City of Indian Rocks Beach, Florida						
Net Position						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 9,637,209	\$ 8,795,908	\$ 705,448	\$ 873,464	\$ 10,342,657	\$ 9,669,372
Capital Assets (Net)	13,575,016	13,542,432	453,461	244,227	14,028,477	13,786,659
Total Assets	<u>23,212,225</u>	<u>22,338,340</u>	<u>1,158,909</u>	<u>1,117,691</u>	<u>24,371,134</u>	<u>23,456,031</u>
Deferred outflows of resources	51,013	68,291	23,258	27,942	74,271	96,233
Current and other liabilities	2,193,974	2,191,178	67,983	44,607	2,261,957	2,235,785
Long-Term Liabilities	435,424	397,329	141,192	145,550	576,616	542,879
Total Liabilities	<u>2,629,398</u>	<u>2,588,507</u>	<u>209,175</u>	<u>190,157</u>	<u>2,838,573</u>	<u>2,778,664</u>
Deferred inflows of resources	35,145	36,015	19,194	19,430	54,339	55,445
Net Position:						
Net Investment in Capital Assets	13,575,016	13,542,432	453,461	244,227	14,028,477	13,786,659
Restricted	2,063,727	2,084,944	-	-	2,063,727	2,084,944
Unrestricted	4,959,952	4,154,733	500,337	691,819	5,460,289	4,846,552
Total Net Position	<u>\$ 20,598,695</u>	<u>\$ 19,782,109</u>	<u>\$ 953,798</u>	<u>\$ 936,046</u>	<u>\$ 21,552,493</u>	<u>\$ 20,718,155</u>

Of total net position, the City has \$14.0 million (65%) invested in *capital assets* (e.g., land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. The City has *restricted net position* of \$2.1 million for capital projects and special revenues. The remaining balance of *unrestricted net position* of \$5.5 million may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF INDIAN ROCKS BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
September 30, 2023

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 602,235	\$ 540,442	\$ 1,819,274	\$ 1,628,699	\$ 2,421,509	\$ 2,169,141
Operating Grants and Contributions	24,010	-	2,671	2,943	26,681	2,943
Capital Grants and Contributions	1,272,836	276,561	-	-	1,272,836	276,561
General Revenues:						
Property Taxes	2,947,438	2,535,990	-	-	2,947,438	2,535,990
Other Taxes	1,837,391	1,838,679	-	-	1,837,391	1,838,679
Other	400,035	114,628	-	-	400,035	114,628
Total Revenues	7,083,945	5,306,300	1,821,945	1,631,642	8,905,890	6,937,942
EXPENSES						
General Government	1,698,814	1,370,526	-	-	1,698,814	1,370,526
Public Safety	1,331,646	1,256,264	-	-	1,331,646	1,256,264
Physical Environment	1,333,964	206,911	-	-	1,333,964	206,911
Transportation	881,242	893,012	-	-	881,242	893,012
Culture/Recreation	1,021,693	950,890	-	-	1,021,693	950,890
Solid Waste Disposal	-	-	1,804,193	1,516,178	1,804,193	1,516,178
Total Expenses	6,267,359	4,677,603	1,804,193	1,516,178	8,071,552	6,193,781
Change in Net Position	816,586	628,697	17,752	115,464	834,338	744,161
Net Position - Beginning	19,782,109	19,153,412	936,046	820,582	20,718,155	19,973,994
Net Position - Ending	\$ 20,598,695	\$ 19,782,109	\$ 953,798	\$ 936,046	\$ 21,552,493	\$ 20,718,155

Governmental activities

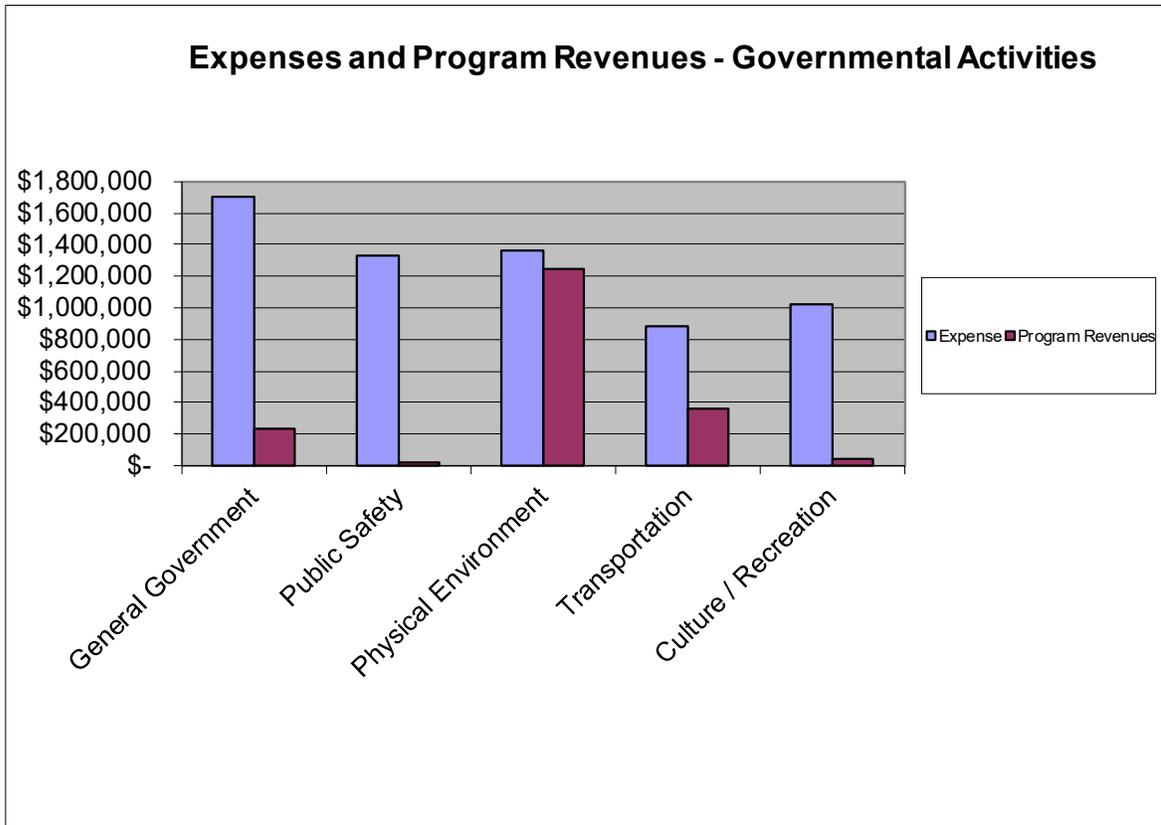
The Change in Net Position of the Governmental Activities of approximately \$817 thousand represented an increase compared to the prior year. This increase in Net Position resulted from several varied elements including increased interest earnings on excess or surplus funds resulting from sharp rises in interest rates, and large property value increases. FY 2023 was highlighted with continued supply chain issues and inflationary price increases for most products and services. Capital grant revenue saw the largest increase at just under \$1 million, as progress on the undergrounding of utilities along Gulf Blvd. continued, a Pinellas County funded infrastructure project. Governmental revenues increased by over 33% for 2023 when compared to the prior year.

Business-type activities

The Change in Net Position of Business-type Activities of \$18 thousand represented an decrease compared to prior fiscal year. In total, program or fee revenue was in excess of solid waste fund expenditures by \$18 thousand in 2023. Solid waste fund revenues in total increased by \$190 thousand or 12% for 2023 mostly due to scheduled increases in fees for all services within the solid waste fund operation. Capital purchases for 2023 included a new rear packer truck costing \$304 thousand.

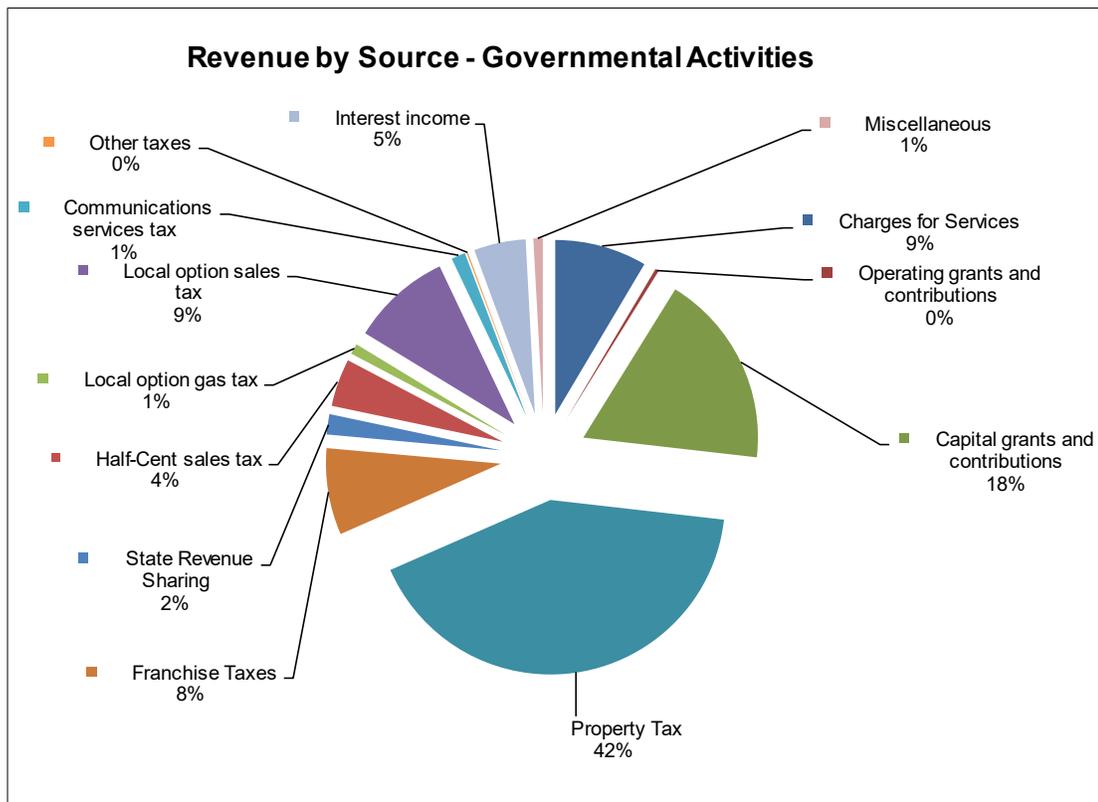
CITY OF INDIAN ROCKS BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
 September 30, 2023

Functions / Programs	Expenses				Net Cost of Services		
	2023	% of Total	2022	% Change	2023	2022	% Change
	General Government	\$ 1,698,814	26%	\$ 1,370,526	24%	\$ (1,462,316)	\$ (1,171,448)
Public Safety	1,331,646	22%	1,256,264	6%	(1,307,281)	(1,226,030)	7%
Physical Environment	1,333,964	21%	206,911	545%	(113,182)	69,650	-263%
Transportation	881,242	14%	893,012	-1%	(523,239)	(589,290)	-11%
Culture / Recreation	1,021,693	16%	950,890	7%	(985,458)	(943,482)	4%
	<u>\$ 6,267,359</u>	<u>100%</u>	<u>\$ 4,677,603</u>		<u>\$ (4,391,476)</u>	<u>\$ (3,860,600)</u>	



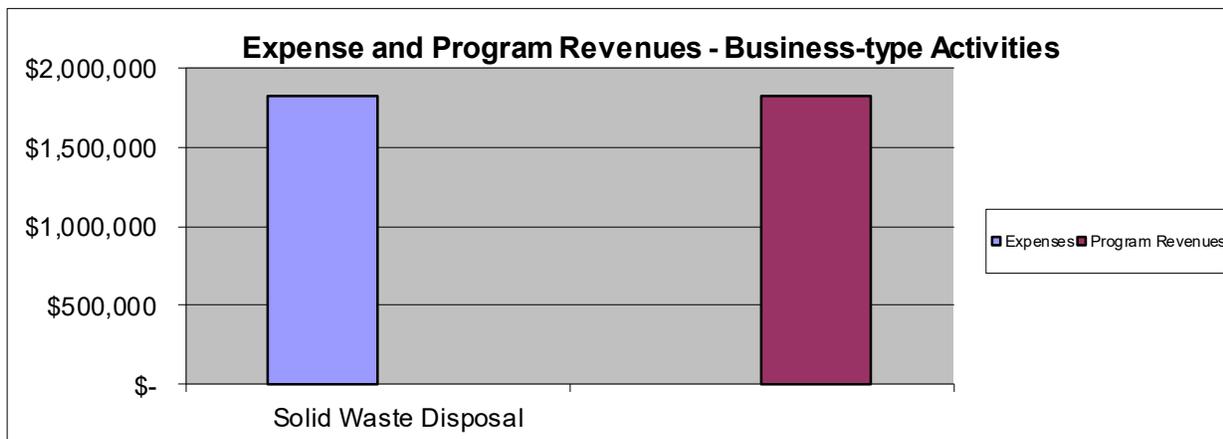
Revenue by Source - Governmental Activities

Description	<u>2023</u>	<u>% of Total</u>	<u>2022</u>	<u>% of Total</u>
Program Revenues				
Charges for Services	\$ 602,235	9%	\$ 540,442	10%
Operating grants and contributions	24,010	0%	-	0%
Capital grants and contributions	1,272,836	18%	276,561	5%
General Revenues				
Property Tax	2,947,438	42%	2,535,990	48%
Franchise Taxes	567,330	8%	527,022	10%
State Revenue Sharing	133,838	2%	141,490	3%
Half-Cent sales tax	311,866	4%	333,778	6%
Local option gas tax	70,284	1%	104,871	2%
Local option sales tax	655,080	9%	638,806	12%
Communications services tax	90,350	1%	83,812	2%
Other taxes	8,643	0%	8,900	0%
Interest income	340,093	5%	61,806	1%
Miscellaneous	59,942	1%	52,822	1%
	<u>\$ 7,083,945</u>	<u>100%</u>	<u>\$ 5,306,300</u>	<u>100%</u>



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

Functions / Programs	Expenses			Net Increase (Decrease) In Net Position		
	2023	2022	Change	2023	2022	Change
	Solid Waste Disposal	\$ 1,804,193	\$ 1,516,178	\$ 288,015	\$ 17,752	\$ 115,464
	<u>\$ 1,804,193</u>	<u>\$ 1,473,986</u>	<u>\$ 288,015</u>	<u>\$ 17,752</u>	<u>\$ (3,673)</u>	<u>\$ (97,712)</u>



Revenues by Source - Business-type Activities

	2023	% of Total	2022	% Change
Charges for Services	\$1,819,274	99.9%	\$1,628,699	11.7%
Operating Grants and contributions	2,671	0.1%	3,943	-32.3%
	<u>\$1,821,945</u>	<u>100.0%</u>	<u>\$1,632,642</u>	<u>11.6%</u>

Financial Analysis of the City's Funds

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

Governmental funds

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

As of the end of fiscal year 2023, the City's governmental funds reported combined ending fund balances of \$7.4 million, an increase of \$839K in comparison with the prior year. Unassigned fund balance is \$5.3 million and is available for spending, subject to regulatory, statutory and budgetary restrictions. The remainder of fund balance is not available for new spending because it has already been committed for: 1) capital projects (\$1.9 million), 2) emergencies (\$100 thousand), and 3) impact fee programs (\$142 thousand).

The General Fund is the chief operating fund of the City. At the end of fiscal year 2023, unassigned fund balance of the General Fund was \$5.3 million, while total fund balance was \$5.4 million. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 137% of the total General Fund expenditures. Total fund balance of the City's General Fund increased by \$860 thousand, or 19%, during the fiscal year. The increase in fund balance resulted from strong property tax collection revenues, sharp rises in interest rates on invested funds, and cost controls within all areas of expenditures.

The Sales Surtax Fund is used to account for the receipts of a local option sales tax that is to be utilized for the City's capital projects. For the fiscal year 2023, the fund balance decreased by \$37 thousand. Capital expenditures for fiscal 2023 were allocated towards road reconstruction, underground utility projects along Gulf Blvd., City park upgrades & improvements, and stormwater enhancements. In total, over \$1.9 million of capital projects were completed in fiscal year 2023.

Enterprise fund

The City's enterprise fund provides the same type of information found in the government-wide financial statements, but in more detail. The City has one enterprise fund: the Solid Waste Disposal Fund, which is a major fund. Unrestricted net position of the Solid Waste Fund, at the end of the year, was \$500 thousand.

The Solid Waste Disposal Fund is used to account for the City's solid waste disposal operations. For fiscal year 2023, the Solid Waste Disposal Fund increased \$18 thousand in Net Position for the year. Solid waste fund revenues in total increased by \$191k or 11% for 2023 resulting from approved rate increases for both residential and commercial customers.

General Fund Budgetary Highlights

The following table shows the differences between actual expenditures and the final budget for the General Fund. There were no variances between the original and final budget:

<u>September 30, 2023</u>	<u>Actual Expenditures</u>	<u>Final Budget</u>	<u>Difference</u>
General Government	\$ 1,529,840	\$ 1,578,744	\$ (48,904)
Public Safety (Law Enforcement, Code Enforcement & Permitting)	1,361,220	1,326,959	34,261
Physical Environment	303,000	322,144	(19,144)
Transportation	260,110	297,355	(37,245)
Culture / Recreation	811,940	700,821	111,119
	<u>\$ 4,266,110</u>	<u>\$ 4,226,023</u>	<u>\$ 40,087</u>

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023 amounts to \$14.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, vehicles and construction in progress. The City's investment in capital assets increased \$242K or less than 2% for fiscal year 2023. The major capital asset events during the year included road reconstruction, park facility upgrades and improvements, stormwater enhancements, and a underground utility project along Gulf Blvd.

Capital Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 2,225,254	\$ 2,225,254	\$ -	\$ -	\$ 2,225,254	\$ 2,225,254
Buildings	2,576,836	2,576,836	79,675	79,675	2,656,511	2,656,511
Improvements Other than Buildings	19,859,532	19,206,904	-	-	19,859,532	19,206,904
Equipment	1,309,531	1,231,689	1,311,921	1,156,579	2,621,452	2,388,268
Construction in Progress	210,687	132,584	-	-	210,687	132,584
	26,181,840	25,373,267	1,391,596	1,236,254	27,573,436	26,609,521
Less: Accumulated Depreciation	<u>(12,606,824)</u>	<u>(11,830,835)</u>	<u>(938,135)</u>	<u>(992,027)</u>	<u>(13,544,959)</u>	<u>(12,822,862)</u>
Capital Assets, net	<u>\$ 13,575,016</u>	<u>\$ 13,542,432</u>	<u>\$ 453,461</u>	<u>\$ 244,227</u>	<u>\$ 14,028,477</u>	<u>\$ 13,786,659</u>

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

Long-term Debt

At the end of fiscal year 2023, the City had a compensated absences liability of \$117,146, and a liability for other postemployment benefits of \$65,496. Net Pension Liability totaled \$400,530 at the end of fiscal year 2023.

Long-term Debt

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Compensated Absences	\$ 95,294	\$ 75,625	\$ 21,852	\$ 24,411	\$ 117,146	\$ 100,036
Other Postemployment Benefits	43,422	44,940	22,074	22,725	65,496	67,665
Net Pension Liability	296,708	276,764	103,822	98,414	400,530	375,178
	<u>\$ 435,424</u>	<u>\$ 397,329</u>	<u>\$ 147,748</u>	<u>\$ 145,550</u>	<u>\$ 583,172</u>	<u>\$ 542,879</u>

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

Economic Factors and Next Year's Budgets and Rates

Factors considered in preparing the City's budget for fiscal year 2024 included:

- The adopted budget for 2024 lowered the previously approved mill levy rate of 1.8326 down to 1.7300 mills.
- Population modestly declined to 3,740 in 2024 according to the U.S. Census Bureau. The Census Bureau estimate does not factor into consideration the conversion of traditional residential houses to vacation rentals.
- Full-time equivalent positions City-wide were approved at 26.0 for fiscal 2024, with the addition of two Code Enforcement positions.
- The elimination of the cost allocation from the Solid Waste Budget to the General Fund Budget.
- Cost of living increases of 4% for all City employees.
- A 7% rate increase in solid waste fees for both commercial and residential customers.

Requests for Information

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

City of Indian Rocks Beach, Florida
Statement of Net Position
September 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 9,202,075	\$ 366,530	\$ 9,568,605
Accounts receivable (net)	409,416	338,918	748,334
Prepaid items	25,718	-	25,718
Capital assets			
Land	2,225,254	-	2,225,254
Buildings	2,576,836	79,675	2,656,511
Improvements other than buildings	19,859,532	-	19,859,532
Equipment	1,309,531	1,311,921	2,621,452
Construction in progress	210,687	-	210,687
Less accumulated depreciation	(12,606,824)	(938,135)	(13,544,959)
Total assets	<u>23,212,225</u>	<u>1,158,909</u>	<u>24,371,134</u>
Deferred outflows of resources			
Deferred outflows related to pensions	51,013	23,258	74,271
Total deferred outflows of resources	<u>51,013</u>	<u>23,258</u>	<u>74,271</u>
Liabilities			
Accounts payable and accrued liabilities	182,568	61,427	243,995
Due to other governments	38	-	38
Unearned revenue	2,011,368	-	2,011,368
Non-current liabilities:			
Due within one year			
Compensated absences payable	28,588	6,556	35,144
Due in more than one year			
Compensated absences payable	66,706	15,296	82,002
Other post employment benefits payable	43,422	22,074	65,496
Net pension liability	296,708	103,822	400,530
Total liabilities	<u>2,629,398</u>	<u>209,175</u>	<u>2,838,573</u>
Deferred inflows of resources			
Deferred inflows related to pensions	35,145	19,194	54,339
Total deferred inflows of resources	<u>35,145</u>	<u>19,194</u>	<u>54,339</u>
Net Position			
Net investment in capital assets	13,575,016	453,461	14,028,477
Restricted for:			
Transportation projects per Florida Statutes	93,165	-	93,165
Infrastructure projects per Florida Statutes	1,911,054	-	1,911,054
Recreation improvements per Florida Statutes	29,502	-	29,502
Development improvements per Florida Statutes	30,006	-	30,006
Unrestricted	4,959,952	500,337	5,460,289
Total net position	<u>\$ 20,598,695</u>	<u>\$ 953,798</u>	<u>\$ 21,552,493</u>

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

City of Indian Rocks Beach, Florida
Statement of Activities
For the Fiscal Year Ended September 30, 2023

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
General government	\$ 1,698,814	\$ 236,498	\$ -	\$ -
Public safety	1,331,646	24,365	-	-
Physical environment	1,333,964	-	-	1,243,980
Transportation	881,242	333,993	24,010	-
Culture and recreation	1,021,693	7,379	-	28,856
Total governmental activities	6,267,359	602,235	24,010	1,272,836
Business-type activities:				
Solid waste disposal	1,804,193	1,819,274	2,671	-
Total business-type activities	1,804,193	1,819,274	2,671	-
Total primary government	<u>\$ 8,071,552</u>	<u>\$ 2,421,509</u>	<u>\$ 26,681</u>	<u>\$ 1,272,836</u>

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

Change in net position
Net position - beginning
Net position - ending

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

City of Indian Rocks Beach, Florida
Statement of Activities
For the Fiscal Year Ended September 30, 2023

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (1,462,316)	\$ -	\$ (1,462,316)
(1,307,281)	-	(1,307,281)
(89,984)	-	(89,984)
(523,239)	-	(523,239)
(985,458)	-	(985,458)
<u>(4,368,278)</u>	<u>-</u>	<u>(4,368,278)</u>
-	17,752	17,752
-	17,752	17,752
<u>(4,368,278)</u>	<u>17,752</u>	<u>(4,350,526)</u>
2,947,438	-	2,947,438
567,330	-	567,330
133,838	-	133,838
311,866	-	311,866
70,284	-	70,284
655,080	-	655,080
90,350	-	90,350
8,643	-	8,643
340,093	-	340,093
59,942	-	59,942
<u>5,184,864</u>	<u>-</u>	<u>5,184,864</u>
816,586	17,752	834,338
<u>19,782,109</u>	<u>936,046</u>	<u>20,718,155</u>
<u>\$ 20,598,695</u>	<u>\$ 953,798</u>	<u>\$ 21,552,493</u>

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

City of Indian Rocks Beach, Florida
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	Sales Surtax Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 5,354,015	\$ 3,691,564	\$ 156,496	\$ 9,202,075
Accounts receivable (net of allowance for uncollectible accounts):				
Franchise taxes	55,001	-	-	55,001
Accounts receivable other	27,966	-	-	27,966
Intergovernmental				
State	30,535	-	4,842	35,377
County	9,026	282,046	-	291,072
Prepaid items	25,718	-	-	25,718
Total assets	\$ 5,502,261	\$ 3,973,610	\$ 161,338	\$ 9,637,209
Liabilities and Fund Balances				
Liabilities:				
Accounts and contracts payable	\$ 98,993	\$ 74,910	\$ 8,665	\$ 182,568
Due to other governments	38	-	-	38
Unearned revenue	23,722	1,987,646	-	2,011,368
Total liabilities	122,753	2,062,556	8,665	2,193,974
Fund balances:				
Nonspendable:				
Prepaid items	25,718	-	-	25,718
Restricted for:				
Impact fee programs	-	-	59,508	59,508
Capital projects	-	1,911,054	-	1,911,054
Transportation	-	-	93,165	93,165
Committed to:				
Emergencies	100,000	-	-	100,000
Unassigned	5,253,790	-	-	5,253,790
Total fund balances	5,379,508	1,911,054	152,673	7,443,235
Total liabilities and fund balances	\$ 5,502,261	\$ 3,973,610	\$ 161,338	\$ 9,637,209
Total governmental fund balance				\$ 7,443,235
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				13,575,016
Long-term liabilities, including compensated absences, net pension liability and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported in the				(435,424)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in governmental funds.				
Deferred outflows of resources for pensions				51,013
Deferred inflows of resources for pensions				(35,145)
Net position of governmental activities				\$ 20,598,695

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

City of Indian Rocks Beach, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2023

	<u>General Fund</u>	<u>Sales Surtax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes				
Ad valorem	\$ 2,947,438	\$ -	\$ -	\$ 2,947,438
Franchise taxes	567,330	-	-	567,330
Utility taxes	90,350	-	-	90,350
Other taxes	320,509	655,080	70,284	1,045,873
Licenses and fees	103,868	-	-	103,868
Intergovernmental	157,848	1,272,836	-	1,430,684
Charges for services	375,967	-	-	375,967
Fines	122,400	-	-	122,400
Interest	340,093	-	-	340,093
Miscellaneous	59,942	-	-	59,942
Total revenues	<u>5,085,745</u>	<u>1,927,916</u>	<u>70,284</u>	<u>7,083,945</u>
Expenditures				
General government	1,578,744	-	-	1,578,744
Public safety	1,326,959	-	-	1,326,959
Physical environment	322,144	1,257,575	-	1,579,719
Transportation	297,355	529,458	54,429	881,242
Culture and recreation	700,821	177,955	-	878,776
Total expenditures	<u>4,226,023</u>	<u>1,964,988</u>	<u>54,429</u>	<u>6,245,440</u>
Excess of revenues over expenditures	<u>859,722</u>	<u>(37,072)</u>	<u>15,855</u>	<u>838,505</u>
Net change in fund balances	859,722	(37,072)	15,855	838,505
Fund balances, beginning of year	<u>4,519,786</u>	<u>1,948,126</u>	<u>136,818</u>	<u>6,604,730</u>
Fund balances, end of year	<u>\$ 5,379,508</u>	<u>\$ 1,911,054</u>	<u>\$ 152,673</u>	<u>\$ 7,443,235</u>

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

City of Indian Rocks Beach, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2023

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

Net change in fund balances - total governmental funds	\$ 838,505
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$808,573) and the loss on disposal (\$23,197) is more than depreciation of (\$799,187).</p>	
	32,584
<p>Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows:</p>	
Compensated absences	(19,669)
Other postemployment benefits	1,518
<p>Governmental funds report City pension contributions as expenditures. In the statement of activities, the cost of pension benefits earned net of contributions is reported as pension expense.</p>	
Difference between pension contributions and net pension expense	<u>(36,352)</u>
Change in net position of governmental activities	<u><u>\$ 816,586</u></u>

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

City of Indian Rocks Beach, Florida
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-type Activities Enterprise Funds
	Solid Waste Disposal
Assets	
Current assets:	
Cash and cash equivalents	\$ 366,530
Accounts receivable (net of allowance for uncollectible accounts)	338,918
Total current assets	705,448
Noncurrent assets:	
Capital assets	
Buildings	79,675
Equipment	1,311,921
	1,391,596
Less accumulated depreciation	(938,135)
Total capital assets (net)	453,461
Total noncurrent assets	453,461
Total assets	1,158,909
Deferred outflows of resources	
Deferred outflows related to pension	23,258
Total deferred outflows of resources	23,258
Liabilities	
Current liabilities:	
Accounts payable	61,427
Compensated absences payable	6,556
Total current liabilities	67,983
Noncurrent liabilities:	
Compensated absences payable	15,296
Other postemployment benefits	22,074
Net pension liability	103,822
Total noncurrent liabilities	141,192
Total liabilities	209,175
Deferred inflows of resources	
Deferred inflows related to pension	19,194
Total deferred inflows of resources	19,194
Net position	
Net Investment in capital assets	453,461
Unrestricted	500,337
Total net position	\$ 953,798

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

City of Indian Rocks Beach, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2023

	Business-type Activities Enterprise Funds
	Solid Waste Disposal
Operating revenues	
Charges for services	\$ 1,818,651
Intergovernmental	2,671
Miscellaneous revenues	623
Total operating revenues	1,821,945
Operating expenses	
Personal services	585,749
Materials and supplies	347,097
Garbage and trash disposal	627,487
Overhead allocated charges	148,860
Depreciation	95,000
Total operating expenses	1,804,193
Operating income (loss)	17,752
Change in net position	17,752
Total net position - beginning	936,046
Total net position - ending	\$ 953,798

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

City of Indian Rocks Beach, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2023

	Business-type Activities Enterprise Funds
	Solid Waste Disposal
Cash flows from operating activities	
Receipts from customers and users	\$ 1,784,481
Receipts from grantor agency	2,671
Payments to suppliers	(1,106,860)
Payments to employees	(578,867)
Net cash provided by operating activities	101,425
Cash flows from capital and related financing activities	
Acquisition/construction of capital assets	(304,234)
Net cash provided (used) by capital and related financing activities	(304,234)
Net increase/(decrease) in cash and cash equivalents	(202,809)
Cash and cash equivalents at beginning of year	569,339
Cash and cash equivalents at end of year	\$ 366,530

(continued)

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

City of Indian Rocks Beach, Florida
Statement of Cash Flows - Continued
Proprietary Funds
For the Fiscal Year Ended September 30, 2023

		<u>Business-type Activities</u> <u>Enterprise Funds</u>
		<u>Solid Waste Disposal</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$	17,752
Depreciation		95,000
Change in assets and liabilities:		
Increase in accounts receivable		(34,793)
Decrease in deferred outflows of resources		4,684
Increase in accounts payable		16,820
Decrease in compensated absences		(2,559)
Decrease in other postemployment benefits		(651)
Increase in net pension liability		5,408
Decrease in deferred inflows of resources		(236)
Total adjustments		<u>83,673</u>
Net cash provided by operating activities	\$	<u><u>101,425</u></u>

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

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

CITY OF INDIAN ROCKS BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

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

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

2. Government-wide and Fund Financial Statements

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

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

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

Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

requirements of a particular function or segment. Revenues not classified as program revenues are reported as general revenues.

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

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

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

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

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

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

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

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

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

A.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government reports the following major governmental funds:

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

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

The government reports the following major proprietary fund:

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

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

4. Cash and Cash Equivalents

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

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

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Investments

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

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

6. Receivables and Payables

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

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

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

7. Prepayments and Deposits

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

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Property and Equipment

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

Major additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized as projects are constructed. Interest is capitalized on projects during the construction period based upon average accumulated project expenditures. The costs of normal maintenance and repairs that do not improve or extend the life of the respective assets are not capitalized.

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

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

9. Compensated Absences

Annual Leave:

The City permits employees to accumulate earned annual leave (vacation). Vacation is earned at 6.67 hours per month, not to exceed 80 hours or two work weeks (ten working days) per year for employees during their first five years. Employees with five full years of uninterrupted service receive ten hours per month, not to exceed 120 hours or three weeks (fifteen working days) per year. Annual leave may be accumulated from year to year up to a maximum accrual of 240 hours (thirty working days). An employee with a minimum of six months of continuous employment shall be compensated for all accrued unused annual leave hours at their basic straight-time, hourly rate upon separation from employment. In the event of an employee's death, all accumulated vacation will be paid to the employee's estate.

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as general long-term debt. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Accumulated compensated absences for annual leave are recorded as expense in the government-wide and proprietary funds when incurred. A liability for these amounts is reported in the governmental fund only if they have matured, for example, as a result of employee resignations and retirements.

Sick Leave:

Sick leave is earned at the rate of 3.08 hours per payroll period by full-time employees. Unused sick leave may be accumulated up to a maximum of 720 hours. Since sick leave is forfeited upon separation from City employment, no liability for sick leave has been recorded in these financial statements.

10. Deferred Outflows / Inflows of Resources

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

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

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

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Net Pension Liability

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

12. Long-Term Liabilities

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

13. Fund Equity

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

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

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

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed – This component comprises amounts which can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority, to include the City Charter, ordinances and resolutions, individually or in combination, to be construed as equally binding. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (City charter, ordinance or resolution) it employed to commit those amounts. At September 30, 2021, the City had a committed amount for emergencies of \$100,000. This commitment was established by the City Commission in City Ordinance No. 555, paragraph 1, 6/15/1994. The ordinance defines an “emergency” as a natural disaster such as a hurricane or tornado, declarations of such by the governor or president, or other sudden and unexpected occurrences causing extensive damage to the essential infrastructure of municipal operation or unanticipated costs to the community. In the event there are expenditures from this fund, the balance shall be replenished no later than the next fiscal year, as reflected in the passage of the next fiscal year budget. Funds within this commitment shall be used for an emergency as declared by at least three affirmative commissioner votes.

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

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

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

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

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

Restricted – This component consists of net position that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

regulations of other governments) or by law through constitutional provisions or enabling legislation. The City would typically use restricted assets first, as appropriate opportunities arise, but may selectively defer the use of these funds.

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

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

14. Revenues, Contributions, Expenditures, and Expenses

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

Property taxes

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

The tax levy of the City is established by the City Commission prior to October 1 of each year, and the Pinellas County Property Appraiser incorporates the City’s millage into the total tax levy, which includes the Pinellas County School Board tax requirements. The City is permitted by state law to levy taxes up to ten mills of assessed valuation exclusive of taxes levied for the payment of bonds. A mill levy of 1.8326 was approved for 2023.

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

All taxes are due and payable on November 1 of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at a rate of 4% in the month

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Administrative service charges

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

Grants

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

B. BUDGETARY INFORMATION

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

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

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

B. BUDGETARY INFORMATION (CONTINUED)

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

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

- Revenues are projected from rate structures, historical data, estimates and statistical trends available from City sources and outside agencies.
- Expenses are estimated on cost analyses, expected needs, and historical data produced by the finance and operating departments.

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

C. CASH AND INVESTMENTS

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

1. Deposits

As of September 30, 2023, the total carrying amount of cash deposits at a local financial institution was \$622,211. The City has complied with the requirements of the Florida Security for Public Deposits Act (the "Act") by maintaining its accounts at a qualified public depository, as provided by Chapter 280 of the Florida Statutes. Under the Act, qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. Therefore, all cash deposits held by banks can be classified as fully insured.

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

C. CASH AND INVESTMENTS (CONTINUED)

2. Investments

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

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

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

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

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

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

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

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

C. CASH AND INVESTMENTS (CONTINUED)

The following is a summary of the City's pooled investments at September 30, 2023:

	Credit Ratings	Fair Value	Maturity Less Than One Year
Florida Surplus Asset Fund Trust	AAAm	\$ 3,466,000	\$3,466,000
Florida Cooperative Liquid Asset Securities System	AAAm	2,182,911	2,182,911
Florida Fixed Income Trust - Preferred Deposit Fund	n/a	559,989	559,989
U.S. Treasury	n/a	2,736,992	1,395,645
Total Investments		<u>\$ 8,945,892</u>	<u>\$7,604,545</u>

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

D. RECEIVABLES

The following is a detail listing of receivables for the City's individual major funds, including the applicable allowances for uncollectible accounts at September 30, 2023:

Description	General	Sales Surtax Fund	Solid Waste	Nonmajor Funds	Total
Accounts	\$ 27,966	\$ -	\$339,313	\$ -	\$367,279
Franchise Fees	55,001	-	-	-	55,001
Intergovernmental	39,561	282,046	-	4,842	326,449
	<u>122,528</u>	<u>282,046</u>	<u>339,313</u>	<u>4,842</u>	<u>748,729</u>
Less: Allowance for Uncollectable	-	-	(395)	-	(395)
	<u>\$ 122,528</u>	<u>\$282,046</u>	<u>\$338,918</u>	<u>\$ 4,842</u>	<u>\$748,334</u>

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

E. INTERFUND RECEIVABLES AND PAYABLES

During fiscal year 2023, interfund transfers were as follows:

There were no interfund transfers at September 30, 2023.

Individual interfund receivables and payables at September 30, 2023 are:

There were no interfund receivables and payables at September 30, 2023.

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

F. CAPITAL ASSETS

Governmental capital asset activity for the year ended September 30, 2023 was as follows:

Governmental Activities	Beginning Balance 9/30/2022	Increases	Decreases	Ending Balance 9/30/2023
Capital Assets, Not Being Depreciated:				
Land	\$ 2,225,254	\$ -	\$ -	\$ 2,225,254
Construction In Progress	132,584	78,103	-	210,687
Total Capital Assets, Not Being Depreciated	<u>2,357,838</u>	<u>78,103</u>	<u>-</u>	<u>2,435,941</u>
Capital Assets, Being Depreciated:				
Buildings	2,576,836	-	-	2,576,836
Improvements Other Than Buildings	19,206,904	652,628	-	19,859,532
Equipment	1,231,689	124,237	(46,395)	1,309,531
Total Capital Assets Being Depreciated	<u>23,015,429</u>	<u>776,865</u>	<u>(46,395)</u>	<u>23,745,899</u>
Less Accumulated Depreciation For:				
Buildings	(1,194,728)	(79,912)	-	(1,274,640)
Improvements Other Than Buildings	(9,805,378)	(639,478)	-	(10,444,856)
Equipment	(830,729)	(79,797)	23,198	(887,328)
Total Accumulated Depreciation	<u>(11,830,835)</u>	<u>(799,187)</u>	<u>23,198</u>	<u>(12,606,824)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,184,594</u>	<u>(22,322)</u>	<u>(23,197)</u>	<u>11,139,075</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,542,432</u>	<u>\$ 55,781</u>	<u>\$ (23,197)</u>	<u>\$ 13,575,016</u>

Business-type capital asset activity for the year ended September 30, 2023, was as follows:

Business-type Activities	Beginning Balance 9/30/2022	Increases	Decreases	Ending Balance 9/30/2023
Capital Assets, Being Depreciated:				
Buildings	\$ 79,675	\$ -	\$ -	\$ 79,675
Equipment	1,156,579	304,234	(148,892)	1,311,921
Total Capital Assets Being Depreciated	<u>1,236,254</u>	<u>304,234</u>	<u>(148,892)</u>	<u>1,391,596</u>
Less Accumulated Depreciation For:				
Buildings	(11,952)	(1,992)	-	(13,944)
Equipment	(980,075)	(93,008)	148,892	(924,191)
Total Accumulated Depreciation	<u>(992,027)</u>	<u>(95,000)</u>	<u>148,892</u>	<u>(938,135)</u>
Total Capital Assets, Being Depreciated, Net	<u>244,227</u>	<u>209,234</u>	<u>-</u>	<u>453,461</u>
Total Business-type Activities, Net	<u>\$ 244,227</u>	<u>\$ 209,234</u>	<u>\$ -</u>	<u>\$ 453,461</u>

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

F. CAPITAL ASSETS (CONTINUED)

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

Depreciation Expense By Function

Governmental Activities:

General Government	\$ 64,844
Public Safety	4,687
Transportation	402,346
Culture/Recreation	<u>327,310</u>
Total Governmental Activities	<u>\$ 799,187</u>

Depreciation Expense By Function

Business-type Activities:

Sewer	<u>\$ 95,000</u>
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G. LONG-TERM DEBT

Schedule of Changes in Long-Term Debt

The City's long-term debt includes compensated absences and other postemployment benefits. The following is a schedule of changes in the City's long-term debt for the fiscal year ended September 30, 2023:

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>	<u>Long-Term</u>
	<u>9/30/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>9/30/23</u>	<u>One Year</u>	<u>Portion</u>
Governmental Activities:						
Compensated Absences	\$ 75,625	\$ 23,010	\$ (3,341)	\$ 95,294	\$ 28,588	\$ 66,706
Other Postemployment Benefits	44,940	-	(1,518)	43,422	-	43,422
Net Pension Liability	<u>276,764</u>	<u>19,944</u>	<u>-</u>	<u>296,708</u>	<u>-</u>	<u>296,708</u>
	<u>\$ 397,329</u>	<u>\$ 42,954</u>	<u>\$ (4,859)</u>	<u>\$ 435,424</u>	<u>\$ 28,588</u>	<u>\$ 406,836</u>
Business-type Activities:						
Compensated Absences	\$ 24,411	\$ 5,662	\$ (8,221)	\$ 21,852	\$ 6,556	\$ 15,296
Other Postemployment Benefits	22,725	-	(651)	22,074	-	22,074
Net Pension Liability	<u>98,414</u>	<u>5,408</u>	<u>-</u>	<u>103,822</u>	<u>-</u>	<u>103,822</u>
	<u>\$ 145,550</u>	<u>\$ 11,070</u>	<u>\$ (8,872)</u>	<u>\$ 147,748</u>	<u>\$ 6,556</u>	<u>\$ 141,192</u>

General Fund revenues have been used in prior years to liquidate the liability for pension liabilities, compensated absences and other post-employment benefit obligations.

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

H. RISK MANAGEMENT

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

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

The City has established an active Safety Committee (the “Committee”) and Safety Program (and has received a 3% discount on the workers’ compensation premium for the 2023 fiscal year). The Committee reviews any problems relating to safety, and makes suggestions to improve safety practices. One employee maintains certification annually as a safety professional through the Safety Council of Pinellas County.

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

I. EMPLOYEES’ RETIREMENT PLANS

1. Florida Retirement System

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

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

The City of Indian Rocks Beach contributes to the FRS, which is administered by the Florida Department of Management Services, Division of Retirement. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 121 of the Florida Statutes, which may be amended by the Florida Legislature, assigns the authority to establish and amend benefit provisions to the Department of Management Services through the Division of Retirement.

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

J. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

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

Retirement benefits, and the City's contribution rate, are summarized as follows:

Membership Category	Retirement Benefit	Vesting	Contribution Rates Beginning July 1, 2023 (of covered payroll)
Regular	1.6% times years of service times average compensation (8 highest years) if age 62 or 33 years of service at any age.	After 8 years of creditable service.	Employer 13.57% Employee 3.00%
Senior Management	2.0% times years of service times average compensation (8 highest years) if age 62 or 33 years of service at any age.	After 8 years of creditable service.	Employer 34.52% Employee 3.00%

The City's contributions include 1.66% for a post-retirement health insurance subsidy. FRS also provides disability and survivors' benefits. Benefits are established by Florida State Statute.

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

I EMPLOYEES' RETIREMENT PLANS (CONTINUED)

The Florida Retirement System

Plan Description

Three active City employees hired prior to 1996 participate in the FRS, two in regular class membership and one in senior management class membership. All three FRS members are covered by the FRS, a cost-sharing, multiple-employer, defined-benefit pension plan. The FRS was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program ("DROP") under the defined-benefit plan, and amended in 2000 to provide a defined-contribution plan alternative to the defined-benefit plan for FRS members effective July 1, 2002. This integrated defined-contribution pension plan is the FRS Investment Plan ("INV"). Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy ("HIS") Program, a cost-sharing, multiple-employer, defined-benefit pension plan to assist retired members of any state-administered retirement system in paying the costs of health insurance.

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

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

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

The System ACFR and actuarial reports may also be obtained by contacting the Division of Retirement by mail or phone at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Contributions
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

I. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Membership and Plan Benefits - FRS

The FRS has two classes of membership applicable to the City, including regular class and senior management class. Employees enrolled in the FRS vested after six years of creditable service and are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. Retirees receive a lifetime pension benefit with joint and survivor payment options. The FRS provides retirement, disability, death benefits and annual cost-of-living adjustments. The FRS also includes an early retirement provision, but imposes a penalty for each year a member retires before the normal retirement date.

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

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

Membership and Plan Benefits - HIS

HIS membership is available to all members within the FRS and INV plans. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive HIS benefits, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

I. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Contribution Requirements

The contribution rates for FRS and HIS members are established, and may be amended, by the State of Florida. Employer contribution rates are actuarially recommended but set by the Legislature. These rates are a percentage of covered payroll. The FRS and HIS contribution rates were as follows:

FRS Class:	10/22 - 06/23	07/23 - 09/23
Regular	11.91%	13.57%
Senior Management	31.57%	34.52%
DROP	18.60%	21.13%

Employer rates include 1.66% from 10/22 - 06/23 and 2.00% from 07/23 – 09/23 for the HIS program. In addition, other than for the DROP, rates include .06% from 10/22 – 09/23 for administrative costs.

The City's contributions recognized during the fiscal year ended September 30, 2023 by the FRS and HIS were \$31,847 and \$3,210, respectively.

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

Long-Term Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2023 the FRS Actuarial Assumption Conference reviewed assumptions by Milliman's Capital Markets Assumption team. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return
Cash	1.0%	2.9%
Fixed Income	19.8%	4.5%
Global Equity	54.0%	8.7%
Real Estate (Property)	10.3%	7.6%
Private Equity	11.1%	11.9%
Strategic Investments	3.8%	6.3%
	100.0%	

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

I. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

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

Discount Rate Sensitivity Analysis

The following tables demonstrate the sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact if the discount rate was 1.0% higher or 1.0% lower than the current discount rate at June 30, 2023.

FRS Net Pension Liability (Asset)			HIS Net Pension Liability (Asset)		
Current Discount			Current Discount		
1% Decrease	Rate	1% Increase	1% Decrease	Rate	1% Increase
5.70%	6.70%	7.70%	2.65%	3.65%	4.65%
\$ 542,374	\$ 317,512	\$ 129,387	\$ 94,710	\$ 83,018	\$ 73,326

Actuarial Methods and Assumptions

Actuarial assumptions for both the FRS and HIS are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually and the HIS has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS and HIS was completed for the period July 1, 2013 through June 30, 2018.

The total pension liability for the FRS was determined by actuarial valuations as of July 1, 2023, and HIS by actuarial valuations as of July 1, 2022 rolled forward to measurement date, using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth for both plans is assumed at 3.25%. Mortality assumptions for the FRS were based on the PUB2010 base table varied by member category and sex, projected generationally with scale MP-2018; and on the Generational RP-2000 with projection scale MP-2018 for the HIS. Both the discount rate and long-term expected rate of return used for FRS investments is 6.70%, no change from prior year. The FRS fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS program uses a pay-as-you-go funding structure, a municipal bond rate of 3.65% was used to determine its total pension liability (an increase from 3.54% in the prior year). In October 2023, the Actuarial Assumptions Conference adopted the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the applicable municipal bond index.

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

I. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

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

1. Proportionate Share of FRS and HIS Plans

Employers participating in the FRS and HIS were provided pension allocation schedules for use in recording their proportionate share of the FRS and HIS collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense at measurement date June 30, 2023 in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of Statement No. 68*. The underlying financial information used to prepare the pension allocation schedules was based on the same basis as mentioned previously and on an actuarial valuation as of July 1, 2023 for the FRS and July 1, 2022 rolled forward for the HIS. The City's proportionate share was calculated using retirement contributions for employees that were members of the FRS and HIS during the measurement year ended June 30, 2023. The aggregate employer contribution amounts in the pension allocation schedules agree to the total employer contribution amounts reported in the System CAFR.

At September 30, 2023, the City reported a net pension liability of \$400,530 for its proportionate share of the collective net pension liability of the FRS and HIS. The following table presents information on the City's proportionate share of the FRS and HIS:

	FRS	HIS	City Total
Proportionate Share of Net Pension Liability at June 30, 2023	\$ 317,512	\$ 83,018	\$ 400,530
City's proportion at June 30, 2023	0.00000797	0.00000523	
City's proportion at June 30, 2022	0.00000845	0.00000575	
Change in proportion during current year	-0.00000048	-0.00000052	

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

I. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

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

For the year ended September 30, 2023, the City recognized pension expense of \$46,208, (\$22,906 related to the FRS, and \$23,302 credit related to the HIS). At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS		City Total
	Def Outflow	Def Inflow	Def Outflow	Def Inflow	Deferred Outflows / (Deferred Inflows)
Differences between expected and actual experience	\$ 29,812	\$ -	\$ 1,215	\$ (195)	\$ 31,027 (195)
Changes of assumptions	20,698	-	2,183	(7,194)	22,881 (7,194)
Net difference between projected and actual investment earnings	13,260	-	43	-	13,260 43
Changes In proportion	1,121	(29,305)	1,421	(17,645)	2,542 (46,950)
City contributions subsequent to the measurement data	3,849	-	669	-	4,518
Total Deferred Outflows	\$ 68,740		\$ 5,531		74,271
Total Deferred (Inflows)		\$ (29,305)		\$ (25,034)	\$ (54,339)

Deferred outflows of resources of \$4,518 are reported by the City for employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Reporting Year Ending June 30,	FRS	HIS	City Total
			Deferred Outflows (Deferred Inflows)
2024	\$ (3,408)	\$ (5,890)	\$ (9,298)
2025	(13,692)	(5,725)	(19,417)
2026	49,496	(4,174)	45,322
2027	2,546	(2,504)	42
2028	644	(1,543)	(899)
Thereafter	-	(336)	(336)
Totals	\$ 35,586	\$ (20,172)	\$ 15,414

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

I. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

3. Payables to the Pension Plans

Included in the amounts reported as accrued liabilities is \$0 payable to the Florida Retirement System. The amount is for required contributions based on September 2023 payroll not remitted to the plans until October 2023, and is reported in the General Fund. The amount includes required employer contributions for the FRS and HIS plans.

Deferred Retirement Option Program:

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

The contribution requirements of employers are established and may be amended by the Division of Retirement. The City's contributions, and its required contributions for the three years ended September 30, 2023 are summarized as follows:

<u>Fiscal Year</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>	<u>Percentage Contributed</u>
2023	\$ 31,847	\$ 31,847	10000%
2022	\$ 38,274	\$ 38,274	100%
2021	\$ 32,753	\$ 32,753	100%

General Employees' Defined Contribution Plan

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

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

I. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

The total payroll in fiscal year 2023 was \$1,504,460. The City's contributions were calculated using the participants' salary amount of \$1,160,280. The City made the required 10% contributions (net of forfeitures) for the current year and previous two years, as follows:

<u>Fiscal Year</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>	<u>Percentage Contributed</u>
2023	\$ 116,028	\$ 116,028	100%
2022	\$ 108,539	\$ 108,539	100%
2021	\$ 106,057	\$ 106,057	100%

J. OTHER POSTEMPLOYMENT BENEFITS

Plan Description:

The City's Retiree Health Care Plan (Plan) is a single employer defined benefit post-employment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under the applicable retirement plan to continue medical insurance coverage as a participant in the City's plan.

Plan Membership as of October 1, 2021:

Census Information as of October 1, 2021

Active Participants	22
Retirees, Beneficiaries and Disabled Members	1
Covered Spouses	1
Total	24

Benefits Provided:

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

Total OPEB Liability

The measurement date is September 30, 2023.

The measurement period for the OPEB expense was October 1, 2022 to September 30, 2023. The reporting period is October 1, 2022 through September 30, 2023.

The Sponsor's Total OPEB Liability was measured as of September 30, 2023.

Note - The Sponsor's Total OPEB Liability for the City's ledger adjustment was measured as of September 30, 2023 using a discount rate of 4.87%.

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

J. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2021, updated to September 30, 2023, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.87%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	53

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

Discount Rate:

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.87%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by the S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard & Poor's Rating Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

OPEB Expense:

For the year ended September 30, 2023, the Sponsor will recognize OPEB Expense of \$7,896.

Changes in Total OPEB Liability

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2022	<u>\$67,665</u>
Changes for a Year:	
Service Cost	\$3,629
Interest	\$3,201
Difference Between Expected and Actual Experience	\$0
Changes of Assumptions	(\$534)
Benefit Payments	<u>(\$8,465)</u>
Net Changes	<u>(\$2,169)</u>
Reporting Period Ending September 30, 2023	<u><u>\$65,496</u></u>

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

J. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes of assumptions reflect a change in the discount rate from 4.77% for the fiscal year ending September 30, 2022 to 4.87% for the fiscal year ending September 30, 2023.

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

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

	1% Decrease 3.87%	Current Discount Rate 4.87%	1% Increase 5.87%
Total OPEB Liability (Asset)	\$ 71,118	\$ 65,496	\$ 60,504

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

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

	1% Decrease 3.00% - 6.50%	Healthcare Cost Trend Rates 4.00% - 7.50%	1% Increase 5.00% - 8.50%
Total OPEB Liability (Asset)	\$ 59,180	\$ 65,496	\$ 72,770

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

Reporting Period Ending	9/30/2023	9/30/2022
Measurement Date	9/30/2023	9/30/2022
Total OPEB Liability		
Service Cost	\$ 3,629	\$ 5,559
Interest	3,201	2,306
Differences between Expected and Actual Experience	-	4,425
Changes of Assumptions	(534)	(25,067)
Benefit Payments	<u>(8,465)</u>	<u>(8,905)</u>
Net Change in Total OPEB Liability	(2,169)	(21,682)
Total OPEB Liability - Beginning	67,665	89,347
Total OPEB Liability - Ending	<u>\$ 65,496</u>	<u>\$ 67,665</u>
Covered-Employee Payroll*	\$ 1,226,079	\$ 1,196,175
Total OPEB Liability as a percentage of Covered-Employee Payroll	5.34%	5.66%

CITY OF INDIAN ROCKS BEACH, FLORIDA

Notes to the Financial Statements

September 30, 2023

J. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Notes to Schedule:

Covered-employee payroll:

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

Changes of assumptions:

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

Fiscal Year Ending September 30, 2023	4.87%
Fiscal Year Ending September 30, 2022:	4.77%
Fiscal Year Ending September 30, 2021:	2.43%

K. COMMITMENTS AND CONTINGENCIES

1. Litigation

Various lawsuits and claims arising in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of legal counsel, the City has sufficient insurance coverage to cover any claims and/or the liabilities that may arise from such action. The effect of such losses would not materially affect the financial position of the City or the results of its operations.

2. Commitments

The City annually contracts with the Sheriff of Pinellas County, Florida, for law enforcement services. The cost of these services for the fiscal year ended September 30, 2023 was \$1,189,395.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules (GAAP BASIS):

- General Fund

OPEB Plan – Schedule of Changes in Total OPEB Liability

Schedules of Proportionate Share of Net Pension Liability

Schedules of Contributions

City of Indian Rocks Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual
General Fund
For the Fiscal Year Ended September 30, 2023

	<u>Budget Amounts</u>		Actual Amounts	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Ad valorem	\$ 2,963,060	\$ 2,963,060	\$ 2,947,438	\$ (15,622)
Franchise fees	474,250	474,250	567,330	93,080
Other taxes	394,470	394,470	410,859	16,389
Licenses and fees	47,310	47,310	103,868	56,558
Intergovernmental	122,230	122,230	157,848	35,618
Charges for services	148,860	148,860	148,860	-
Fines	40,000	40,000	122,400	82,400
Interest	25,000	25,000	340,093	315,093
Miscellaneous	205,120	205,120	287,049	81,929
Total revenues	<u>4,420,300</u>	<u>4,420,300</u>	<u>5,085,745</u>	<u>665,445</u>
Expenditures				
Current:				
General government:				
City commission	55,070	55,070	53,489	(1,581)
City manager	313,760	313,760	330,145	16,385
Finance	384,380	384,380	366,159	(18,221)
City attorney	87,700	87,700	157,519	69,819
City clerk	187,590	187,590	188,389	799
City planning	85,650	85,650	88,785	3,135
Central services	415,690	415,690	394,258	(21,432)
Public safety:				
Law enforcement	1,189,100	1,189,100	1,189,395	295
Community development (Code Enforcement & Bldg. Permitting)	172,120	172,120	137,564	(34,556)
Physical environment:				
Stormwater	138,930	138,930	133,173	(5,757)
Other maintenance	164,070	164,070	188,971	24,901
Transportation:				
Streets and drainage	260,110	260,110	297,355	37,245
Culture and recreation:				
Parks and recreation	811,940	811,940	700,821	(111,119)
Total expenditures	<u>4,266,110</u>	<u>4,266,110</u>	<u>4,226,023</u>	<u>(40,087)</u>
Revenues over (under) expenditures	<u>154,190</u>	<u>154,190</u>	<u>859,722</u>	<u>705,532</u>
Net change in fund balances	154,190	154,190	859,722	705,532
Fund balance, beginning of year	<u>3,847,162</u>	<u>3,847,162</u>	<u>4,519,786</u>	<u>672,624</u>
Fund balance, end of year	<u>\$ 4,001,352</u>	<u>\$ 4,001,352</u>	<u>\$ 5,379,508</u>	<u>\$ 1,378,156</u>

Notes to Schedule:

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

City of Indian Rocks Beach, Florida
Schedule of Changes in Total OPEB Liability
September 30, 2023
Last 10 Fiscal Years*

Reporting Period Ending Measurement Date	9/30/2023 <u>9/30/2023</u>	9/30/2022 <u>9/30/2022</u>	9/30/2021 <u>9/30/2021</u>	9/30/2020 <u>9/30/2020</u>	9/30/2019 <u>9/30/2019</u>	9/30/2018 <u>9/30/2018</u>
Total OPEB Liability						
Service Cost	\$ 3,629	\$ 5,559	\$ 7,471	\$ 6,822	\$ 5,401	\$ 8,359
Interest	3,201	2,306	2,009	3,289	3,148	2,716
Differences between Expected and Actual Experience	-	4,425	-	9,289	-	-
Changes of Assumptions	(534)	(25,067)	(2,070)	382	4,026	(3,502)
Benefit Payments	<u>(8,465)</u>	<u>(8,905)</u>	<u>(8,887)</u>	<u>(9,366)</u>	<u>(4,097)</u>	<u>(3,776)</u>
Net Change in Total OPEB Liability	(2,169)	(21,682)	(1,477)	10,416	8,478	3,797
Total OPEB Liability - Beginning	67,665	89,347	90,824	80,408	71,930	68,133
Total OPEB Liability - Ending	<u>\$ 65,496</u>	<u>\$ 67,665</u>	<u>\$ 89,347</u>	<u>\$ 90,824</u>	<u>\$ 80,408</u>	<u>\$ 71,930</u>
Covered-Employee Payroll	\$ 1,226,079	\$ 1,196,175	\$ 1,338,496	\$ 1,305,850	\$ 1,244,539	\$ 1,214,184
Total OPEB Liability as a percentage of Covered-Employee Payroll	5.34%	5.66%	6.68%	6.96%	6.46%	5.92%

Notes to Schedule

(1) Plan Assets

- No Assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits

Other Items:

This information is required for ten years. However, only six years of information is available.

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

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

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

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

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

	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability (asset)	0.0005227%	0.0005746%	0.0005588%	0.0005623%	0.0007183%	0.0008753%	0.0008821%	0.0008146%
City's proportionate share of the net pension liability (asset)	\$ 83,018	\$ 60,858	\$ 68,546	\$ 68,654	\$ 80,370	\$ 92,640	\$ 94,323	\$ 94,935
City's covered payroll	\$ 207,947	\$ 209,397	\$ 197,834	\$ 195,156	\$ 240,236	\$ 285,882	\$ 281,179	\$ 251,465
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.92%	29.06%	34.65%	35.18%	33.45%	32.40%	33.55%	37.75%
Plan fiduciary net position as a percentage of the total pension liability (Note 2)	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

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

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

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

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

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

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

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

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

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

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OTHER SUPPLEMENTAL INFORMATION

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

- Sales Surtax Fund

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

Nonmajor Governmental Funds:

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

City of Indian Rocks Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual
Sales Surtax Fund
For the Fiscal Year Ended September 30, 2023

	<u>Budget Amounts</u>		Actual Amounts	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Other taxes	\$ 500,000	\$ 500,000	\$ 655,080	\$ 155,080
Intergovernmental	3,742,551	3,742,551	1,272,836	(2,469,715)
Total revenues	<u>4,242,551</u>	<u>4,242,551</u>	<u>1,927,916</u>	<u>(2,314,635)</u>
Expenditures				
Current:				
Physical environment	2,733,218	2,733,218	1,257,575	(1,475,643)
Transportation	1,718,693	1,718,693	529,458	(1,189,235)
Culture and recreation	150,000	150,000	177,955	27,955
Total expenditures	<u>4,601,911</u>	<u>4,601,911</u>	<u>1,964,988</u>	<u>(2,636,923)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(359,360)</u>	<u>(359,360)</u>	<u>(37,072)</u>	<u>322,288</u>
Net change in fund balance	(359,360)	(359,360)	(37,072)	322,288
Fund balance, beginning of year	<u>1,542,010</u>	<u>1,542,010</u>	<u>1,948,126</u>	<u>406,116</u>
Fund balance, end of year	<u><u>\$ 1,182,650</u></u>	<u><u>\$ 1,182,650</u></u>	<u><u>\$ 1,911,054</u></u>	<u><u>\$ 728,404</u></u>

Note to Schedule:

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

CITY OF INDIAN ROCKS BEACH, FLORIDA NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Local Option Gas Surtax Fund

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

Transportation Impact Fee Fund

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

Recreation Impact Fee Fund

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

Developmental Impact Fee Fund

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

**City of Indian Rocks Beach, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023**

	Special Revenue				Total Nonmajor Governmental Funds
	Local Option Gas Surtax	Transportation Impact Fees	Recreation Impact Fees	Developmental Impact Fees	
Assets					
Cash and cash equivalents	\$ 43,121	\$ 53,867	\$ 29,502	\$ 30,006	\$ 156,496
Accounts receivable					
Intergovernmental	4,842	-	-	-	4,842
Total assets	<u>\$ 47,963</u>	<u>\$ 53,867</u>	<u>\$ 29,502</u>	<u>\$ 30,006</u>	<u>\$ 161,338</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 4,539	\$ 4,126	\$ -	\$ -	\$ 8,665
Total liabilities	<u>4,539</u>	<u>4,126</u>	<u>-</u>	<u>-</u>	<u>8,665</u>
Fund balances:					
Restricted for:					
Impact fee programs	-	-	29,502	30,006	59,508
Transportation	43,424	49,741	-	-	93,165
Total fund balances	<u>43,424</u>	<u>49,741</u>	<u>29,502</u>	<u>30,006</u>	<u>152,673</u>
Total liabilities and fund balances	<u>\$ 47,963</u>	<u>\$ 53,867</u>	<u>\$ 29,502</u>	<u>\$ 30,006</u>	<u>\$ 161,338</u>

City of Indian Rocks Beach, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2023

	Special Revenue				Total Non- major Governmental Funds
	Local Option Gas Surtax	Transportation Impact Fees	Recreation Impact Fees	Developmental Impact Fees	
Revenues					
Other taxes	\$ 56,323	\$ 4,461	\$ 4,500	\$ 5,000	\$ 70,284
Total revenues	<u>56,323</u>	<u>4,461</u>	<u>4,500</u>	<u>5,000</u>	<u>70,284</u>
Expenditures					
Current:					
Transportation	54,429	-	-	-	54,429
Total expenditures	<u>54,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,429</u>
Excess of revenues over expenditures	<u>1,894</u>	<u>4,461</u>	<u>4,500</u>	<u>5,000</u>	<u>15,855</u>
Net change in fund balance	1,894	4,461	4,500	5,000	15,855
Fund balances, beginning of year	<u>41,530</u>	<u>45,280</u>	<u>25,002</u>	<u>25,006</u>	<u>136,818</u>
Fund balances, end of year	<u>\$ 43,424</u>	<u>\$ 49,741</u>	<u>\$ 29,502</u>	<u>\$ 30,006</u>	<u>\$ 152,673</u>

City of Indian Rocks Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual
Local Option Gas Surtax Fund
For the Fiscal Year Ended September 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes:				
Other taxes	\$ 50,000	\$ 50,000	\$ 56,323	\$ 6,323
Total revenues	50,000	50,000	56,323	6,323
Expenditures				
Current:				
Transportation	60,000	60,000	54,429	5,571
Total expenditures	60,000	60,000	54,429	5,571
Excess of revenues over expenditures	(10,000)	(10,000)	1,894	11,894
Net change in fund balance	(10,000)	(10,000)	1,894	11,894
Fund balance, beginning of year	33,321	33,321	41,530	8,209
Fund balance, end of year	\$ 23,321	\$ 23,321	\$ 43,424	\$ 20,103

Note to schedule:

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

City of Indian Rocks Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual
Transportation Impact Fee Fund
For the Fiscal Year Ended September 30, 2023

	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Transportation impact fees	\$ -	\$ 4,461	\$ 4,461
Total revenues	-	4,461	4,461
Expenditures			
Total expenditures	-	-	-
Net change in fund balance	-	4,461	4,461
Fund balance, beginning of year	33,025	45,280	12,255
Fund balance, end of year	\$ 33,025	\$ 49,741	\$ 16,716

Note to schedule:

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

City of Indian Rocks Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual
Recreation Impact Fee Fund
For the Fiscal Year Ended September 30, 2023

	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Recreation impact fees	\$ 1,000	\$ 4,500	\$ 3,500
Total revenues	<u>1,000</u>	<u>4,500</u>	<u>3,500</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,000	4,500	3,500
Fund balance, beginning of year	<u>10,002</u>	<u>25,002</u>	<u>15,000</u>
Fund balance, end of year	<u><u>\$ 11,002</u></u>	<u><u>\$ 29,502</u></u>	<u><u>\$ 18,500</u></u>

Note to schedule:

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

City of Indian Rocks Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual
Developmental Impact Fee Fund
For the Fiscal Year Ended September 30, 2023

	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Developmental impact fees	\$ 2,000	\$ 5,000	\$ 3,000
Total revenues	2,000	5,000	3,000
Expenditures			
Total expenditures	-	-	-
Net change in fund balance	2,000	5,000	3,000
Fund balance, beginning of year	11,006	25,006	14,000
Fund balance, end of year	\$ 13,006	\$ 30,006	\$ 17,000

Note to schedule:

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

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City of Indian Rocks Beach, Florida
Statistical Section
September 30, 2023

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

	PAGE
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time	71
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	76
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	77
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place	82
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	84

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

Schedule 1
City of Indian Rocks Beach, Florida

NET POSITION BY COMPONENT
(accrual basis of accounting)

Last Eight Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023
<u>Governmental activities</u>								
Net investment in capital assets related debt	\$ 10,871,053	\$ 12,836,327	\$ 13,677,764	\$ 13,472,323	\$ 13,555,837	\$ 13,546,062	\$ 13,542,432	\$ 13,575,016
Restricted	2,540,930	2,974,683	2,342,024	2,418,621	2,103,066	2,042,674	2,084,944	2,063,727
Unrestricted	3,974,138	2,412,767	2,724,045	3,122,107	3,129,326	3,564,676	4,154,733	4,959,952
Total governmental activities net position	\$ 17,386,121	\$ 18,223,777	\$ 18,743,833	\$ 19,013,051	\$ 18,788,229	\$ 19,153,412	\$ 19,782,109	\$ 20,598,695
<u>Business-type activities</u>								
Net investment in capital assets related debt	\$ 533,859	\$ 691,939	\$ 555,433	\$ 418,929	\$ 438,124	\$ 333,141	\$ 244,227	\$ 453,461
Unrestricted	1,340,977	836,682	173,304	380,247	386,131	487,441	691,819	500,337
Total business-type activities net position	\$ 1,874,836	\$ 1,528,621	\$ 728,737	\$ 799,176	\$ 824,255	\$ 820,582	\$ 936,046	\$ 953,798
<u>Primary government</u>								
Net investment in capital assets related debt	\$ 11,404,912	\$ 13,528,266	\$ 14,233,197	\$ 13,891,252	\$ 13,993,961	\$ 13,879,203	\$ 13,786,659	\$ 14,028,477
Restricted	2,540,930	2,974,683	2,342,024	2,418,621	2,103,066	2,042,674	2,084,944	2,063,727
Unrestricted	5,315,115	3,249,449	2,897,349	3,502,354	3,515,457	4,052,117	4,846,552	5,460,289
Total primary government net position	\$ 19,260,957	\$ 19,752,398	\$ 19,472,570	\$ 19,812,227	\$ 19,612,484	\$ 19,973,994	\$ 20,718,155	\$ 21,552,493

Schedule 2
City of Indian Rocks Beach, Florida

CHANGES IN NET POSITION
(accrual basis of accounting)

Last Eight Fiscal Years

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

Continued next page

Schedule 2
City of Indian Rocks Beach, Florida

CHANGES IN NET POSITION - Continued

(accrual basis of accounting)
Last Eight Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position								
Governmental activities:								
Property taxes	\$ 1,728,283	\$ 1,827,453	\$ 2,033,059	\$ 2,084,008	\$ 2,222,434	\$ 2,379,957	\$ 2,535,990	\$ 2,947,438
Franchise fees	424,728	426,621	450,704	490,616	478,634	492,264	527,022	567,330
Unrestricted state revenue sharing	104,570	109,089	113,364	116,410	109,824	121,719	141,490	133,838
Half-cent sales tax	262,547	266,090	283,566	289,884	275,175	319,756	333,778	311,866
Local option gas tax	273,310	88,735	63,331	70,108	58,412	78,552	104,871	70,284
Local option sales tax	512,331	527,477	554,362	586,002	507,737	546,494	638,806	655,080
Communications services tax	92,360	92,468	94,688	88,165	87,329	81,663	83,812	90,350
Other taxes	9,509	9,315	9,029	15,786	10,625	9,308	8,900	8,643
Unrestricted investment earnings	33,875	52,551	74,584	93,095	77,922	21,397	61,806	340,093
Miscellaneous revenues	497,357	688,494	105,764	105,003	17,998	91,437	52,822	59,942
Transfers in (out)	-	-	501,169	-	-	22,000	-	-
Extraordinary item - Gain from fire	647,926	-	-	-	-	-	-	-
Total governmental activities	4,586,796	4,088,293	4,283,620	3,939,077	3,846,090	4,164,547	4,489,297	5,184,864
Business-type activities:								
Loss on disposal of assets	-	(49,753)	-	-	(5,844)	-	-	-
Transfers in (out)	-	-	(501,169)	-	-	-	-	-
Total business-type activities	-	(49,753)	(501,169)	-	(5,844)	-	-	-
Total primary government	4,586,796	4,038,540	3,782,451	3,939,077	3,840,246	4,164,547	4,489,297	5,184,864
Change in net position								
Governmental activities	1,071,360	837,656	520,056	269,218	(224,822)	365,183	628,697	816,586
Business-type activities	(170,991)	(346,215)	(799,884)	70,439	25,079	(3,673)	115,464	17,752
Total change in net position	\$ 900,369	\$ 491,441	\$ (279,828)	\$ 339,657	\$ (199,743)	\$ 361,510	\$ 744,161	\$ 834,338

Schedule 3
City of Indian Rocks Beach, Florida

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

Last Eight Fiscal Years

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

Schedule 4
City of Indian Rocks Beach, Florida

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

Last Eight Fiscal Years

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

**Schedule 5
City of Indian Rocks Beach, Florida**

ASSESSED VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(dollar amounts are expressed in thousands)

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value	Annual Percentage Change in Assessed Value	Total Direct Tax Rate (1) (Mills)
2014	\$ 769,571	\$ 7,976	\$ 777,547	5.0%	2.0000
2015	827,427	8,021	835,448	7.4%	2.0000
2016	885,051	8,380	893,431	6.9%	2.0000
2017	972,371	8,173	980,544	9.8%	1.9300
2018	1,079,891	10,705	1,090,596	11.2%	1.9300
2019	1,165,836	9,696	1,175,532	7.8%	1.8326
2020	1,246,711	9,051	1,255,762	6.8%	1.8326
2021	1,324,959	9,060	1,334,019	6.2%	1.8326
2022	1,426,836	8,417	1,435,253	7.6%	1.8326
2023	1,655,802	8,393	1,664,195	16.0%	1.8326

(1) Tax rates are per \$1,000 of assessed valuation.

(2) The basis of assessed value required by the state is 100% of actual value.

Source: Pinellas County Property Appraiser's Office.

**Schedule 6
City of Indian Rocks Beach, Florida**

DIRECT AND OVERLAPPING PROPERTY TAX RATES (Mills)

Last Ten Fiscal Years

(Per \$1,000 of Assessed Taxable Value)

<u>Fiscal Year</u>	<u>City of Indian Rocks Beach</u>	<u>Pinellas County</u>		<u>Other</u>	<u>Total</u>
		<u>Government</u>	<u>School Board</u>		
2014	2.0000	5.2755	8.0600	3.0044	18.3399
2015	2.0000	5.3377	7.8410	2.9262	18.1049
2016	2.0000	5.3377	7.7700	2.9092	18.0169
2017	1.9300	5.3377	7.3180	2.9106	17.4963
2018	1.9300	5.2755	7.0090	2.9755	17.1900
2019	1.8326	5.2755	6.7270	2.9579	16.7930
2020	1.8326	5.2755	6.5840	2.9425	16.6346
2021	1.8326	5.2755	6.4270	2.9293	16.4644
2022	1.8326	5.2092	6.3250	2.8324	16.1992
2023	1.8326	4.8188	5.9630	2.7253	15.3397

Source: Pinellas County Tax Collector's Office.

**Schedule 7
City of Indian Rocks Beach, Florida**

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Ten Years Ago

		September 30, 2023			September 30, 2014		
		Taxable	Percent of Total Taxable		Taxable	Percent of Total Taxable	
Condos	CR Clearwater LLC	\$ 14,609,988	0.88%	1			
Hotel	Gulfcoast Marina LTD	\$ 13,697,276	0.82%	2	\$ 7,925,896	0.48%	1
Condos	Orion Beach Development LLC	\$ 6,308,665	0.38%	3	\$ 3,619,045	0.22%	2
Condos	Cameron Cove Resort	\$ 5,270,000	0.32%	4	\$ 3,443,880	0.21%	3
Single Family	Michael Savino	\$ 5,143,423	0.31%	5			
Condos	1900 1st LLC	\$ 4,690,000	0.28%	6			
Developer	MENHIR LLLP	\$ 4,340,470	0.26%	7			
Vacation Rentals	18th Ave Properties LLC	\$ 4,111,847	0.25%	8			
Restaurant	CrabbyBill's Seafood	\$ 3,956,482	0.24%	9	\$ 19,555,000	1.18%	8
Rental Units	David Wilkerson	\$ 3,941,634	0.24%	10	\$ 2,636,631	0.16%	4
Totals		\$ 66,069,785	3.97%		\$ 37,180,452	2.23%	

Source: Pinellas County Property Appraiser's Office.

Schedule 8
City of Indian Rocks Beach, Florida
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Collections for the Fiscal Year of the Levy</u>		<u>Collections for Previous Years of Levy</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2014	\$ 1,556,018	\$1,504,390	96.7%	\$ 35,271 *	\$1,539,661	98.9%
2015	1,671,824	1,616,600	96.7%	1,185	1,617,785	96.8%
2016	1,789,711	1,725,711	96.4%	2,572	1,728,283	96.6%
2017	1,892,450	1,827,256	96.6%	197	1,827,453	96.6%
2018	2,108,284	2,031,629	96.4%	1,430	2,033,059	96.4%
2019	2,149,806	2,081,285	96.8%	2,723	2,084,008	96.9%
2020	2,302,883	2,221,964	96.5%	470	2,222,434	96.5%
2021	2,445,210	2,360,414	96.5%	19,543	2,379,957	97.3%
2022	2,630,524	2,506,220	95.3%	29,770	2,535,990	96.4%
2023	3,054,700	2,868,886	93.9%	78,552	2,947,438	96.5%

Notes: * Collections for Previous Years of Levy calculations started in FY 2014

Source: Pinellas County Tax Collector's Office.

Schedule 9
City of Indian Rocks Beach, Florida

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities Long-term Note Payable	Total Primary Government	Indian Rocks Beach Personal Income	Percentage of Personal Income	Per Capita
2014	\$ -	\$ -	\$ 184,280,993	0.00%	\$ -
2015	-	-	193,022,775	0.00%	-
2016	-	-	204,846,626	0.00%	-
2017	-	-	211,126,845	0.00%	-
2018	-	-	238,201,100	0.00%	-
2019	-	-	231,341,536	0.00%	-
2020	-	-	226,602,684	0.00%	-
2021	-	-	207,463,872	0.00%	-
2022	-	-	224,917,682	0.00%	-
2023	-	-	234,535,400	0.00%	-

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

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

Debt limitation: There are no legal debt limits for Florida municipalities.

**Schedule 10
City of Indian Rocks Beach, Florida**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2023

<u>Taxing District</u>	<u>Net General Obligation Outstanding</u>	<u>Percentage Applicable to City Taxpayers (1)</u>	<u>Amount Applicable to City Taxpayers</u>
Pinellas County School Board	\$ 132,489,348	1.34%	\$ 1,780,550
Pinellas County Government	<u>37,585,906</u>	1.34%	<u>505,124</u>
Total Overlapping Debt	<u><u>170,075,254</u></u>		<u><u>2,285,676</u></u>

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

Source: Pinellas County School Board and Pinellas County Government.

**Schedule 11
City of Indian Rocks Beach, Florida**

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2014	4250	\$ 43,360	\$ 184,280,993	6.2%
2015	4203	45,925	193,022,775	5.7%
2016	4373	46,844	204,846,626	5.0%
2017	4380	48,202	211,126,845	3.7%
2018	4430	53,770	238,201,100	4.3%
2019	4432	52,198	231,341,536	3.4%
2020	4158	54,498	226,602,684	3.1%
2021	3696	56,132	207,463,872	4.4%
2022	3719	60,478	224,917,682	4.9%
2023	3740	62,710	234,535,400	3.1%

- Sources:**
- (1) The U.S. Census reported 5100 and 4100 for the years 2000 and 2010 respectively. The population numbers shown here reflect projections provided by the University of Florida.
 - (2) Bureau of Economic and Demographic Research. U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System. The actual per capita personal income is for Pinellas County. The per capita figures are calculated by dividing total personal income (from sch.9) by population.
 - (3) Florida Agency for Workforce Innovation, Labor Market Statistics, Local Area Unemployment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Schedule 12
City of Indian Rocks Beach, Florida

PRINCIPAL EMPLOYERS

Current Year and Seven Years Ago

<u>Employer</u>	<u>September 30, 2023</u>			<u>September 30, 2016</u>		
	<u>Employees</u>	<u>Percent of Total City Employment (1)</u>	<u>Rank</u>	<u>Employees</u>	<u>Percent of Total City Employment(1)</u>	<u>Rank</u>
Holiday Inn Harbourside	170	17.9%	1	170	18.9%	1
Crabby Bill's Seafood	150	15.8%	2	168	18.7%	2
Guppy's on the Beach	86	9.1%	3	63	7.0%	4
CoCo's Crush	65	6.8%	4	-	0.0%	-
Slyce	61	6.4%	5	65	7.2%	3
JD's Restaurant	53	5.6%	6	42	4.7%	7
PJ's Oyster Bar	52	5.5%	7	52	5.8%	5
Keegan's	38	4.0%	8	33	3.7%	8
Century 21 Beggins	30	3.2%	9	50	5.6%	6
Plumlee Realty	29	3.1%	10	25	2.8%	10
Total	<u>734</u>	<u>77.26%</u>		<u>668</u>	<u>74.22%</u>	

Source: Phone survey.

(1) Total employed estimated at 950 employees within the City.

Schedule 13

City of Indian Rocks Beach, Florida

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUND

Last Ten Fiscal Years

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
General Fund										
Administration	3.25	3.25	3.00	3.00	3.00	2.90	2.40	2.80	2.80	3.00
Finance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Community Dev/mt.	3.63	4.13	4.00	4.00	4.00	3.60	3.60	1.70	1.70	2.00
Library	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Services	10.67	10.67	10.00	10.00	10.00	9.50	7.20	7.20	7.20	7.20
Sub-total	21.55	22.05	21.00	21.00	21.00	20.00	17.20	15.70	15.70	16.20
Solid Waste Fund	9.00	8.00	8.00	8.00	8.00	7.50	7.80	7.80	7.80	7.80
TOTAL	31.55	30.05	29.00	29.00	29.00	27.50	25.00	23.50	23.50	24.00

Source: City of Indian Rocks Beach Finance Department

Schedule 14
City of Indian Rocks Beach, Florida

OPERATING INDICATORS BY FUNCTION / PROGRAM

	Last Ten Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Building Inspections</u>										
Building permits issued (a)	788	779	846	928	1,024	1,014	540	0 *	0 *	0 *
<u>Public Works - Streets Division</u>										
Streets resurfaced (miles)	0	0	0	0	0	0	0	0	0	0
Streets new surface (miles)	0	1	1	1	1	1	1	1	1	1

(a) Separate permits were issued for each trade

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

Source: Various City Departments

Schedule 15
City of Indian Rocks Beach, Florida

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Public Safety</u>										
Fire stations	1	1	1	1	1	1	1	1	1	1
Police stations	1	1	1	1	1	1	1	1	1	1
<u>Parks and Recreation</u>										
Park acreage	41	41	41	41	41	41	41	41	41	41
Number of community parks	9	9	9	9	9	9	9	9	9	9
<u>Wastewater</u>										
Sanitary sewers (miles)	22	22	22	22	22	22	22	22	22	22

Source: Various City Departments.



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

Honorable Mayor and
Members of the City Commission
Indian Rocks Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements, as listed in the table of contents, of the City of Indian Rocks Beach, Florida (the “City”) as of and for the year ended September 30, 2023, and have issued our report thereon dated March 27, 2024.

Report on Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

Honorable Mayor and
Members of the City Commission
Indian Rocks Beach, Florida

Report on Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated March 27, 2024.

Purpose of this Report

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

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 27, 2024



INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and
Members of the City Commission
Indian Rocks Beach, Florida

We have examined the compliance of the City of Indian Rocks Beach, Florida (the "City") with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2023. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 27, 2024



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and
Members of the City Commission
Indian Rocks Beach, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Indian Rocks Beach, Florida (the "City") as of and for the year ended September 30, 2023, and have issued our report thereon dated March 27, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 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 these reports, which are dated March 27, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding audit, there were no findings or recommendations.

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions 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.

Honorable Mayor and
Members of the City Commission
Indian Rocks Beach, Florida

Financial Condition and Management (Continued)

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 27, 2024