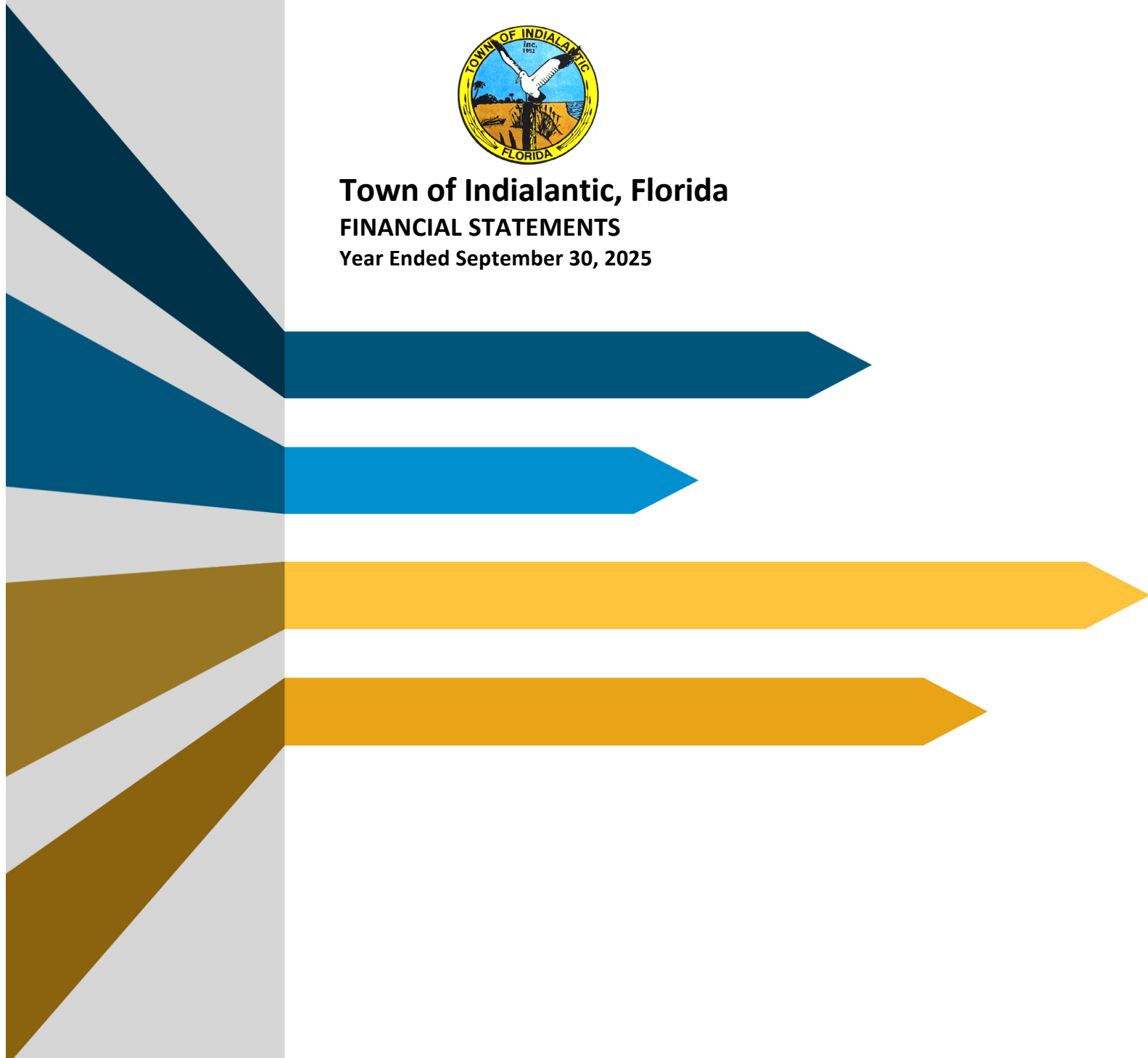


Town of Indialantic, Florida
FINANCIAL STATEMENTS
Year Ended September 30, 2025





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Town of Indialantic, Florida
Town Officials
September 30, 2025

Mark McDermott
Mayor

Doug Wright
Deputy Mayor

John Brady
Brett Miller
Carrie Foy
Council Members

Kristin S. Ottinger
Town Attorney

Michael Casey
Town Manager

Mollie Carr
Town Clerk



CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way
Suite 201
Melbourne, FL 32940

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INDEPENDENT AUDITOR’S REPORT

To the Honorable Mayor and Town Council
Town of Indialantic, 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 Town of Indialantic, Florida, (the “Town”) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements as listed in the table of contents.

In our opinion, the 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 Town as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town’s

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary schedule, and pension and OPEB schedules, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section 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.

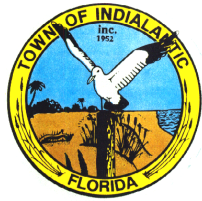
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 May 11, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
May 11, 2026



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Town of Indialantic, Florida Management's Discussion and Analysis

As management of the Town of Indialantic, Florida, we offer readers of the Town of Indialantic, Florida's financial statements this narrative overview and analysis of the financial activities of the Town of Indialantic, Florida for the fiscal year ended September 30, 2025.

Financial Highlights

- The assets of the Town of Indialantic, Florida exceeded its liabilities at the close of the most recent fiscal year by \$10,955,761 (net position). Of this amount, \$2,373,200 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$1,153,799 from the previously stated net position.
- The Town's long-term debt outstanding on September 30, 2025 was \$369,421.
- As of the close of the current fiscal year, the Town of Indialantic, Florida's governmental funds reported combined fund balances of \$4,122,089 a decrease of \$1,234,768 over the prior year. Approximately 8% of this total amount, \$322,878 is available for spending at the government's discretion (unassigned fund balance), and represents approximately 6% of total governmental fund expenditures, excluding capital outlay.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Indialantic, Florida's basic financial statements. The Town of Indialantic, Florida's basic financial statements is 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 are designed to provide readers with a broad overview of the Town of Indialantic, Florida's finances, in a manner like a private-sector business.

The statement of net position presents information on all the Town of Indialantic, Florida's assets and liabilities, 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 Town of Indialantic, Florida is improving or deteriorating.

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

Both government-wide financial statements distinguish functions of the Town of Indialantic, Florida 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

Town of Indialantic, Florida Management's Discussion and Analysis

activities of the Town of Indialantic, Florida include general government, public safety, recreation, and physical environment. The business-type activities of the Town of Indialantic, Florida include Wavecrest Park and Indialantic (Nance) Park.

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 Town of Indialantic, Florida, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town of Indialantic, Florida can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the 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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Indialantic, Florida maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is a major fund. Data from the other governmental fund is presented as a non-major fund.

Proprietary funds. The Town of Indialantic, Florida maintains two different types of proprietary funds. Enterprise funds are used to report the same functions as business-type activities in government-wide financial statements. The Town of Indialantic, Florida uses an enterprise fund to account for the activities of its Wavecrest Park and for its Indialantic (Nance) Park.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for Wavecrest Park and Indialantic (Nance) Park, which is both considered to be major fund of the Town of Indialantic, Florida.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Indialantic, Florida's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Town of Indialantic, Florida Management's Discussion and Analysis

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-65 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Indialantic, Florida's budgetary compliance and pension obligations. The Town of Indialantic, Florida adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Required supplementary information can be found on pages 68-83 of this report.

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 Town of Indialantic, Florida, assets exceeded liabilities by \$10,955,761 at the close of the most recent fiscal year.

The following table reflects the condensed statement of net position:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	\$5,568,201	\$6,133,052	\$1,073,616	\$769,469	\$6,641,817	\$6,902,521
Capital assets	7,161,143	6,024,765	502,248	473,099	7,663,391	6,497,864
Total assets	<u>12,729,344</u>	<u>12,157,817</u>	<u>1,575,864</u>	<u>1,242,568</u>	<u>14,305,208</u>	<u>13,400,385</u>
Deferred outflows	712,140	518,688	26,705	30,807	738,845	549,495
Noncurrent liabilities	1,749,696	2,299,783	80,095	84,384	1,829,791	2,384,167
Other liabilities	330,881	240,868	10,554	18,547	341,435	259,415
Total liabilities	<u>2,080,577</u>	<u>2,540,651</u>	<u>90,649</u>	<u>102,931</u>	<u>2,171,226</u>	<u>2,643,582</u>
Deferred inflow	1,869,609	1,460,874	47,457	43,462	1,917,066	1,504,336
Net position:						
Net investment						
in capital assets	6,791,722	5,066,214	502,248	473,099	7,293,970	5,539,313
Restricted	1,288,591	373,561	-	-	1,288,591	373,561
Unrestricted	<u>1,410,985</u>	<u>3,235,205</u>	<u>962,215</u>	<u>653,883</u>	<u>2,373,200</u>	<u>3,889,088</u>
Total net position	<u>\$9,491,298</u>	<u>\$8,674,980</u>	<u>\$1,464,463</u>	<u>\$1,126,982</u>	<u>\$10,955,761</u>	<u>\$9,801,962</u>

The largest portion of the Town of Indialantic, Florida's net position (67%) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and infrastructure); less any related debt used to acquire those assets that are still outstanding. The Town of Indialantic, Florida uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Town of Indialantic, Florida Management's Discussion and Analysis

An additional portion of the Town of Indialantic, Florida's net position, \$1,288,591 and \$373,561 on September 30, 2025 and 2024, respectively, 11% and 3% respectively, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$2,373,200 and \$3,889,088 on September 30, 2025 and 2024, respectively, may be used/has been used to meet the government's ongoing obligations to citizens and creditors.

The following table shows condensed revenue and expense data:

Town of Indialantic, Florida's Statement of Activities:

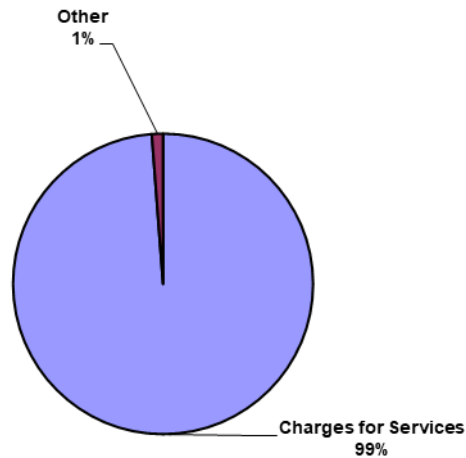
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 151,036	\$ 211,887	\$ 1,020,406	\$ 923,246	\$ 1,171,442	\$ 1,135,133
Operating grants and contributions	181,627	12,987	-	-	181,627	12,987
Capital grants and contributions	243,216	35,131	-	-	243,216	35,131
General revenues	6,416,623	5,964,062	375	41,143	6,416,998	6,005,205
Total revenues	<u>6,992,502</u>	<u>6,224,067</u>	<u>1,020,781</u>	<u>964,389</u>	<u>8,013,283</u>	<u>7,188,456</u>
Expenses:						
General government	1,110,547	946,426	-	-	1,110,547	946,426
Public safety	3,327,877	2,945,082	-	-	3,327,877	2,945,082
Recreation	52,249	35,492	-	-	52,249	35,492
Physical environment	1,681,131	1,040,743	-	-	1,681,131	1,040,743
Interest on long term debt	4,380	62,988	-	-	4,380	62,988
Parks	-	-	683,300	783,756	683,300	783,756
Total expenses	<u>6,176,184</u>	<u>5,030,731</u>	<u>683,300</u>	<u>783,756</u>	<u>6,859,484</u>	<u>5,814,487</u>
Increase in net position	<u>816,318</u>	<u>1,193,336</u>	<u>337,481</u>	<u>180,633</u>	<u>1,153,799</u>	<u>1,373,969</u>
Net position - beginning of year	<u>8,674,980</u>	<u>7,481,644</u>	<u>1,126,982</u>	<u>946,349</u>	<u>9,801,962</u>	<u>8,427,993</u>
Net position - ending	<u>\$ 9,491,298</u>	<u>\$ 8,674,980</u>	<u>\$ 1,464,463</u>	<u>\$ 1,126,982</u>	<u>\$10,955,761</u>	<u>\$ 9,801,962</u>

Governmental activities. Governmental activities increased the Town's net position by \$816,318 accounting for a 9% increase in the overall increase of the government's net position compared to an increase of \$1,193,336 in the prior year. Revenues from governmental activities increased \$768,435, due to receiving grant funds and an increase in property taxes. Total expenses from governmental activities increased \$1,145,453 from the prior year due to increased salaries.

Business-type activities. Business-type activities increased the Town of Indialantic, Florida's net position by \$337,471, compared to an increase of \$180,633 in the prior year. Total business-type revenue increased \$56,392, partly due to the increase of parking ticket fees and hourly parking fees. Total business-type expenses decreased \$100,456 due to less repairs and maintenance expenses.

Town of Indialantic, Florida Management's Discussion and Analysis

2025 Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of the current fiscal year, the Town of Indialantic, Florida's governmental funds reported combined ending fund balances of \$4,122,089, a decrease of \$1,234,768 in comparison with the prior year. Approximately 8% of this total amount (\$322,878) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance (\$3,799,211) is restricted or committed to indicate that it is not available for new spending because it has already been restricted to law enforcement related activities (\$12,971) and committed for maintenance of the sign at the entrance to Nance Park (\$1,000), Orlando Park improvements (60,000), future special projects (\$250,000), equipment purchase (\$400,000), road resurfacing (\$750,000), replacement of stormwater (\$646,005), upgrade and repair Riverside Park Pier (\$450,000), debt service (\$370,465), Fifth Ave business improvements (\$100,000), Fifth Ave median (\$373,000) and hurricane debris removal & insurance deductible (\$347,598).

The General fund is the chief operating fund of the Town of Indialantic, Florida. At the end of the current fiscal year, the unassigned fund balance of the General fund was \$322,878. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures, excluding capital outlay. Unassigned fund balance represents 6% of total General fund expenditures, excluding capital outlay.

Town of Indialantic, Florida Management's Discussion and Analysis

The fund balance of the Town of Indialantic, Florida's General fund decreased by \$1,244,643 during the current fiscal year, compared to a \$39,559 decrease in the prior year. Total operating expenditures increased by \$1,700,038 from the prior year, primarily due to an increase in salaries and capital outlay, while total revenues increased by \$492,698 from the prior year due to grants and property taxes.

Proprietary fund. The Town of Indialantic, Florida's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Wavecrest Park and Indialantic (Nance) Park fund at the end of the year amounted to \$962,215. The total net position of this fund increased \$337,481 in the current year compared to an increase of \$180,633 in the prior year. Total operating revenues increased by \$97,160, due to increased meter rates and ticket prices, while expenses decreased by \$97,594 due to less repairs and maintenance.

General Fund Budgetary Highlights. Differences between the original budget and the final amended budget were primarily to budget the revenues and expenditures associated with increases in permits and fees, grants, donations and increases in intergovernmental revenues.

The Town's actual revenues were \$550,780 more than budgeted revenues.

The Town's actual expenditures were \$662,321 less than budgeted expenditures mainly because of capital outlay expenditures being less than budgeted by \$851,822. The general fund budget to actual can be found on page 82 of this report.

Capital Asset and Debt Administration

Capital assets. The Town of Indialantic, Florida's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounted to \$7,663,391 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, fixtures, and other infrastructure items.

Major capital asset additions of \$1,600,993 for governmental activities and \$93,279 for business-type activities during the current fiscal year included the following:

- The purchase of 4 vehicles for the police department.
- Golf car for public works.
- Applied silicone to entire roof of town hall.
- The purchase of a fire engine.
- New impact resistant doors in council chambers.
- Paving and drainage improvements in various spots in town.
- Orlando Park court and equipment improvements.
- A/C for fire department.

These increases were offset by depreciation expense \$457,450 for governmental activities and \$58,250 for business-type activities. In addition, the Town disposed of certain assets in governmental and business-type activities with a net book value of \$13,045.

Town of Indialantic, Florida Management's Discussion and Analysis

Town of Indialantic, Florida's Capital Assets

	Governmental Activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 1,144,421	\$ 1,144,421	\$ -	\$ -	\$ 1,144,421	\$ 1,144,421
Buildings	132,712	154,527	-	-	132,712	154,527
Improvements other than buildings	506,605	352,543	314,789	284,456	821,394	636,999
Equipment	1,304,698	576,803	30,542	41,050	1,335,240	617,853
Furniture and fixtures	-	-	156,917	147,593	156,917	147,593
Infrastructure	4,072,707	3,796,471	-	-	4,072,707	3,796,471
Total	\$ 7,161,143	\$ 6,024,765	\$ 502,248	\$ 473,099	\$ 7,663,391	\$ 6,497,864

Additional information on the Town of Indialantic, Florida's capital assets, can be found in Note 2.C. on page 48-49 of this report.

Long-term debt. The governing body of every municipality may borrow money, contract loans, and issue bonds, as defined in Florida State Statute 166.101, from time to time to finance the undertaking of any capital or any other project for the purpose permitted by the State Constitution and may pledge of the funds, credit, property and taxing power of the municipality for the payment of such debts and bonds. Florida has no legal debt limit.

During the year ended September 30, 2018, the Town held a referendum to approve the issuance of debt, supported by a debt millage rate of 1%, to replace the Town's stormwater infrastructure. The Town issued the \$3,000,000 Town of Indialantic, Florida Limited Ad Valorem Tax Note, series 2018 on October 26, 2018. The Town has completed several stormwater pipe replacement projects this past fiscal year with bond funds.

Additional information on the Town of Indialantic, Florida's long-term debt, can be found in Note 2.D. on page 49-50 of this report.

Economic Factors and Next Year's Budgets and Rates

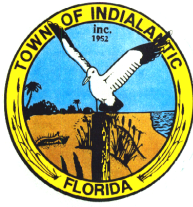
- The Town of Indialantic has grown over the years in the number of residences, residential structures and commercial establishments. Most of the construction activity today involves the redevelopment of residential properties. The rate of growth has fluctuated based on County economic conditions. The 2025 taxable value is reflected as \$709,285,356.
- The Town currently has 1,551 housing units.
- The April 2025 population, as estimated by the Bureau of Economic and Business Research for the University of Florida was placed at 3,009.
- Numerous improvements were made to businesses and residences during the fiscal year ending September 30, 2025. Building permits were issued for 3 new single-family residence.
- The fiscal year 2025 millage rate was 6.2388. The Town has retired all lease/purchase agreements and is focusing on providing General Fund reserve revenue committed to

Town of Indialantic, Florida Management's Discussion and Analysis

- certain future expenses as well as budgeting monies to provide necessary funds for when expenses are projected.
- Our capital improvement plans are as follows:
 - \$396,005 for future stormwater pipes
 - \$450,000 repair Riverside pier
 - \$100,000 for future improvements on 5th Avenue business district
 - \$150,000 to replace fire department's generator
 - \$175,000 S. Ramona resurfacing
 - \$100,000 First Ave resurfacing
 - \$40,000 Ninth Ave resurfacing
 - \$250,000 future special projects
 - \$250,000 to replace fire truck in 2031
 - \$200,000 to help redevelop the enterprise zone

Requests for Information

This financial report is designed to provide a general overview of the Town of Indialantic, Florida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Town Hall, 216 Fifth Avenue Indialantic, Florida 32903.



TOWN OF INDIALANTIC, FLORIDA
Basic Financial Statements

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Town of Indialantic, Florida
Statement of Net Position

<i>September 30, 2025</i>	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 4,100,196	\$ 973,050	\$ 5,073,246
Accounts receivables, net	171,686	98,310	269,996
Due from other governments	352,992	-	352,992
Prepaid items	38,172	2,256	40,428
Net pension asset	905,155	-	905,155
Capital assets (net of accumulated depreciation):			
Land	1,144,421	-	1,144,421
Buildings	132,712	-	132,712
Improvements other than buildings	506,605	314,789	821,394
Equipment	1,304,698	30,542	1,335,240
Furniture and fixtures	-	156,917	156,917
Infrastructure	4,072,707	-	4,072,707
Total assets	12,729,344	1,575,864	14,305,208
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - General employees pension	64,147	3,364	67,511
Deferred outflows - OPEB	354,080	23,341	377,421
Deferred outflows - Police & fire pension	293,913	-	293,913
Total deferred outflow of resources	\$ 712,140	\$ 26,705	\$ 738,845

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

Town of Indialantic, Florida
Statement of Net Position (Continued)

<i>September 30, 2025</i>	Primary Government		Total
	Governmental Activities	Business-type Activities	
LIABILITIES			
Accounts payable	\$ 162,635	\$ 1,502	\$ 164,137
Accrued payroll and related liabilities	103,837	6,144	109,981
Due to pension trust funds	18,185	-	18,185
Unearned revenue	390	2,908	3,298
Other liabilities	45,834	-	45,834
Long-term liabilities:			
Due within one year:			
Revenue bonds payable	322,430	-	322,430
OPEB liability	35,354	2,513	37,867
Compensated absences	131,061	9,936	140,997
Due in more than one year:			
Compensated absences	141,536	-	141,536
Revenue bonds payable	46,991	-	46,991
Net pension liabilities	188,412	9,878	198,290
OPEB liability	883,912	57,768	941,680
Total liabilities	2,080,577	90,649	2,171,226
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - Business tax receipts	17,110	-	17,110
Deferred inflows - Police & fire pension	1,111,335	-	1,111,335
Deferred inflows - General employees pension	124,700	6,538	131,238
Deferred inflows - OPEB	616,464	40,919	657,383
Total deferred inflows of resources	1,869,609	47,457	1,917,066
NET POSITION			
Investment in capital assets	6,791,722	502,248	7,293,970
Restricted for:			
Pension benefits	905,155	-	905,155
Debt service	12,971	-	12,971
Law enforcement	370,465	-	370,465
Unrestricted	1,410,985	962,215	2,373,200
Total net position	\$ 9,491,298	\$ 1,464,463	\$ 10,955,761

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

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Town of Indialantic, Florida
Statement of Activities

Year ended September 30, 2025

Program Revenues

Functions/Programs	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 1,110,547	\$ 133,767	\$ 8,361	\$ -
Public safety	3,327,877	17,269	173,266	-
Recreational	52,249	-	-	-
Physical environment	1,681,131	-	-	243,216
Interest on long term debt	4,380	-	-	-
Total governmental activities	6,176,184	151,036	181,627	243,216
Business-type activities:				
Parks	683,300	1,020,406	-	-
Total business-type activities	683,300	1,020,406	-	-
Total primary government	\$ 6,859,484	\$ 1,171,442	\$ 181,627	\$ 243,216

General revenues:

Property taxes

Public utility taxes

Franchise taxes

Shared revenues restricted for specific programs

Unrestricted investment earnings

Miscellaneous

Transfers, net

Total general revenues

Change in net position

Net position, beginning of year

Net position, end of year

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

Town of Indialantic, Florida
Statement of Activities (Continued)

Net (Expense) Revenue and Changes in Net Position
Primary Government

<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
\$ (968,419)	\$ -	\$ (968,419)
(3,137,342)	-	(3,137,342)
(52,249)	-	(52,249)
(1,437,915)	-	(1,437,915)
(4,380)	-	(4,380)
<u>(5,600,305)</u>	<u>-</u>	<u>(5,600,305)</u>
-	337,106	337,106
-	337,106	337,106
<u>(5,600,305)</u>	<u>337,106</u>	<u>(5,263,199)</u>
4,422,508	-	4,422,508
962,347	-	962,347
357,320	-	357,320
311,438	-	311,438
537	82	619
360,217	2,549	362,766
2,256	(2,256)	-
<u>6,416,623</u>	<u>375</u>	<u>6,416,998</u>
816,318	337,481	1,153,799
8,674,980	1,126,982	9,801,962
<u>\$ 9,491,298</u>	<u>\$ 1,464,463</u>	<u>\$ 10,955,761</u>

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

Town of Indialantic, Florida
Balance Sheet
Governmental Funds

<i>September 30, 2025</i>	General	Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,716,760	\$ 383,436	\$ 4,100,196
Accounts receivable, net	171,686	-	171,686
Due from other governments	352,992	-	352,992
Prepaid expenses	38,172	-	38,172
Total assets	\$ 4,279,610	\$ 383,436	\$ 4,663,046
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 162,635	\$ -	\$ 162,635
Accrued payroll and related liabilities	103,837	-	103,837
Due to pension trust funds	18,185	-	18,185
Unearned revenue	390	-	390
Other liabilities	12,705	-	12,705
Total liabilities	297,752	-	297,752
Deferred inflows of resources			
Deferred inflow - business tax receipts	17,110	-	17,110
Deferred inflow - unavailable grant revenue	226,095	-	226,095
Total deferred inflows of resources	243,205	-	243,205
Fund balances:			
Nonspendable	38,172	-	38,172
Restricted for:			
Law enforcement	-	12,971	12,971
Debt service	-	370,465	370,465
Committed for:			
Indialantic (Nance) Park sign maintenance	1,000	-	1,000
Equipment purchase	400,000	-	400,000
S. Ramona Ave resurfacing	175,000	-	175,000
S. Shannon Ave	140,000	-	140,000
S. Palm Ave resurfacing	175,000	-	175,000
Orlando Blvd resurfacing	60,000	-	60,000
Fourth Ave resurfacing	60,000	-	60,000
First Ave resurfacing	100,000	-	100,000
Ninth Ave resurfacing	40,000	-	40,000
Future special projects	250,000	-	250,000
Insurance	317,598	-	317,598
Debris removal	30,000	-	30,000
Fifth Avenue business district improvements	100,000	-	100,000
Fifth Avenue median	373,000	-	373,000
Orlando Park improvements	60,000	-	60,000
Replacement of storm water	646,005	-	646,005
Upgrade and repair Riverside Park pier	450,000	-	450,000
Unassigned	322,878	-	322,878
Total fund balances	3,738,653	383,436	4,122,089
Total liabilities and fund balances	\$ 4,279,610	\$ 383,436	\$ 4,663,046

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

Town of Indialantic, Florida
Reconciliation of the Balance Sheet of the Governmental Funds to the
Statement of Net Position

September 30, 2025

Total fund balance of governmental funds	\$	4,122,089
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.		7,161,143
Deferred outflows of resources related to pensions and OPEB are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		712,140
Deferred inflows of resources related to the pensions and OPEB are not recognized in governmental funds; however, they are recorded.		(1,852,499)
Long-term liabilities, including net OPEB obligation, net pension liability and compensated absences, are not due and payable in the current period and therefore, are not reported in the funds.		
Net pension liability	\$ 188,412	
Net pension asset	(905,155)	
Notes payable	369,421	
Compensated absences	272,597	
Other postemployment benefits	919,266	
Accrued interest	33,129	(877,670)
Some revenues not collected within 60 days after the close of the fiscal year-end are not considered as "available" revenue in the governmental funds. In the statement of net position, presented on full accrual basis, these revenues are recognized.		226,095
	\$	9,491,298

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

Town of Indialantic, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds

<i>Year ended September 30, 2025</i>	General	Nonmajor Funds	Total Governmental Funds
Revenues			
Taxes	\$ 4,866,618	\$ 631,222	\$ 5,497,840
Permits and fees	124,966	-	124,966
Intergovernmental	743,899	-	743,899
Charges for services	2,302	-	2,302
Fines and forfeitures	34,390	-	34,390
Interest and other	360,703	51	360,754
Total revenues	6,132,878	631,273	6,764,151
Expenditures			
Current:			
General government	1,026,005	-	1,026,005
Public safety	3,298,266	-	3,298,266
Physical environment	1,402,264	-	1,402,264
Recreation	52,249	-	52,249
Capital outlay	1,600,993	-	1,600,993
Debt service:			
Principal retired	-	589,130	589,130
Interest	-	32,268	32,268
Total expenditures	7,379,777	621,398	8,001,175
Excess (deficiency) of revenue over (under) expenditures	(1,246,899)	9,875	(1,237,024)
Other financing sources (uses)			
Transfers In	2,256	-	2,256
Net other financing sources (uses)	2,256	-	2,256
Net change in fund balances	(1,244,643)	9,875	(1,234,768)
Fund balances, beginning of year	4,983,296	373,561	5,356,857
Fund balances, end of year	\$ 3,738,653	\$ 383,436	\$ 4,122,089

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

Town of Indialantic, Florida

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities**

Year ended September 30, 2025

Net change in fund balances - total governmental funds **\$ (1,234,768)**

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

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives as depreciation expense.

Expenditures for capital assets	\$ 1,600,993	
Less: current year depreciation	<u>(457,450)</u>	1,143,543

In the statement of activities, only the gain or loss on the sale of capital
assets are reported. However, in the governmental funds, the proceeds
from the sale increase financial resources. Thus, the change in net position
differs from the change in fund balances by the cost of the capital assets
sold or disposed.

Cost of capital assets	\$ (422,342)	
Depreciation and amortization expense	<u>415,177</u>	(7,165)

The issuance of long-term debt (e.g., bonds, leases) provides current
financial resources to governmental funds, while the repayment of the
principal of long-term debt consumes the financial resources of govern-
mental funds. Neither transaction, however, has any effect on net position.
This is the net effect of these differences in the treatment of long-term
debt and related items.

Repayment of principal of long-term debt	\$ 589,130	
Accrued interest on debt	<u>27,888</u>	617,018

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 the financial resources are available.

Compensated absences	\$ (116,402)	
Other postemployment benefits liability (OPEB)	(106,703)	
Net pension assets (liabilities)	<u>294,700</u>	71,595

Some revenues not collected within 60 days after the close of the
fiscal year-end are not considered as "available" revenue in the
governmental funds. In the statement of net position, presented on full
accrual basis, these revenues are recognized.

226,095

Change in net position of governmental activities	\$	816,318
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The accompanying notes are an integral part of this financial statement.

Town of Indialantic, Florida
Statement of Net Position – Proprietary Fund

September 30, 2025

Parks

ASSETS

Current assets:

Cash and cash equivalents	\$	973,050
Prepaid items		2,256
Accounts receivable, net		98,310
Total current assets		1,073,616

Noncurrent assets:

Capital assets:		
Property, plant and equipment		1,409,810
Less accumulated depreciation		(907,562)
Total capital assets, net of accumulated depreciation		502,248
Total noncurrent assets		502,248

Total assets		1,575,864
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows - OPEB		23,341
Deferred outflows - General employees pension		3,364
Total deferred outflow of resources		26,705

LIABILITIES

Current liabilities (payable from current assets):

Accounts payable		1,502
Accrued payroll and related liabilities		6,144
Accrued compensated absences		9,936
Unearned revenue		2,908
Net OPEB obligation, current		2,513
Total current liabilities		23,003

Noncurrent liabilities:

Net OPEB obligation		57,768
Net pension liability		9,878
Total noncurrent liabilities		67,646

Total liabilities		90,649
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DEFERRED INFLOWS OF RESOURCES

Deferred inflow - General employees pension		6,538
Deferred inflows - OPEB		40,919
Total deferred inflows of resources		47,457

NET POSITION

Net investment in capital assets		502,248
Unrestricted		962,215
Total net position	\$	1,464,463

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

Town of Indialantic, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position –
Proprietary Fund

Year ended September 30, 2025

Parks

Operating revenues:

Charges for services	\$	816,758
Parking fines		203,648
Total operating revenues		1,020,406

Operating expenses:

Salaries, wages and employee benefits		171,260
Contractual services		335,201
Insurance		14,820
Supplies		14,303
Depreciation		58,250
Repairs and maintenance		39,083
Utilities		17,589
Beach improvements		26,914
Total operating expenses		677,420

Operating income		342,986
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Nonoperating revenues (expenses):

Loss on disposal of capital assets		(5,880)
Miscellaneous revenue		2,549
Interest income		82
Transfers out		(2,256)
Total nonoperating revenues (expenses)		(5,505)

Change in net position		337,481
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Net position, beginning of year		1,126,982
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Net position, end of year	\$	1,464,463
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The accompanying notes are an integral part of this financial statement.

Town of Indialantic, Florida
Statement of Cash Flows - Proprietary Fund

<i>Year ended September 30, 2025</i>	Parks
Cash flows from operating activities:	
Cash received from customers	\$ 816,758
Cash received from parking fines	160,448
Cash paid to suppliers	(463,634)
Cash paid to employees for services	(164,092)
Net cash provided by operating activities	349,480
Cash flows from non-capital and related financing activities:	
Miscellaneous proceeds	2,549
Transfers to other funds	(2,256)
Net cash provided by non-capital and related financing activities	293
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(93,279)
Net cash used in capital and related financing activities	(93,279)
Cash flows from investing activities:	
Interest income received	82
Net cash provided by investing activities	82
Net increase in cash and cash equivalents	256,576
Cash and cash equivalents, beginning of year	716,474
Cash and cash equivalents, end of year	\$ 973,050

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

Town of Indialantic, Florida
Statement of Cash Flows - Proprietary Fund (Continued)

Year ended September 30, 2025

Parks

**Reconciliation of operating income to net cash
provided by operating activities:**

Operating income	\$	342,986
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense		58,250
(Increase) decrease in assets:		
Accounts receivable		(45,315)
Prepaid items		(2,256)
Increase (decrease) in liabilities:		
Accounts payable		(11,353)
Accrued payroll and related liabilities		3,360
Accrued compensated absences		3,336
OPEB liability		(4,244)
Net pension liability		4,716
Total adjustments		6,494
Net cash provided by operating activities	\$	349,480

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

Town of Indialantic, Florida
Statement of Fiduciary Net Position - Pension Trust Funds

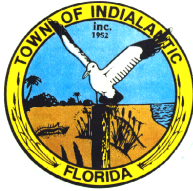
<i>September 30, 2025</i>	Employee Pension Trust Funds
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 202,900
Due from other funds	18,185
Interest receivable	17,332
Investments, at fair value	14,821,737
Total assets	15,060,154
 LIABILITIES	 2,713
<hr/>	
NET POSITION	
Restricted for pension benefits	\$ 15,057,441

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

Town of Indialantic, Florida
Statement of Changes in Fiduciary Net Position - Pension Trust Funds

<i>Year ended September 30, 2025</i>	Employee Pension Trust Funds
ADDITIONS	
Contributions:	
State	\$ 128,415
Employer	269,438
Employees	122,737
Total contributions	520,590
Investment income:	
Net increase (decrease) in the fair value of investments	1,339,196
Less: investment related expenses	(34,351)
Interest and dividends	314,045
Total investment income	1,618,890
Total additions	2,139,480
 DEDUCTIONS	
Benefits paid	936,756
Administrative expenses	66,297
Total deductions	\$ 1,003,053
Change in net position	1,136,427
Net position, beginning of year	13,921,014
Net position, end of year	\$ 15,057,441

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



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Town of Indialantic, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Indialantic, Florida (the "Town") was created pursuant to Chapter 73-129, Laws of Florida, in 1952. The Town operates under a chartered Council-Manager form of government. The Town provides a wide range of services as directed by the Town Charter, including general government, public safety, police, fire, public improvements, recreation, planning and zoning and other related general and administrative services for approximately 3,000 residents.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governments.

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. No potential component units were found for which the above criteria required consideration in defining the government's reporting entity.

Excluded from the reporting entity

The Indialantic Volunteer Fire Department, Inc. is a nonprofit corporation separate from the Town. This potential component unit is excluded from the reporting entity because the Town does not exert significant influence or control over the volunteer fire department, nor does it have the right to the surplus of the volunteer fire department.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *Business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental fund:

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

The Town reports the following major proprietary fund:

The *Parks fund* accounts for operational and maintenance costs of Wavecrest Park and Indialantic (Nance) Park.

Additionally, the Town reports the following fund types:

The *pension trust funds* account for assets, liabilities, revenues and expenses of the pension plans of the Town's general employees, police officers and firefighters. The activities of these funds are subject to state mandatory regulations, local ordinances and the policies of the governing boards.

The Town's nonmajor governmental funds consists of the *Special Investigative Trust Fund*, which accounts for revenues received per state forfeiture statutes that are used for police investigative expenses; and the *Debt Service Fund* which is used to account for the proceeds from a voter approved 1 mil ad-valorem tax, and payment of the related debt.

Town of Indianalantic, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and providing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of both enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Budgetary Information

As permitted by GASBC 2400, *Budgetary Reporting*, the Town has elected to disclose all budgetary information in the notes to the required supplementary information (RSI). Please refer to the accompanying notes to the RSI for the Town's budgetary information.

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

Cash and investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Deposits available within various funds, except pension trust funds, were consolidated for investment purposes. Substantially all deposits at September 30, 2025, were invested using the pooled investment concept. Interest earned was allocated to the various funds based on their average cash and investment balances.

Investments are reported at fair value, with the exception of external investment pools which comply with the criteria set forth in Section 150: *Investments* of the GASB Codification and have elected to measure their investments at amortized cost. Accordingly, the fair value of the Town's position in the external investment pools having met these criteria is equal to the value of the pooled shares.

Town of Indialantic, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (continued)

Cash and investments (continued)

The investment of municipal funds is authorized by Florida Statutes which allows the Town to invest in the Local Government Surplus Funds Trust Fund administered by the State Board of Administration, direct and indirect obligations of the United States Government, obligations of Federal Government agencies, time deposits or savings accounts of financial institutions under Federal and State regulation, and mutual funds that invest solely in obligations of the United States Government or its agencies.

Florida State Statutes Chapters 175 and 185 regulate types of investments that may be held by the Police and Firefighters' Pension Trust Funds. The investment guidelines have been augmented by a Town ordinance that has adopted specific investment policies. Compliance with the policies and guidelines have been evaluated by the pension board.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., 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."

The Town is permitted by State law to levy taxes up to 10 mills on assessed valuation. The Indialantic Town Council levy for the fiscal year ended September 30, 2025 was 6.2388 mills, as approved by a unanimous vote. Additionally, a 1.0 mil is levied for voted bond debt service costs as discussed in Note 2. Current tax collections for the Town were approximately 97% of the total tax levy.

As provided by law, the Brevard County Property Appraiser assesses all properties for ad valorem taxing purposes and the Brevard County Tax Collector collects and distributes all taxes. Ad valorem taxes are levied based on the property valuation as of January 1. The fiscal year for which ad valorem taxes are levied begins on October 1. Taxes are due beginning November 1, delinquent on April 1, and lien on May 30.

Property tax revenues are recognized in the fiscal year for which they are budgeted and also become due and payable. Virtually all unpaid taxes are collected via tax sale certificates sold on or prior to June 1; therefore, no material taxes are receivable at fiscal year-end.

All account and tax receivables are shown net of an allowance for uncollectibles. Accounts receivable in the Park fund are shown net of allowance for uncollectibles of \$20,620.

Town of Indianalantic, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (continued)

Capital assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Buildings	40 years
Improvements other than buildings	5 to 20 years
Infrastructure	25 to 40 years
Equipment	5 to 20 years
Furniture and fixtures	5 years

Compensated absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation is accrued when incurred in the government-wide and proprietary fund type financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Unearned revenue

Unearned revenue includes amounts collected before the revenue recognition criteria are met. The unearned items consist primarily of funds received for grants that have not yet been expended for the required purpose.

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 statement of net position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (continued)

Defined Benefit Pension Plans

The Town administers two single-employer, defined benefit pension plans: the Police Officers' and Firefighters' Retirement System and the General Employees' Pension Plan. For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the two defined benefit pension plans and additions to/deductions from the two defined benefit pension plan's fiduciary net positions have been determined on the same basis as they are reported by the plans. For this purpose, contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due, and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the respective terms of the Town's two defined benefit pension plans.

Other Post-Employment Benefits

The Town participates in a single employer defined benefit other post-employment plan. The Town does not have a trust for the plan, and there is no actuarial determined contribution. The liability or asset is determined in accordance with GASBC P52, *Other Post-Employment Benefits*.

Deferred outflows / inflows of resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The deferred outflows and inflows are an aggregate of items related to tax revenue and pensions and other post-employment benefits (OPEB) as calculated in accordance with GASBC P20, *Pension Activities* and GASBC P52, *Other Post-Employment Benefits*.

Fund equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Restricted Fund Balance – This portion of the fund balance will consist of those monies that have restrictions from external resource providers or imposed by law through constitutional provisions or enabling legislation placed on their use.

Town of Indianalantic, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (continued)

Fund equity (continued)

Committed Fund Balance – This portion of the fund balance will consist of those monies earmarked by Council through resolution that are intended to be used for a particular purpose.

Assigned Fund Balance – This portion of the fund balance for the General Fund consists of those monies budgeted to be spent during the following fiscal year as cash carry forward to cover the budget deficit, and encumbrances as approved by Town Council.

Unassigned Fund Balance – This portion of the fund balance for the General Fund will consist of those monies not specifically earmarked by Council for a particular project. Additionally, any revenue received in a fiscal year in excess of expenditures will automatically fall to unassigned fund balance. Council may also budget monies in the Town’s annual fiscal year budget for this category.

The Town would typically use restricted fund balances first, followed by committed and assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from management’s estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 11, 2026, and determined there were no events that occurred that required disclosure.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is required to be retroactively applied; however, the impact was not material so the changes were run through the current year.

GASB Statement 102, *Certain Risk Disclosures*. This statement was issued December 2023 to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Statement 102 did not have an impact on the financial statements.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. The statements address:

GASB Statement 103, *Financial Reporting Model Improvements*. This Statement was issued April 2024 to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

Town of Indianalantic, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

This establishes new accounting and financial reporting requirements—or modifies existing requirements—related to Management’s Discussion and Analysis (MD&A); unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This Statement will supersede and amend portions of GASB Statements 34 and 37. This Statement further amends portions of GASB Statements 14, 41, 42, 44, 49, 56, 58, 61, 62 and 69. Related guidance will also be superseded or amended upon implementation. Statement 103 will be effective for the fiscal year ending September 30, 2026.

GASB Statement 104, *Disclosure of Certain Capital Assets*. This Statement was issued September 2024 to provide users of government financial statements with essential information about certain types of capital assets.

This requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public- Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. Statement 10 will be effective for the fiscal year ending September 30, 2026.

The Town is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

At September 30, 2025, the Town's carrying amount of cash deposits was \$5,072,818 and the bank balance was \$5,271,782. In addition, the Town holds \$428 of petty cash.

As of September 30, 2025, \$250,000 of the Town's bank balances and all non-interest bearing accounts are covered by the Federal Depository Insurance Corporation (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Town pursuant to Section 280.08, Florida Statutes.

The investing of public funds with the Florida State Board of Administration (SBA) - Local Government Surplus Funds Trust Fund ("Florida PRIME") is governed by Section 218.407, Florida Statutes. The SBA is under regulatory oversight of the State of Florida. The investment pool consists largely of corporate notes and commercial paper. On September 30, 2025, the Fiduciary Funds had \$20,563 invested in the pool. The fair value of the Town's position in the pool is equal to the value of the pooled shares.

Under GASB Codification 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in the notes to the financial statements.

As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Town's access to 100 percent of their account value in the external investment pool.

Interest Rate Risk – The Town's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. This policy is pursuant to Florida State Statute 218.415(6).

Credit Risk – The Town's investment policy pursuant to Florida State Statute 218.415 permits for investments in the Local Government Surplus Trust Fund, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the United States Treasury.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

The allowable instruments in the General Employees' Pension Plan are outlined in the Town's written investment policy and include equities, common stocks, equity mutual funds, preferred stocks, convertible securities including debentures, international equities, real estate investment trusts, fixed income investments in individual bonds, fixed income mutual funds, government bonds, corporate bonds, mortgage-backed securities, asset-backed securities, certificates of deposits, commercial paper, and government secure zero coupon bonds. Common and preferred stock are to be listed on either the New York or American Stock Exchange. Fixed income investments containing marketable bonds must be rated "A" or better by Standard and Poor's at the time of purchase.

No limitations are placed on investments in the United States Government Guaranteed Obligations. Commercial paper must have a rating of not less than A-1 by Standard and Poor's or P-1 by Moody's. Certificates of deposit may only be purchased from issuers with a quality rating of AA+ or better at the time of purchase.

Investment in the Police Officers' and Firefighters' pension trust fund is limited by Florida State Statutes Chapters 175 and 185 and by investment policies adopted by the fund's Board of Trustees. The allowable instruments in the Police Officers' and Firefighters' Pension Plan include equities traded on a national exchange or electronic network, fixed income investments with a minimum rating of investment grade or higher as reported by a major credit rating service, money market funds with a minimum rating of A-1 by Standard and Poor's or P-1 by Moody's, and pooled funds which may include mutual funds, commingled funds and exchange-traded funds.

Foreign Currency Risk – The Town's pension trust funds contain investments in international stock mutual funds; however, all of the investments are denominated in U.S. dollars and are not exposed to foreign currency risk.

Custodial Credit Risk – The Town's investment policy pursuant to Florida State Statutes 218.415(18), requires securities, with the exception of certificates of deposit, to be held with a third party custodian; and all securities purchased by, and all collateral obtained by the Town should be properly designated as an asset of the Town. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposit maintained by book-entry at the issuing bank shall clearly identify the Town as the owner. As of September 30, 2025, the Town's investments were held with a third-party custodian as required by the Town's investment policies.

Town of Indialantic, Florida Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

As of September 30, 2025, the Town had the following investments and effective duration presented in terms of years:

Investment type	Total					Rating	Agency
	Investments	Less than 1	1 - 5	6 - 10	More than 10		
Pension trust funds:							
Stock mutual funds	\$ 8,693,011	\$ 8,693,011	\$ -	\$ -	\$ -	Not rated	-
Bond mutual funds	522,433	522,433	-	-	-	Not rated	-
Corporate Bonds	305,352	-	242,506	62,846	-	BBB	S&P
Corporate Bonds	81,649	-	15,770	65,879	-	A	S&P
Corporate Bonds	21,510	-	21,510	-	-	A+	S&P
Corporate Bonds	216,018	20,615	95,382	100,021	-	BBB+	S&P
Corporate Bonds	129,507	-	90,517	38,990	-	A-	S&P
Corporate Bonds	15,265	-	15,265	-	-	BB-	S&P
Municipal Obligations	9,440	-	9,440	-	-	A2	Moody's
US treasury notes	541,333	211,814	-	329,519	-	Aaa	Moody's
American Core Realty	1,068,719	1,068,719	-	-	-	Not rated	-
Federal National							
Mortgage Association	81,914	-	2,434	-	79,480	Not rated	-
Government National							
Mortgage Association	152,183	-	1,034	5,766	145,383	Not rated	-
Federal Home Loan							
Mortgage Corp	110,745	224	-	14,573	95,948	Not rated	-
Florida Municipal Investment							
Trust Fund (FMIiVT)	2,415,010	2,415,010	-	-	-	Not rated	-
Fannie Mae Pool	281,008	-	29,607	-	251,401	Not rated	-
Ginnie Mae Pool	156,077	-	-	-	156,077	Not rated	-
Florida PRIME	20,563	20,563	-	-	-	AAAm	S&P
	\$ 14,821,737	\$ 12,952,389	\$ 523,465	\$ 617,594	\$ 728,289		

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

Fair Value – GASB Codification Section 3100: *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Mutual funds and US Government obligations: Valued at quoted market prices.

Corporate and foreign bonds, municipal obligations, and mortgage or asset backed securities: Valued using a pricing service that uses matrix pricing when publicly traded pricing is not available.

FMIVT: Valued using the total pool value multiplied by the Town's percentage ownership of the pool. The pool value is determined by using the quoted value of the underlying assets or similar assets. The pool is comprised of multiple different types of assets and consistent with GASB 150 *Investments*. The pool is in and of itself a type of investment and the Town does not own or report the investments underlying the pool. The pool has no unfunded commitments, redemption notice period, or redemption frequency limitations.

Town of Indialantic, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2025.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs other than Quoted Prices (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value				
Mutual funds	\$ 9,215,444	\$ 9,215,444	\$ -	\$ -
Corporate bonds	769,301	-	769,301	-
Foreign bonds	-	-	-	-
Mortgage and asset backed	1,850,646	-	1,850,646	-
Municipal obligations	9,440	-	9,440	-
US Government obligations	541,333	541,333	-	-
Total investments				
measured at fair value	\$ 12,386,164	\$ 9,756,777	\$ 2,629,387	\$ -
Investments measured at the Net Asset Value (NAV)				
FMIvT	\$ 2,415,010			
Total investments at NAV	2,415,010			
Investments at amortized cost	20,563			
Total investments	\$ 14,821,737			

Town of Indianalantic, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Transfers, Receivables and Payables

All interfund receivables and payables within the primary government represent cash transfers for operating and capital purposes.

Interfund receivables and payables at September 30, 2025, are summarized as follows:

	Due from other funds	Due to other funds
Pension funds	\$ 18,185	-
General fund	-	18,185
	\$ 18,185	\$ 18,185

Interfund receivables and payables were for funds received from the state for the pension plan that were not yet remitted to the pension plan by year end.

Transfers during the year ended September 30, 2025, are summarized as follows:

	Transfers In Governmental General Fund
Transfers out	
Proprietary funds:	
Parks	\$ 2,256

Interfund transfers were for expenses of the parks fund paid for by the general fund.

Town of Indianalantic, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,144,421	\$ -	\$ -	\$ 1,144,421
Total capital assets, not being depreciated	1,144,421	-	-	1,144,421
Capital assets, being depreciated:				
Buildings	890,364	-	-	890,364
Improvements other than buildings	1,003,022	213,630	(11,964)	1,204,688
Equipment	2,310,580	915,385	(410,378)	2,815,587
Furniture and fixtures	9,097	-	-	9,097
Infrastructure	4,581,408	471,978	-	5,053,386
Total capital assets being depreciated	8,794,471	1,600,993	(422,342)	9,973,122
Less accumulated depreciation for:				
Buildings	(735,837)	(21,815)	-	(757,652)
Improvements other than buildings	(650,479)	(57,677)	10,073	(698,083)
Equipment	(1,733,777)	(182,216)	405,104	(1,510,889)
Furniture and fixtures	(9,097)	-	-	(9,097)
Infrastructure	(784,937)	(195,742)	-	(980,679)
Total accumulated depreciation	(3,914,127)	(457,450)	415,177	(3,956,400)
Total capital assets being depreciated, net	4,880,344	1,143,543	(7,165)	6,016,722
Governmental activities capital assets, net	\$ 6,024,765	\$ 1,143,543	\$ (7,165)	\$ 7,161,143

Town of Indialantic, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 1,056,300	\$ 64,857	\$ (2,610)	\$ 1,118,547
Equipment	52,717	-	(7,200)	45,517
Fixtures	217,324	28,422	-	245,746
Total capital assets being depreciated	1,326,341	93,279	(9,810)	1,409,810
Less accumulated depreciation for:				
Improvements other than buildings	(771,844)	(34,524)	2,610	(803,758)
Equipment	(11,667)	(4,628)	1,320	(14,975)
Furniture and fixtures	(69,731)	(19,098)	-	(88,829)
Total accumulated depreciation	(853,242)	(58,250)	3,930	(907,562)
Total capital assets, being depreciated, net	473,099	35,029	(5,880)	502,248
Business-type activities capital assets, net	\$ 473,099	\$ 35,029	\$ (5,880)	\$ 502,248

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

Governmental activities:

General government	\$ 84,225
Public safety	111,928
Public works	261,297
Total depreciation expense – governmental activities	\$ 457,450

Business-type activities:

Parks	\$ 58,250
Total depreciation expense – business-type activities	\$ 58,250

Long-Term Debt

On October 26, 2018, the Town entered into a loan agreement with a bank (direct borrowing) for the Town of Indialantic, Florida Limited Ad Valorem Tax Note, Series 2018 in the principal amount of \$3,000,000 with a fixed interest rate of 3.45%. The debt was approved by voter referendum and repayments are secured by a pledge of a 1 mil levy on property within the Town. The Note requires annual principal payments and bi-annual interest payments through maturity on May 1, 2028.

Town of Indialantic, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

Information on pledged revenues and principal and interest payments are as follows:

Pledged Revenue	Amount of Issue	Future Principal and Interest	Current Pledged Revenue	Current Principal & Interest	Current Percentage of Revenue
Limited Ad-Valorem Tax Note Series 2018	\$ 3,000,000	\$ 377,415	\$ 631,222	\$ 328,803	52%

Annual debt service requirements to maturity for the Town's notes payable are as follows:

Changes in Long-term Liabilities

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

<i>September 30,</i>	Principal	Interest	Total
2026	\$ 322,430	\$ 6,373	\$ 328,803
2027	46,991	1,621	48,612
Totals	\$ 369,421	\$ 7,994	\$ 377,415

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences*	\$ 156,195	\$ 116,402	\$ -	\$ 272,597	\$ 131,061
Bonds payable	958,551	-	(589,130)	369,421	322,430
Governmental activity long-term liabilities	\$ 1,114,746	\$ 116,402	\$ (589,130)	\$ 642,018	\$ 453,491
Business-type activities:					
Compensated absences*	\$ 6,600	\$ 3,336	\$ -	\$ 9,936	\$ 9,936
Business-type activity long-term liabilities	\$ 6,600	\$ 3,336	\$ -	\$ 9,936	\$ 9,936

*changes are shown net

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Risk Management

The Town is exposed to various risks of loss, including, but not limited to theft, damage or destruction of its buildings, equipment, records, and monetary assets, and liability for personal injury, property damage and consequences of employee and public official actions. The Town participates in a non-assessable public risk pool to cover significant loss exposure. The pool maintains a loss reserve and purchases specific excess insurance, aggregate excess insurance and multiple loss coverage from commercial carriers and underwriters. Settled claims have not exceeded the coverage in any of the past three fiscal years and there has not been a reduction in coverage levels for the fiscal year ended September 30, 2025.

Note 3: RETIREMENT PLANS

All regular employees are covered by retirement plans. Police and fire employees are covered by the Police Officers' and Firefighters' Pension Plan, while the other employees are covered by the General Employees' Pension Plan. These are single employer, defined benefit pension plans. For the Police Officers' and Firefighters Pension Plan, stand-alone plan financial reports are not issued, and the plans are not included in the reports of any other public employee retirement system or entity. For the General Employees' Pension Plan, stand-alone financial reports are available from the administrative office: Retirement Department, Florida League of Cities, Inc. PO Box 1757, Tallahassee, FL 32302. Each Plan is administered through its own Board of Trustees.

Summary Of Significant Accounting Policies (All Plans)

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Investments are reported at fair value as described in footnote 2.

Town of Indianalantic, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Employee Retirement Plans – Combining Fund Information

The pension trust funds fiduciary net position activity as of September 30, 2025 was as follows:

	General Employees'	Police and Firefighters'	Total
Assets			
Cash and cash equivalents	\$ -	\$ 202,900	\$ 202,900
Due from other funds	-	18,185	18,185
Interest receivable	-	17,332	17,332
Investments, at fair value	2,415,010	12,406,727	14,821,737
Total assets	2,415,010	12,645,144	15,060,154
Liabilities			
	-	(2,713)	(2,713)
Net position, restricted for pension benefits	\$ 2,415,010	\$ 12,642,431	\$ 15,057,441

The Pension trust funds increase in fiduciary net position activity as of September 30, 2025 was as follows:

	General Employees'	Police and Firefighters'	Total
Additions			
Contributions:			
State	\$ -	\$ 128,415	\$ 128,415
Employer	106,454	162,984	269,438
Employees	49,699	73,038	122,737
Total contributions	156,153	364,437	520,590
Investment income:			
Net increase in fair value of investments	188,819	1,150,377	1,339,196
Less: investment related expense	-	(34,351)	(34,351)
Interest and dividends	-	314,045	314,045
Total investment income	188,819	1,430,071	1,618,890
Total additions	344,972	1,794,508	2,139,480
Deductions			
Benefits paid	132,148	804,608	936,756
Administrative expenses	15,889	50,408	66,297
Total deductions	148,037	855,016	1,003,053
Change in net position	196,935	939,492	1,136,427
Net position, beginning of year	2,218,075	11,702,939	13,921,014
Net position, end of year	\$ 2,415,010	\$ 12,642,431	\$ 15,057,441

Note 3: RETIREMENT PLANS (Continued)

Detailed Notes on The Police Officers’ and Firefighters’ Pension Plan

Plan Administration: The Police Officers’ and Firefighters’ Plan is a single-employer defined benefit pension plan administered by the Plan’s Board of Trustees comprised of:

- Two legal residents appointed by the Town Council;
- One Police Officer and one Firefighter elected by members of their respective departments;
- A fifth member elected by the other four and appointed Town Council.

Contributions and Funding Policy: The Town recognized as revenues and expenditures on-behalf payments relating to pension contributions for its Police Officers’ and Firefighters’ Pension Plan originating from the State of Florida. These contributions are funded by an excise tax upon certain casualty and property insurance companies on their gross receipts of premiums from policy holders.

Employees of the Police Officers’ and Firefighters’ Pension Plan are required to contribute 5% their eligible compensation as defined by their respective collective bargaining agreements and state statutes. If the remittance from the State and contributions from employees is less than estimated by the actuary, the Town contributes the amount necessary, over and above these contributions to meet Normal (current year's) Cost and fund the Unfunded Accrued (Past Service) Liability over 30 years. The contribution estimates calculated by the actuary are produced using an entry age actuarial cost method.

Plan Membership: As of October 1, 2023 plan membership of the Police Officers’ and Firefighters’ Pension plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	19
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	19
Total Police Officers' and Firefighters' pension plan members	39

Benefits provided: The Police Officers’ and Firefighters’ Pension Plan provides retirement, termination and death benefits as outlined below.

Retirement

- Normal retirement at the earlier of age 55, or age 52 and 25 years of credited service with a benefit of 3% of average monthly earnings times credited service.
- Early retirement at age 50 and 10 years of credited service with a benefit of the amount accrued reduced by 3% for each year that early retirement precedes normal retirement.

Note 3: RETIREMENT PLANS (Continued)

Detailed Notes on The Police Officers' and Firefighters' Pension Plan (continued)

Disability

- For a permanent service incurred disability where the participant is unable to perform their regular duties, 42% of average monthly earnings or accrued benefits, whichever is greater. For a non-service incurred disability where the participant is unable to perform their regular duties, 25% of average monthly earnings or accrued benefit, whichever is greater. The benefits are limited such that if the disability benefits received plus workers compensation and earned income exceed 100% of the average monthly earnings in effect on the date of disability, the disability benefits for the following year is reduced by the excess.
- Pre-retirement death benefit for a non-vested member consisting of a refund of member contributions without interest.
- Pre-retirement death benefit for a vested member consisting of an actuarial equivalent to a member's accrued benefit.

Termination benefits

- Less than 10 years of service, a refund of member contributions without interest.
- 10 years or more, accrued benefit payable at age 50 or later, on a partial actuarially reduced basis if to commence prior to age 55. The benefit is also payable to beneficiary of deceased vested member, or refund of member contributions without interest.

Share plan:

Initial Crediting: For the Firefighters, 50% of the Firefighters portion of the Excess State Monies Reserve in place as of June 5, 2016. No initial crediting applies for the Police portion.

Annual Crediting: 50% of annual Firefighter State Monies received by the Town in excess of \$46,370 shall be allocated equally to eligible participants. The Town may use up to \$88,282 in annual Police State Monies to reduce its funding obligation.

The Town and Police Membership will negotiate the details of applicable Share Plan allocations in the event that annual Police State Monies exceeds \$88,282.

Investment earnings: Eligible Share Accounts shall be credited or debited annually, based on the Plan's net-of-fees investment performance for the immediately preceding Plan Year. Total Share Account Balances at September 30, 2025 was \$849.

Expenses: Allocated annually in proportion to individual Share Account Balances as a percentage of total plan assets.

Vesting: 100% upon completion of ten years of Credited Service, unless eligible for payment of benefits upon termination of employment.

Town of Indialantic, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Detailed Notes on The Police Officers' and Firefighters' Pension Plan (continued)

Investment Policy and Target Allocation: The following was the Board's adopted asset allocation policy, and expected long term expected real rate of return as of September 30, 2025:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50.0%	7.5%
International Equity	15.0%	8.5%
Fixed Income (Non-Core)	2.5%	2.5%
Domestic Fixed Income	20.0%	2.5%
Global Fixed Income	2.5%	3.5%
Private Real Estate	10.0%	4.5%
Total	100.0%	4.8%

Concentration: The Plans' did not hold investments in any one organization that represented 5 percent or more of the Pension Plans' fiduciary net position.

Rate of return: For the year ended September 30, 2025 the annual money-weighted rate of return on the Police Officers' and Firefighters' Pension Plan investments, net of pension plan investment expense was 12.78%.

Deferred retirement option program (DROP): The Police Officers' and Firefighters' Pension Plan allows for a deferred retirement option program. The eligibility requirements matching normal retirement defined above; participation is limited to 60 months, or 39 years of service, whichever is earlier; and the rate of return is the actuarially asset rate of return applied to each September 30. The DROP balance at September 30, 2025 was \$0.

Actuarial Assumptions

Net Pension Liability (Asset) of the Sponsor: The components of the Net Pension Liability (Asset) of the Sponsor on September 30, 2025 were as follows:

Total Pension Liability	\$	11,737,276
Plan Fiduciary Net Position		12,642,431
Sponsor's Net Pension Liability (Asset)	\$	(905,155)

Plan fiduciary net position as a percentage of total pension liability (asset) 107.71%

Town of Indialantic, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Detailed Notes on The Police Officers' and Firefighters' Pension Plan (continued)

The total pension liability (asset) for the Police Officers' and Firefighters' Pension Plan was determined by an actuarial valuation as of October 1, 2024 using the following actuarial assumptions.

Inflation	2.50%
Salary increases	Service Based ranging 4% - 8%
Discount rate	6.90%
Investment rate of return	6.90%

Sensitivity of the pension discount rate used is as follows:

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Police Officers' and Firefighters' Pension Plan net pension liability (asset) \$	414,416	\$ (905,155)	\$ (2,021,241)

Measurement dates: The measurement date used for the actuarial calculations is September 30, 2025. The measurement period was October 1, 2024 to September 30, 2025. The reporting period is October 1, 2024 through September 30, 2025.

Mortality rates: Established based on the following methods:

Healthy retiree lives – Female using PubS.H-2010 for Healthy Retirees, set forward one year; males using PubS.H-2010 (Below Median) for Employees, set forward one year.

Healthy active lives – Females using PubS.H-2010 for Employees, set forward one year; males using PubS.H-2010 (Below Median) for Employees, set forward one year.

Disabled lives – 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

Actuarial experience: The most recent actuarial experience study used to review the other significant assumptions was dated July 22, 2019.

Town of Indialantic, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Detailed Notes on The Police Officers' and Firefighters' Pension Plan (continued)

Changes in net pension liability (asset) of the Police Officers' and Firefighters' Pension Plan for the year ended September 30, 2025 is as follows:

	Police & Fire Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at September 30, 2024	\$ 11,125,070	\$ 11,702,939	\$ (577,869)
Changes for a Year:			
Service cost	316,721	-	316,721
Interest	761,634	-	761,634
Share plan allocation	11,195	-	11,195
Differences between expected and actual experience	212,260	-	212,260
Changes of benefit terms	115,004	-	115,004
Contributions - employer	-	162,984	(162,984)
Contributions - State	-	128,415	(128,415)
Contributions - employee	-	73,038	(73,038)
Net investment income	-	1,430,071	(1,430,071)
Benefit payments, including refunds of employees contributions	(804,608)	(804,608)	-
Administrative expense	-	(50,408)	50,408
Net changes	612,206	939,492	(327,286)
Balances at September 30, 2025	\$ 11,737,276	\$ 12,642,431	\$ (905,155)

On September 30, 2025, the Town reported for the Police Officers' and Firefighters' Pension Plan deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 201,909	\$ -
Changes of assumptions	92,004	-
Net difference between projected and actual earnings on pension plan investments	-	1,111,335
Total	\$ 293,913	\$ 1,111,335

Town of Indialantic, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Detailed Notes on The Police Officers' and Firefighters' Pension Plan (continued)

Other amounts reported as deferred outflows and inflows of resources related to Police Officers' and Firefighters' Pension Plan will be recognized in pension expense as follows:

Year ended September 30,	
2026	\$ 38,608
2027	(431,234)
2028	(357,436)
2029	(67,360)
Total	\$ (817,422)

Detailed Notes on the General Employees' Pension Plan

Plan Administration: The General Employees' Pension Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- Two legal residents appointed by the Town Council;
- Two plan members elected by the membership;
- A fifth member elected by other four and appointed by Town Council.

Contributions and Funding Policy: Employees of the General Employees' Pension Plan are required to contribute 4.5% their pensionable earnings, defined as W-2 wages, and after June 30, 2011 with overtime limited to 300 hours per year and excluding payments for unused vacation. If the remittance from employee contributions is less than estimated by the actuary, the Town contributes the amount necessary, over and above these contributions to meet Normal (current year's) Cost and fund Unfunded Accrued (Past Service) Liability over 30 years. The contribution estimates calculated by the actuary are produced using an entry age actuarial cost method.

Plan Membership: As of October 1, 2025 plan membership of General Employees' Pension plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	10
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	17
Total General Employees' pension plan members	36

Benefits provided: The General Employees' Pension Plan provides retirement and death benefits as outlined below;

Retirement

- Normal retirement at the earlier of age 65 with at least 5 years of service with a benefit of 2% of average earnings times the years of service.

Town of Indianalantic, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Detailed Notes on the General Employees' Pension Plan (continued)

- Early retirement at age 60 with at least 5 years of service with a benefit of 2% of average earnings times the years of service reduced by 1/15 for each year by which the early retirement date precedes age 65.

Pre-retirement death benefit

- Actuarial equivalent to the basic pension formula payable for 10 years certain (payable in equal shares to the participant's spouse, dependent children, or anyone who was receiving at least 50% of their support from the deceased participant).
- Return of accumulated employee contributions (payable to the beneficiary of a non-vested participant or of a vested participant who does not have a spouse, dependent children, or anyone who was receiving at least 50% of their support from the deceased participant).

Form of payment: Retirement benefits are paid as a single life annuity; actuarially equivalent 10-year certain and life annuity; actuarially equivalent joint and contingent annuity actuarially equivalent social security level income option; or any other actuarially equivalent form of payment approved by the Pension Board except for a single lump sum payment.

Concentration: The Plans' did not hold investments in any one organization that represented 5 percent or more of the Pension Plans' fiduciary net position.

Rate of return: For the year ended September 30, 2025 the annual money-weighted rate of return on the General Employees' Pension Plan investments, net of pension plan investment expense was 8.5%.

Investment Policy and Target Allocation: The following was the Board's adopted asset allocation policy, and expected long term expected real rate of return as of September 30, 2025:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Core bonds	15.0%	1.6%
Core plus	15.0%	2.1%
US large cap equity	25.0%	4.6%
US small cap equity	14.0%	5.5%
Non-US equity	21.0%	6.7%
Core real estate	10.0%	5.0%
Total or weighted arithmetic average		4.38%

Town of Indialantic, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Detailed Notes on the General Employees' Pension Plan (continued)

Net Pension Liability of the Sponsor: The components of the Net Pension Liability of the Sponsor (Town) on September 30, 2025 were as follows:

Total Pension Liability	\$	2,613,300
Plan Fiduciary Net Position		(2,415,010)
Sponsor's Net Pension Liability	\$	198,290
Plan fiduciary net position as a percentage of total pension liability		92.41%

Actuarial Assumptions: The total pension liability for the General Employees' Pension Plan was determined by an actuarial valuation as of October 1, 2024 using the following actuarial assumptions.

Salary increases	4.00% per annum plus, for employees hired before October 1, 2005, a 5.00% (if age 50 or younger as of October 1, 2012) or 10.00% (if older than age 50 as of October 1, 2012) load to account for irregular sources of compensation
Discount rate	7.00%, 2.62% which is attributable to inflation
Investment rate of return	8.00%

Sensitivity of the pension discount rate used is as follows:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
General Employees' Pension Plan net pension liability (asset)	\$ 528,662	\$ 198,290	\$ (74,168)

Form of payment: All future retirees are assumed to select the single life annuity form of payment.

Mortality rates: Established based on the sex-distinct rates set forth in the PUB-2010 Headcount Weight Below Median Health Retiree Mortality Table, with full generational improvements in mortality using Scale MP-2021.

Retirement: 10% of eligible employees are assumed to retire at each of ages 60 through 64 and 100% of eligible employees are assumed to retire at age 65; those employees who have attained age 65 as of the valuation date are not assumed to retire until one year after the valuation date.

Other decrements: Employees are assumed to terminate their employment due to other than retirement or death at rates ranging from 10% at age 20 to 13% at age 30, 15% at age 40, and 12% at age 50.

Town of Indialantic, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Detailed Notes on the General Employees' Pension Plan (continued)

Beneficiary assumption: 100% of non-retired participants are assumed to have an eligible beneficiary upon death prior to retirement.

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

Assumption changes: No assumptions or methods have been changed since the completion of the previous valuation.

Changes in net pension liability of the General Employees' Pension Plan for the year ended September 30, 2025 is as follows:

	General Employees' Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2024	\$ 2,437,403	\$ 2,218,075	\$ 219,328
Changes for a Year:			
Service cost	94,363	-	94,363
Interest	172,323	155,545	16,778
Net investment income	-	33,274	(33,274)
Demographic experience	41,359	-	41,359
Contributions - employer	-	106,454	(106,454)
Contributions - employee	-	49,699	(49,699)
Benefit payments, including refunds of employee contributions	(132,148)	(132,148)	-
Administrative expense	-	(15,889)	15,889
Net changes	175,897	196,935	(21,038)
Balances at September 30, 2025	\$ 2,613,300	\$ 2,415,010	\$ 198,290

On September 30, 2025, the Town reported the following deferred outflows and inflows of resources from the General Employees' Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	-	100,970
Demographic changes	67,511	30,268
Total	\$ 67,511	\$ 131,238

Town of Indianalantic, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Detailed Notes on the General Employees' Pension Plan (continued)

Other amounts reported as deferred outflows and inflows of resources related to General Employees' Pension Plan will be recognized in pension expense as follows:

Year ended September 30,		
2026	\$	16,187
2027		(35,709)
2028		(41,054)
2029		(3,151)
Total	\$	(63,727)

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Town follows Section P52: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria* (OPEB) of the GASB Codification, for certain postemployment health care benefits provided by the Town.

Plan description: The Town administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical insurance to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the Town is required to provide eligible retirees (as defined in the Town's pension plans) the opportunity to participate in this Plan at the same cost that is applicable to active employees.

Employees and their dependents may elect to remain in the Plan upon retirement up to age 65. After age 65, the Town's insurance coverage becomes secondary to the retiree's Medicare insurance.

Benefit provisions for the Plan were established by Town Council on April 3, 1996 and may only be amended by Town Council. The Town has not established a trust or agency fund for the Plan. All financial information related to the Plan is accounted for in the Town's basic financial statements and the Plan does not issue stand-alone financial reports.

Funding policy: The Town is funding the Plan on a pay-as-you-go basis. The Town requires retirees to pay 100% of the premiums for retirees and their dependents. There is an implied subsidy in the insurance premiums for the employees because the premium charged for retirees is the same as the premium charged for active employees, who are younger than retirees on average.

For the year ended September 30, 2025, the Town did not make any contributions to the Plan.

Town of Indialantic, Florida
Notes to Financial Statements

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Plan membership: Plan membership as of September 30, 2025 was:

	Number of covered individuals
Inactive members currently receiving benefits	5
Inactive members entitled to but not yet receiving benefits	-
Active members	38
Total	43

Actuarial Assumptions

The OPEB liability was determined based on the following assumptions and information:

Employer’s reporting date:	September 30, 2025
Measurement date:	September 30, 2025
Valuation date:	October 1, 2024
Discount rate:	4.06%
Salary increases:	3.00%

The discount rate is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

Cost of living increases: Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.

Healthcare cost trend rate: Increases in healthcare costs are assumed to be 8.00% for the 2024/25 fiscal year graded down by 0.50% per year to 5.00% for the 2030/31 and later fiscal years.

Implied subsidy: Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy has been assumed for the 2024/25 fiscal year based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates.

Mortality basis: Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020.

Retirement: Retirement is assumed to occur at the earlier of age 52 with 25 years of service or at age 55 otherwise.

Other decrements: Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 4 rates were used for firefighters and police officers and Class 1 rates were used for all other employees).

Town of Indialantic, Florida
Notes to Financial Statements

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Healthcare coverage elections: 50% of eligible employees are assumed to elect medical coverage for themselves upon retirement or disability; of those electing coverage, 90% of males and 80% of females are assumed to elect coverage for their spouses; coverage is assumed to end upon the attainment of age 65.

Life insurance election: All future retirees are assumed to elect \$5,000 of life insurance coverage for themselves for life.

Spouses and dependents: Husbands are assumed to be three years older than wives; retirees are not assumed to have any dependent children.

COBRA: Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

Changes: Since the prior measurement date, the discount rate was increased from 4.06% per annum to 4.50% per annum. Healthcare cost trend rates were increased from 6.50% for 2023/2024 fiscal year graded down to 5.00% for 2027/2028 to 8.00% for 2024/2025 fiscal year graded down to 5.00% for 2030/2031.

The components of the OPEB liability at September 30, 2025 were as follows:

Total OPEB liability	Fiduciary net position	OPEB liability	Funded percentage
\$ 979,547	\$ -	\$ 979,547	0%

The changes in the OPEB liability for the year ended September 30, 2025 were as follows:

	Total OPEB Liability	Fiduciary Net Position	OPEB Liability
Balance as of September 30, 2024	\$ 1,043,493	\$ -	\$ 1,043,493
Service cost	133,839	-	133,839
Interest	52,137	-	52,137
Demographic experience	(234,912)	-	(234,912)
Changes of assumptions	22,857	-	22,857
Benefit payments	(37,867)	-	(37,867)
Net changes	(63,946)	-	(63,946)
Balance as of September 30, 2025	\$ 979,547	\$ -	\$ 979,547

Town of Indialantic, Florida
Notes to Financial Statements

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of the OPEB Liability

	1% decrease 3.06%	Discount rate 4.06%	1% increase 5.06%
OPEB liability	\$ 1,067,631	\$ 979,547	\$ 902,423

The following presents the Town's OPEB liability as if it were calculated using a trend rate that is one percentage-point lower or higher than the current trend rate:

	1% decrease in trend rate (4.00% - 6.00%)	Current trend rate (5.00% - 7.00%)	1% increase in trend rate (6.00% - 8.00%)
OPEB liability	\$ 890,173	\$ 979,547	\$ 1,083,495

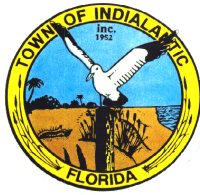
On September 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred inflows of resources
Prior year balance	\$ 440,903	\$ 542,632
Demographic experience	-	234,912
Amortization payments	(86,339)	(120,161)
Changes of assumptions	22,857	-
Balance as of September 30, 2025	\$ 377,421	\$ 657,383

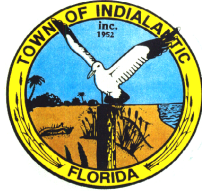
The deferred outflows and inflows of resources related to OPEB will be recognized in the expense as follows:

Fiscal year ending September 30,

2026	\$	(33,822)
2027		(25,483)
2028		(9,233)
2029		(9,283)
2030		(71,901)
Thereafter		(130,240)
Total	\$	(279,962)



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**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Town of Indialantic, Florida
Required Supplementary Pension Information - Schedules of Changes in
Net Pension Liability and Related Ratios
Last Ten Fiscal Years

<i>As of September 30,</i>	General Employees		
Total Pension Liability	2025	2024	2023
Service cost	\$ 94,363	\$ 90,126	\$ 74,033
Interest	172,323	160,194	169,753
Differences between expected and actual experience	-	-	15,303
Demographic experiences	41,359	56,832	-
Change of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(132,148)	(132,983)	(142,506)
Net change in total pension liability	175,897	174,169	116,583
Total pension liability beginning	2,437,403	2,263,234	2,146,651
Total pension liability ending (a)	\$ 2,613,300	\$ 2,437,403	\$ 2,263,234
Plan Fiduciary Net Position			
Contributions - employer	\$ 106,454	\$ 93,852	\$ 108,242
Contributions - employee	49,699	44,569	41,299
Net investment income	188,819	370,610	145,326
Benefit payments, including refunds of employee contributions	(132,148)	(132,983)	(142,506)
Administrative expense	(15,889)	(14,323)	(13,969)
Net change in plan fiduciary net position	196,935	361,725	138,392
Plan fiduciary net position beginning	2,218,075	1,856,350	1,717,958
Plan fiduciary net position ending (b)	\$ 2,415,010	\$ 2,218,075	\$ 1,856,350
Net pension liability ending (a) - (b)	\$ 198,290	\$ 219,328	\$ 406,884
Plan fiduciary net position as a percentage of the total pension liability	92.41%	91.00%	82.02%
Covered payroll	\$ 967,718	\$ 875,613	\$ 774,469
Net pension liability as a percentage of employee payroll	20.49%	25.05%	52.54%

Town of Indialantic, Florida
Required Supplementary Pension Information - Schedules of Changes in
Net Pension Liability and Related Ratios (Continued)
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016
\$	70,310	\$ 56,755	\$ 61,074	\$ 54,798	\$ 57,917	\$ 54,693	\$ 72,396
	159,481	153,435	148,625	143,287	137,723	119,657	126,017
	(219,456)	20,012	764	14,209	(2,188)	101,513	(188,107)
	-	-	-	-	-	-	-
	-	(21,945)	-	-	-	69,353	3,150
	(137,305)	(136,158)	(136,714)	(141,949)	(87,675)	(90,056)	(88,961)
	(126,970)	72,099	73,749	70,345	105,777	255,160	(75,505)
	2,273,621	2,201,522	2,127,773	2,057,428	1,951,651	1,696,491	1,771,996
\$	2,146,651	\$ 2,273,621	\$ 2,201,522	\$ 2,127,773	\$ 2,057,428	\$ 1,951,651	\$ 1,696,491

\$	119,822	\$ 115,634	\$ 132,452	\$ 116,013	\$ 89,870	\$ 72,405	\$ 56,400
	38,336	35,840	33,639	30,012	26,889	26,148	26,715
	(263,325)	322,559	101,292	77,258	100,762	160,185	38,332
	(137,305)	(136,158)	(136,714)	(141,949)	(87,675)	(90,056)	(88,961)
	(14,074)	(12,710)	(11,935)	(12,100)	(11,679)	(16,222)	(10,342)
	(256,546)	325,165	118,734	69,234	118,167	152,460	22,144
	1,974,504	1,649,339	1,530,605	1,461,371	1,343,204	1,190,744	1,168,600
\$	1,717,958	\$ 1,974,504	\$ 1,649,339	\$ 1,530,605	\$ 1,461,371	\$ 1,343,204	\$ 1,190,744

\$	428,693	\$ 299,117	\$ 552,183	\$ 597,168	\$ 596,057	\$ 608,447	\$ 505,747
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80.03%	86.84%	74.92%	71.93%	71.03%	68.82%	70.19%
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\$ 759,377	\$ 661,429	\$ 679,934	\$ 588,668	\$ 595,732	\$ 576,030	\$ 587,107
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56.45%	45.22%	81.21%	101.44%	100.05%	105.63%	86.14%
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Town of Indialantic, Florida
Required Supplementary Pension Information - Schedules of Changes in
Net Pension Liability (Asset) and Related Ratios (Continued)
Last Ten Fiscal Years

<i>As of September 30,</i>	Police Officers' and Firefighters'		
Total Pension Liability (Asset)	2025	2024	2023
Service cost	\$ 316,721	\$ 255,208	\$ 245,286
Interest	761,634	732,952	701,693
Change in excess State money	-	-	-
Share plan allocation	11,195	12,059	1,565
Changes of benefit terms	-	-	-
Differences between expected and actual experience	212,260	37,704	52,995
Change of assumptions	115,004	-	-
Benefit payments, including refunds of employee contributions	(804,608)	(562,916)	(553,937)
Net change in total pension liability	612,206	475,007	447,602
Total pension liability beginning	11,125,070	10,650,063	10,202,461
Total pension liability ending (a)	\$ 11,737,276	\$ 11,125,070	\$ 10,650,063
Plan Fiduciary Net Position			
Contributions - employer	\$ 162,984	\$ 90,000	\$ 167,000
Contributions - State	128,415	148,589	109,056
Contributions - employee	73,038	62,491	57,129
Net investment income	1,430,071	2,120,812	1,034,549
Benefit payments, including refunds of employee contributions	(804,608)	(562,916)	(553,937)
Administrative expense	(50,408)	(29,765)	(26,339)
Net change in plan fiduciary net position	939,492	1,829,211	787,458
Plan fiduciary net position beginning	11,702,939	9,873,728	9,086,270
Plan fiduciary net position ending (b)	\$ 12,642,431	\$ 11,702,939	\$ 9,873,728
Net pension (asset) liability ending (a) - (b)	\$ (905,155)	\$ (577,869)	\$ 776,335
Plan fiduciary net position as a percentage of the total pension liability (asset)	107.71%	105.19%	92.71%
Covered payroll	\$ 1,460,763	\$ 1,249,813	\$ 1,142,584
Net pension (asset) liability as a percentage of employee payroll	-61.96%	-46.24%	67.95%

Town of Indialantic, Florida
Required Supplementary Pension Information - Schedules of Changes in
Net Pension Liability (Asset) and Related Ratios (Continued)
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016
\$	238,516	\$ 203,482	\$ 155,270	\$ 182,276	\$ 171,635	\$ 203,122	\$ 190,524
	689,549	702,628	689,589	698,598	669,565	644,419	599,460
	-	-	-	-	-	-	(560)
	-	-	-	-	-	-	280
	-	-	-	(350)	-	-	-
	(8,351)	(223,886)	115,842	(274,101)	(81,806)	(52,899)	4,594
	-	200,924	153,384	96,003	90,573	100,438	239,661
	(947,028)	(694,731)	(475,080)	(384,308)	(359,138)	(514,135)	(252,201)
	(27,314)	188,417	639,005	318,118	490,829	380,945	781,758
	10,229,775	10,041,358	9,402,353	9,084,235	8,593,406	8,212,461	7,430,703
\$	10,202,461	\$ 10,229,775	\$ 10,041,358	\$ 9,402,353	\$ 9,084,235	\$ 8,593,406	\$ 8,212,461

\$	170,274	\$ 200,203	\$ 215,394	\$ 207,043	\$ 166,440	\$ 144,560	\$ 159,935
	86,456	79,585	79,531	78,578	77,422	80,980	84,296
	53,461	46,571	41,104	42,777	44,946	46,650	47,618
	(1,527,774)	2,050,539	945,775	334,989	730,566	838,164	686,168
	(947,028)	(694,731)	(475,080)	(384,308)	(359,138)	(514,135)	(252,201)
	(24,724)	(25,215)	(40,654)	(19,611)	(24,489)	(30,288)	(18,713)
	(2,189,335)	1,656,952	766,070	259,468	635,747	565,931	707,103
	11,275,605	9,618,653	8,852,583	8,593,115	7,957,368	7,391,437	6,684,334
\$	9,086,270	\$ 11,275,605	\$ 9,618,653	\$ 8,852,583	\$ 8,593,115	\$ 7,957,368	\$ 7,391,437

\$	1,116,191	\$ (1,045,830)	\$ 422,705	\$ 549,770	\$ 491,120	\$ 636,038	\$ 821,024
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	89.06%	110.22%	95.79%	94.15%	94.59%	92.60%	90.00%
\$	1,069,214	\$ 931,411	\$ 822,091	\$ 855,538	\$ 898,913	\$ 932,995	\$ 952,369
	104.39%	-112.28%	51.42%	64.26%	54.63%	68.17%	86.21%

Town of Indianalantic, Florida
Required Supplementary Pension Information –
Schedules of Contributions
Last Ten Fiscal Years

<i>As of September 30,</i>	General Employees		
	2025	2024	2023
Actuarially determined contribution	\$ 124,979	\$ 95,001	\$ 73,788
Contributions in relation to the actuarially determined contributions	106,454	93,852	108,242
Contribution deficiency (excess)	\$ 18,525	\$ 1,149	\$ (34,454)
Covered payroll	\$ 967,718	\$ 875,613	\$ 774,469
Contributions as a percentage of covered payroll	11.00%	10.72%	13.98%

Town of Indialantic, Florida
Required Supplementary Pension Information –
Schedules of Contributions (Continued)
Last Ten Fiscal Years

2022	2021	2020	2019	2018	2017	2016
\$ 119,822	\$ 118,192	\$ 129,894	\$ 116,013	\$ 89,870	\$ 72,981	\$ 60,199
119,822	115,634	132,452	116,013	89,870	72,405	56,400
\$ -	\$ 2,558	\$ (2,558)	\$ -	\$ -	\$ 576	\$ 3,799
\$ 759,377	\$ 661,429	\$ 679,934	\$ 588,668	\$ 595,732	\$ 576,030	\$ 587,107
15.78%	17.48%	19.48%	19.71%	15.09%	12.57%	9.61%

Town of Indialantic, Florida
Required Supplementary Pension Information –
Schedules of Contributions (Continued)
Last Ten Fiscal Years

<i>As of September 30,</i>	Police and Fire		
	2025	2024	2023
Actuarially determined contribution	\$ 312,166	\$ 252,962	\$ 252,054
Contributions in relation to the actuarially determined contributions	291,399	238,589	276,056
Contribution deficiency (excess)	\$ 20,767	\$ 14,373	\$ (24,002)
Covered payroll	\$ 1,460,763	\$ 1,249,813	\$ 1,142,584
Contributions as a percentage of covered payroll	19.95%	19.09%	24.16%

Town of Indialantic, Florida
Required Supplementary Pension Information –
Schedules of Contributions (Continued)
Last Ten Fiscal Years

2022	2021	2020	2019	2018	2017	2016
\$ 221,648	\$ 225,308	\$ 219,663	\$ 227,402	\$ 204,593	\$ 211,697	\$ 239,616
256,730	279,788	294,925	285,621	243,862	225,540	244,231
\$ (35,082)	\$ (54,480)	\$ (75,262)	\$ (58,219)	\$ (39,269)	\$ (13,843)	\$ (4,615)
\$ 1,069,214	\$ 931,411	\$ 822,091	\$ 855,538	\$ 898,913	\$ 932,995	\$ 952,369
24.01%	30.04%	35.87%	33.38%	27.13%	24.17%	25.64%

Town of Indialantic, Florida
Required Supplementary Pension Information – Notes to Schedule

Notes to Schedule

Valuation Date: 10/01/2024 for General and 10/01/2023 for Police Officers' and Firefighters' pension plan

Actuarially determined contribution rates are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported for General pension and two years prior to the end of the fiscal year in which contributions are reported for Police Officers' and Firefighters' pension.

Methods and assumptions used to determine contribution rates:

	General Employees' Pension Plan	Police Officers' and Firefighters' Pension Plan										
Funding Method:	Frozen Initial Liability Cost Method (utilizing entry normal cost method)	Entry Age Normal Cost Method										
Amortization Method:	Level Dollar, Normal, Closed.	Unfunded Actuarial Accrued Liability (UAAL)										
Remaining Amortization Period:	Up to 30 years	Up to 30 years										
Actuarial Asset Methodology:	The actuarial value of assets is equal to the prior year actuarial value of assets increased by a four-year average of the market value returns.	The Actuarial Value of Assets is valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actuarial market value investment return against expected market value investment return) over a five-year period.										
Inflation:	6.75% per year.	2.5% per year.										
Salary Increases:	Plan compensation is assumed to increase based on a service-based table, unless actual compensation is known for a prior plan year, with rates ranging from 6.35% at zero years of service to 3.65% at 30 or more years of service. In addition, average final compensation for employees hired prior to October 1, 2005 is increased by 5.00% to reflect irregular sources of compensation.	<table border="1" style="display: inline-table; vertical-align: top;"> <thead> <tr> <th style="text-align: left;"><u>Service</u></th> <th style="text-align: left;"><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td>0</td> <td>8.00%</td> </tr> <tr> <td>1-4</td> <td>5.00%</td> </tr> <tr> <td>5-14</td> <td>4.50%</td> </tr> <tr> <td>15+</td> <td>4.00%</td> </tr> </tbody> </table>	<u>Service</u>	<u>Rate</u>	0	8.00%	1-4	5.00%	5-14	4.50%	15+	4.00%
<u>Service</u>	<u>Rate</u>											
0	8.00%											
1-4	5.00%											
5-14	4.50%											
15+	4.00%											
Final Year Salary Load:	Not applicable	Years until Normal Retirement as of 10/01/2012: Less than 5 years - 15%; At least 5, less than 10 years - 10%; 10 or more years - 5%. Not withstanding the above, the load assumption is 0% for Members with Credited Service after October 1, 2007.										
Interest Rate:	8% per year compounded annually, net of investment related expenses.	6.90% per year compounded annually, net of investment related expenses.										
Retirement Age:	10% of eligible employees are assumed to retire at each of ages 60 through 64 and 100% of eligible employees are assumed to retire at age 65; those employees who have attained age 65 as of the valuation date are not assumed to retire until one year after the valuation date.	Members are assumed to retire based on the percentages retiring during the years following first eligibility: 20.0% during years 0–1, 40.0% during year 2, and 100.0% during year 3 and later.										

Town of Indialantic, Florida Required Supplementary Pension Information – Notes to Schedule

Early Retirement Rate: Age 60 with at least 5 years of credited service, with a monthly accrued benefit payable at the normal retirement age, or monthly accrued benefit reduced by 1/15 for each year by which the participants early retirement age precedes age 65. None

Mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2021 and with male ages set back one year.

Healthy Active Lives:
 Female: PubS.H-2010 for Employees
 Male: PubS.H-2010 for Employees, set forward one year.
 Disabled Lives:
 Female: PubG.H-2010 for Disabled Retirees, set forward 1 years.
 Male: PubG.H-2010 for Disabled Retirees.
 Healthy Retiree Lives:
 Female: PubS.H-2010 for Healthy Retirees, set forward one year.
 Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
 Beneficiary Lives:
 Female: PubG.H-2010 for Healthy Retirees.
 Male: PubG.H-2010 for Healthy Retirees, set back one year.

Termination rates Age	Percentage Terminating During the Year General Employees' Pension Plan	Percentage Terminating During the Year Police Officers' and Firefighters' Pension Plan
20	10.0%	17.0%
30	13.0%	10.0%
40	15.0%	5.0%
50	12.0%	0.0%

Disability rates:

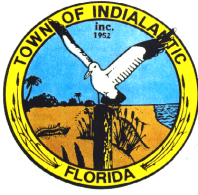
It is assumed that 90% of disablements for Firefighters and 75% of disablements for Police officers are line-of-duty related

Age	General Employees' Pension Plan	Police Officers' and Firefighters' Pension Plan
	Not applicable	
25		0.09%
30		0.12%
35		0.15%
40		0.21%
45		0.30%
50		0.54%
55		1.08%
60		2.70%
65		6.66%

**Town of Indialantic, Florida
Required Supplementary Information
Schedule of Investment Returns
Last Ten Fiscal Years**

		General Employees									
September 30,		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return Net of Investment Expense		8.50%	20.01%	8.48%	-13.31%	19.54%	6.58%	4.23%	3.71%	13.50%	3.30%

		Police Officers' and Firefighters'									
September 30,		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return Net of Investment Expense		12.78%	21.82%	11.56%	-13.98%	21.57%	10.84%	3.92%	9.27%	11.64%	10.26%



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Town of Indialantic, Florida
Required Supplementary Information
Schedule of Changes in OPEB Liability and Related Ratios

<i>September 30,</i>	2025	2024
Total OPEB liability - beginning	\$ 1,043,493	\$ 961,695
Changes due to:		
Service cost	133,839	69,249
Interest	52,137	40,864
Demographic experience	(234,912)	(64,773)
Changes of assumptions	22,857	85,810
Benefit payments	(37,867)	(49,352)
Net changes in total OPEB liability	(63,946)	81,798
Total OPEB liability - ending (a)	\$ 979,547	\$ 1,043,493
Plan fiduciary net position		
Net changes in plan fiduciary net position	\$ -	\$ -
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -
OPEB liability - ending (a) - (b)	\$ 979,547	\$ 1,043,493
Covered-employee payroll for the measurement period	\$ 2,525,467	\$ 2,025,765
OPEB Liability as a percentage of covered-employee payroll	38.79%	51.51%

Notes:

- (1) The Town implemented GASB Statement No. 75, *Accounting and Financial Reporting for Pensions*, in 2018. The employer must eventually disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented only for those years which information is available.
- (2) The Town does not accumulate assets in a trust that meets the criteria in paragraph 4 of GASBS No. 75 to pay related benefits.
- (3) There were no changes in benefit terms.
- (4) There is no actuarial determined contribution to the OPEB plan.

Town of Indialantic, Florida
Required Supplementary Information
Schedule of Changes in OPEB Liability and Related Ratios (Continued)

2023	2022	2021	2020	2019	2018
\$ 1,097,067	\$ 1,305,482	\$ 1,255,159	\$ 520,943	\$ 574,750	\$ 684,542
57,306	61,112	127,493	94,974	36,757	43,456
55,074	63,660	33,174	12,867	21,684	26,182
(168,414)	(61,627)	(72,394)	(79,227)	(56,573)	(104,752)
(13,141)	(206,790)	(2,828)	735,044	(43,978)	(57,109)
(66,197)	(64,770)	(35,122)	(29,442)	(11,697)	(17,569)
(135,372)	(208,415)	50,323	734,216	(53,807)	(109,792)
\$ 961,695	\$ 1,097,067	\$ 1,305,482	\$ 1,255,159	\$ 520,943	\$ 574,750
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 961,695	\$ 1,097,067	\$ 1,305,482	\$ 1,255,159	\$ 520,943	\$ 574,750
\$ 1,807,226	\$ 1,688,001	\$ 1,623,494	\$ 1,424,546	\$ 1,364,403	\$ 1,494,237
53.21%	64.99%	80.41%	88.11%	38.18%	38.46%

Town of Indialantic, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund

<i>Year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 4,282,146	\$ 4,584,224	\$ 4,866,618	\$ 282,394
Permits and fees	105,000	105,000	124,966	19,966
Intergovernmental	460,000	531,433	743,899	212,466
Charges for services	1,500	1,500	2,302	802
Fines and forfeitures	18,000	18,000	34,390	16,390
Interest and other	234,488	341,941	360,703	18,762
Total revenues	5,101,134	5,582,098	6,132,878	550,780
Expenditures				
Current:				
General government	974,700	1,043,730	1,026,005	17,725
Public safety	2,862,605	3,160,545	3,298,266	(137,721)
Physical environment	1,059,065	1,328,080	1,402,264	(74,184)
Recreation	36,100	56,928	52,249	4,679
Capital outlay	1,864,464	2,452,815	1,600,993	851,822
Total expenditures	6,796,934	8,042,098	7,379,777	662,321
Excess of revenues over expenditures	(1,695,800)	(2,460,000)	(1,246,899)	1,213,101
Other financing sources (uses)				
Transfers in	-	-	2,256	2,256
Net other financing sources (uses)	-	-	2,256	2,256
Fund balances, beginning of year	4,983,296	4,983,296	4,983,296	-
Fund balances, end of year	\$ 3,287,496	\$ 2,523,296	\$ 3,738,653	\$ 1,213,101

Town of Indialantic, Florida
Notes to Required Supplementary Information
September 30, 2025

Note 1: BUDGETARY INFORMATION

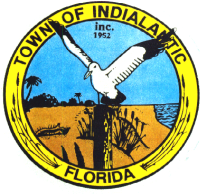
The Town Council adopts an annual budget resolution for all governmental funds prior to September 30 for the next ensuing fiscal year. All budgets are prepared on a modified accrual basis, which is consistent with generally accepted accounting principles.

Budgetary control is legally maintained at the department level. Budget transfer authority is provided to the Town Manager within departments in a fund as long as the total budget of the department is not increased.

Procedures followed by the Town in establishing budgeting data reflected in the financial statements are as follows:

- a) The Departments prepare their budget requests and submit them to the Town Manager prior to June 30th of each year.
- b) The Town Manager prepares a proposed budget and submits it to the Budget and Finance Committee during the month of July. The operating budget includes proposed expenditures and the means of financing them.
- c) The Budget and Finance Committee meets during the month of July to review the proposed budget and make recommendations to the Council.
- d) The Town Manager submits the proposed budget to the Town Council on or before August 1st of each year.
- e) A public hearing on the proposed budget is held at a regular Council meeting prior to the start of the fiscal year.
- f) Prior to October 1st, the budget is legally enacted by the adoption of a Resolution.
- g) In April of each year, the Town Manager reviews the adopted budget and makes necessary adjustments, which are submitted to the Town Council for their approval.
- h) Formal budgeting integration is employed as a management control device during the year for the general and special revenue funds.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general and special revenue funds. Encumbrances outstanding at year end are reported as unassigned fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. The subsequent year's appropriations provide authority to complete these transactions. There were no encumbrances outstanding at year end.



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**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 Town Council
Town of Indialantic, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Indialantic, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Indialantic, Florida’s basic financial statements, and have issued our report thereon dated May 11, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Indialantic, Florida’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Indialantic, Florida’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Indialantic, Florida’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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Carr, Rigggs & Ingram, L.L.C.

Melbourne, Florida
May 11, 2026



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INDEPENDENT AUDITOR’S MANAGEMENT LETTER

Honorable Mayor and Members of Town Council
Town of Indialantic, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Indialantic, Florida, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated May 11, 2026.

Auditor’s Responsibility

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 and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated May 11, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

<u>Finding</u>	<u>Status</u>	<u>First Year Reported</u>
2024-001	Cleared	2024
2024-002	Cleared	2024

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the Town of Indialantic, Florida, is disclosed in the footnotes. The Town of Indialantic has no component units.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town of Indialantic, Florida. It is management's responsibility to monitor the Town of Indialantic, Florida'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.

Property Assessed Clean Energy (PACE) Programs (Unaudited)

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which 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 Council members and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
May 11, 2026



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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

To the Honorable Mayor and Members of Town Council
Town of Indialantic, Florida

We have examined the Town of Indialantic, Florida's (the "Town") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Town complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
May 11, 2026