TOWN OF REDINGTON BEACH, FLORIDA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2025

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Board of Commissioners
Town of Redington Beach, Florida

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, effective for the fiscal year ended September 30, 2025. GASB 101 requires liabilities to be recognized for leave attributable to services already rendered, that accumulates, and is more likely than not to be used or otherwise paid or settled. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and budgetary comparison information of the General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
May 20, 2026

As management of the Town of Redington Beach (Town), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2025. As with other sections on this financial report, the information contained within this narrative should be considered as only a part of a greater whole and will mainly:

1. Focus on significant financial issues within the Town as of September 30, 2025;
2. Provide an overview of the Town's financial activity through September 30, 2025;
3. Identify any material deviations from the budgets as present and approved and subsequently closed at the end of the 2025 fiscal year; and
4. Focus on major funds (General Fund, Capital Projects Fund, Stormwater Utility Fund) and identify/discuss issues and/or concerns as to each fund.

Financial Highlights

- The assets of the Town of Redington Beach exceeded its liabilities at September 30, 2025, by $13,967,616 (net position).
- The Town's total net position decreased by $1,571,326 (10.1%) during the year ended September 30, 2025. The governmental net position decreased by $1,490,533 (12.8%) and the business type net position decreased by $80,793 (2.1%) during the year ended September 30, 2025.
- Total revenues for the Town decreased by $429,654 (12.9%) primarily due to decrease in operating grants and contributions recognized in the current year.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other required 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's finances, in a manner similar to a private sector business:

The *statement of net position* presents information on all of the Town'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 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 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.

Overview of Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

The government-wide financial statements distinguish functions of the Town that are principally supported by property 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 government activities of the Town include general government, public safety, public works, physical environment, and transportation. The business-type activities of the Town include stormwater management.

The government-wide financial statements are listed in the table of contents.

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 used fund accounting to ensure and demonstrate compliance with financial-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds include the General Fund and the Capital Projects Fund and 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 of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund financial statements are listed in the table of contents.

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 Town'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. These reconciliations are listed in the table of contents.

Proprietary Fund – The proprietary fund includes the Stormwater Utility Fund (an enterprise fund) which is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing services to the general public on a continuing basis are financed through user charges. The accrual basis of accounting is used for enterprise funds. The basic proprietary fund financial statements are listed in the table of contents.

Overview of Financial Statements (Continued)

Notes to Basic Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budget process. The Town adopts an annual expenditures budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund as required supplementary information. The required supplementary information is listed in the table of contents.

Statement of Net Position

The following table presents a summary of the Town's net position for the fiscal year ended September 30, 2025, compared to September 30, 2024. The summary reflects a positive financial position based on the key measures described below.

Statement of Net Position
September 30,

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current Assets	$ 8,416,187	$ 9,654,570	$ 1,283,434	$ 1,226,109	$ 9,699,621	$ 10,880,679
Capital Assets (Net)	2,064,326	2,053,683	2,617,428	2,755,546	4,681,754	4,809,229
Total Assets	10,480,513	11,708,253	3,900,862	3,981,655	14,381,375	15,689,908
LIABILITIES						
Current Liabilities	299,662	40,568	110,398	110,398	410,060	150,966
Noncurrent Liabilities	3,699	-	-	-	3,699	-
Total Liabilities	303,361	40,568	110,398	110,398	413,759	150,966
NET POSITION						
Investment in Capital Assets	2,064,326	2,053,683	2,507,030	2,645,148	4,571,356	4,698,831
Restricted	3,266,797	2,919,110	-	-	3,266,797	2,919,110
Unrestricted	4,846,029	6,694,892	1,283,434	1,226,109	6,129,463	7,921,001
Total Net Position	$ 10,177,152	$ 11,667,685	$ 3,790,464	$ 3,871,257	$ 13,967,616	$ 15,538,942

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by $13,967,616 as of September 30, 2025. The second largest portion of the Town's net position reflects its investment in capital assets, (e.g. land, buildings, improvements, and equipment). The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. The unrestricted net position of the Town decreased by $1,791,538 to $6,129,463 as of September 30, 2025. Unrestricted net position may be available for appropriation.

Government-Wide Financial Analysis

Statement of Activities

Statement of Activities: The Town's total revenues decreased by $429,654 (12.9%) from the prior year. The total cost of all programs and services (total expenses) increased by $2,882,436 (181.8%). The decrease in total revenues is primarily related to the decrease in operating grants and contributions related to the conclusion of coronavirus state and local fiscal recovery funds. The increase in total expenses is primarily attributable to hurricane debris removal costs. The following table presents a summary of the changes in net position for the fiscal year ended September 30, 2025, compared to 2024.

Change in Net Position
Years Ended September 30, 2025

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program Revenues:						
Charges for Services	$ 19,721	$ 16,027	$ 188,612	$ 193,152	$ 208,333	$ 209,179
Operating Grants and Contributions	94,384	358,812	-	117,987	94,384	476,799
General Revenues:						
Property Taxes	1,424,394	1,301,521	-	-	1,424,394	1,301,521
Sales and Use Taxes	275,668	271,836	-	-	275,668	271,836
Franchise Fees	133,311	151,120	-	-	133,311	151,120
Utility Taxes	118,084	162,594	-	-	118,084	162,594
State Revenue Sharing	194,627	237,629	-	-	194,627	237,629
Investment Income	395,220	473,486	33,467	35,700	428,687	509,186
Miscellaneous	19,491	6,769	-	-	19,491	6,769
Total Revenues	2,674,900	2,979,794	222,079	346,839	2,896,979	3,326,633
EXPENSES						
Program Activities:						
Primary Government:						
Activities:						
General Government	457,745	487,336	-	-	457,745	487,336
Culture and Recreation	237,099	212,990	-	-	237,099	212,990
Public Safety	578,040	507,065	-	-	578,040	507,065
Public Works	178,550	151,896	-	-	178,550	151,896
Physical Environment	2,661,704	-	-	-	2,661,704	-
Transportation	52,295	51,096	-	-	52,295	51,096
Business-Type Activities:						
Stormwater Utility	-	-	302,872	175,486	302,872	175,486
Total Expenses	4,165,433	1,410,383	302,872	175,486	4,468,305	1,585,869
Change in Net Position	(1,490,533)	1,569,411	(80,793)	171,353	(1,571,326)	1,740,764
Net Position - Beginning of Year	11,667,685	10,098,274	3,871,257	3,699,904	15,538,942	13,798,178
Net Position - End of Year	$ 10,177,152	$ 11,667,685	$ 3,790,464	$ 3,871,257	$ 13,967,616	$ 15,538,942

Government-Wide Financial Analysis (Continued)

Statement of Activities (Continued)

Governmental Activities: The following list represents the three major costs associated with the Town's functional activities:

- Net Results of Activities, which will impact (increase/decrease) current assets and unrestricted net position.
- Spending of Current Assets on Capital Assets, which will reduce current assets and increase capital assets and will reduce unrestricted net position and increase amounts invested in capital assets.
- Reduction of Capital Assets through Depreciation, which will reduce capital assets and invested in capital assets, net of debt.

Governmental Fund Budgetary Highlights

Significant variances in amounts budgeted compared to actual expenditures within the General Fund were noted for the following: Parks and Recreation is $2,708,068 over budget for fiscal year 2025. This is attributable to hurricane debris removal that was not previously budgeted. There were no significant budgetary increases or decreases noted for the fiscal year.

Capital Assets

Depreciable capital asset additions of $115,709 were due to assets purchased in the General Fund. Refer to Note 3 for further details.

Financial Analysis of the Town's Funds

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

Governmental Funds: Government funds provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the Town's financing requirements. In particular, unassigned fund balances may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. The Town's General Fund had an unassigned fund balance of $2,133,235 and committed of $2,718,513 while the Capital Projects Fund had restricted fund balance of $3,266,797 as of September 30, 2025.

Enterprise Funds: Enterprise funds distinguish between current and long-term assets and liabilities. This information is useful in assessing the Town's stormwater utility activity. The Town's Stormwater Utility Fund had a total net position of $3,790,464 of which $1,173,036 is unrestricted and $2,617,428 is the investment in capital assets.

Economic Factors and Next Year's Budget

The Town does not foresee any economic conditions that may adversely affect the Town's future financial position. The Town's primary recurring revenue source is property taxes for fiscal year 2026, and the millage rate, 1.8149 Mills, stayed the same as 2025.

Financial Contact

The Town's financial statements are designed to present users (residents, taxpayers, customers, investors, creditors, elected and appointed officials) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, contact the Town by writing to Town of Redington Beach Town Hall, 105 164th Avenue, Redington Beach, Florida 33708, or by calling 727.391.3875.

Honorable Tim Kornijtschuk, Commissioner
Commissioner of Finance

Adriana Nieves, Town Clerk
Finance Administrator

TOWN OF REDINGTON BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash	$ 1,441,485	$ 577,410	$ 2,018,895
Investments	6,856,631	674,875	7,531,506
Accounts Receivable	103,189	31,149	134,338
Prepaid Items	14,882	-	14,882
Total Current Assets	8,416,187	1,283,434	9,699,621
Capital Assets:			
Nondepreciable	522,135	110,398	632,533
Depreciable, Net of Accumulated Depreciation	1,542,191	2,507,030	4,049,221
Total Capital Assets	2,064,326	2,617,428	4,681,754
Total Assets	10,480,513	3,900,862	14,381,375
LIABILITIES			
Current Liabilities:			
Accounts Payable	264,837	110,398	375,235
Accrued Liabilities	17,923	-	17,923
Compensated Absences - Current	16,902	-	16,902
Total Current Liabilities	299,662	110,398	410,060
Noncurrent Liabilities:			
Compensated Absences	3,699	-	3,699
Total Liabilities	303,361	110,398	413,759
NET POSITION			
Investment in Capital Assets	2,064,326	2,507,030	4,571,356
Restricted - Infrastructure	3,266,797	-	3,266,797
Unrestricted	4,846,029	1,283,434	6,129,463
Total Net Position	$ 10,177,152	$ 3,790,464	$ 13,967,616

See accompanying Notes to Basic Financial Statements.

TOWN OF REDINGTON BEACH, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
				Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTION/PROGRAM ACTIVITIES						
Government Activities:						
General Government	$ 457,745	$ 13,642	$ -	$ (444,103)	$ -	$ (444,103)
Culture and Recreation	237,099	-		(237,099)	-	(237,099)
Public Safety	578,040	6,079	-	(571,961)	-	(571,961)
Public Works	178,550	-	-	(178,550)	-	(178,550)
Physical Environment	2,661,704	-	75,469	(2,586,235)	-	(2,586,235)
Transportation	52,295	-	18,915	(33,380)	-	(33,380)
Total Government Activities	4,165,433	19,721	94,384	(4,051,328)	-	(4,051,328)
Business-Type Activities:						
Stormwater Utility	302,872	188,612	-	-	(114,260)	(114,260)
Total Business-Type Activities	302,872	188,612	-	-	(114,260)	(114,260)
Total Primary Government	$ 4,468,305	$ 208,333	$ 94,384	(4,051,328)	(114,260)	(4,165,588)
GENERAL REVENUES						
Taxes:						
Property Taxes				1,424,394	-	1,424,394
Sales and Use Taxes				275,668	-	275,668
Franchise Fees				133,311	-	133,311
Utility Taxes				118,084	-	118,084
State Revenue Sharing				194,627	-	194,627
Investment Income				395,220	33,467	428,687
Miscellaneous				19,491	-	19,491
Total General Revenues				2,560,795	33,467	2,594,262
CHANGE IN NET POSITION				(1,490,533)	(80,793)	(1,571,326)
Net Position - Beginning of Year				11,667,685	3,871,257	15,538,942
NET POSITION - END OF YEAR				$ 10,177,152	$ 3,790,464	$ 13,967,616

See accompanying Notes to Basic Financial Statements.

TOWN OF REDINGTON BEACH, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General	Capital Projects	Total
ASSETS			
Cash	$ 217,414	$ 1,224,071	$ 1,441,485
Investments	4,865,090	1,991,541	6,856,631
Accounts Receivable	52,004	51,185	103,189
Prepaid Items	14,882	-	14,882
Total Assets	$ 5,149,390	$ 3,266,797	$ 8,416,187
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	264,837	$ -	$ 264,837
Accrued Liabilities	17,923	-	17,923
Total Liabilities	282,760	-	282,760
FUND BALANCES			
Nonspendable	14,882	-	14,882
Restricted - Infrastructure	-	3,266,797	3,266,797
Committed	2,718,513	-	2,718,513
Unassigned	2,133,235	-	2,133,235
Total Fund Balances	4,866,630	3,266,797	8,133,427
Total Liabilities and Fund Balance	$ 5,149,390	$ 3,266,797	$ 8,416,187

See accompanying Notes to Basic Financial Statements.

TOWN OF REDINGTON BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund Balances - Total Governmental Funds		$ 8,133,427
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental Capital Assets	$ 4,032,606	
Less: Accumulated Depreciation	(1,968,280)	2,064,326
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated Absences		(20,601)
Net Position of Governmental Activities		$ 10,177,152

See accompanying Notes to Basic Financial Statements.

TOWN OF REDINGTON BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	General	Capital Projects	Total
REVENUES			
Property Taxes	$ 1,424,394	$ -	$ 1,424,394
Sales and Use Taxes	53,688	221,980	275,668
Franchise Fees	133,311	-	133,311
Utility Taxes	118,084	-	118,084
Licenses and Permits	13,642	-	13,642
Intergovernmental Revenues	214,508	-	214,508
Fines and Forfeitures	6,079	-	6,079
Investment Income	269,513	125,707	395,220
Miscellaneous Revenues	19,491	-	19,491
Total Revenues	2,252,710	347,687	2,600,397
EXPENDITURES			
Current:			
General Government	393,657	-	393,657
Public Safety	564,215	-	564,215
Public Works	152,160	-	152,160
Transportation	44,755	-	44,755
Physical Environment	2,661,704	-	2,661,704
Culture and Recreation	223,275	-	223,275
Capital Outlay	115,709	-	115,709
Total Expenditures	4,155,475	-	4,155,475
OTHER FINANCING SOURCES (USES)			
Insurance Recoveries	74,503	-	74,503
Total Other Financing Sources (Uses)	74,503	-	74,503
NET CHANGE IN FUND BALANCES	(1,828,262)	347,687	(1,480,575)
Fund Balances - Beginning of Year	6,694,892	2,919,110	9,614,002
FUND BALANCES - END OF YEAR	$ 4,866,630	$ 3,266,797	$ 8,133,427

See accompanying Notes to Basic Financial Statements.

TOWN OF REDINGTON BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (1,480,575)
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 depreciated over their estimated useful lives.	
Capital Outlay	115,709
Less: Loss on disposal of capital assets	(4,362)
Less: Depreciation	(100,704)
Changes in accrued compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(20,601)
Change in Net Position of Governmental Activities	$ (1,490,533)

See accompanying Notes to Basic Financial Statements.

TOWN OF REDINGTON BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2025

	Stormwater Utility Fund
ASSETS	
Current Assets:	
Cash	$ 577,410
Investments	674,875
Accounts Receivable	31,149
Total Current Assets	1,283,434
Noncurrent Assets:	
Capital Assets:	
Nondepreciable	110,398
Depreciable, Net of Accumulated Depreciation	2,507,030
Total Noncurrent Assets	2,617,428
Total Assets	3,900,862
LIABILITIES	
Accounts Payable	110,398
Total Liabilities	110,398
NET POSITION	
Investment in Capital Assets	2,507,030
Unrestricted	1,283,434
Total Net Position	$ 3,790,464

See accompanying Notes to Basic Financial Statements.

TOWN OF REDINGTON BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2025

	Stormwater Utility Fund
OPERATING REVENUES	
User Charges	$ 188,612
OPERATING EXPENSES	
Contract Services, Maintenance, and Other	164,754
Depreciation	138,118
Total Operating Expenses	302,872
OPERATING LOSS	(114,260)
NONOPERATING REVENUES	
Investment Income	33,467
CHANGE IN NET POSITION	(80,793)
Net Position - Beginning of Year	3,871,257
NET POSITION - END OF YEAR	$ 3,790,464

See accompanying Notes to Basic Financial Statements.

TOWN OF REDINGTON BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2025

	Stormwater Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 198,941
Cash Paid to Suppliers for Goods and Services	(164,754)
Net Cash Provided by Operating Activities	34,187
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments, Net	(29,492)
Interest Earnings on Investments	33,467
Net Cash Provided by Investing Activities	3,975
NET INCREASE IN CASH	38,162
Cash - Beginning of Year	539,248
CASH - END OF YEAR	$ 577,410
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Capital Related Accounts Payable	$ 110,398
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	$ (114,260)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	138,118
Changes in Operating Assets and Liabilities:	
Decrease in Account Receivable	10,329
Net Cash Provided by Operating Activities	$ 34,187

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Redington Beach, Florida (Town), have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board of the Financial Accounting Foundation (GASB) is the standard-setting body for governmental accounting and financial reporting. The more significant accounting policies established GAAP and used by the Town are discussed below.

Reporting Entity

The Town is a municipal corporation that was established in 1945 by voter adoption of a charter for the Town under Laws of Florida 1945, Chapter 23513. An updated charter was approved at referendum on September 7, 1976. The Town has approximately 620 households with a total population of approximately 1,385. The Town is located within Pinellas County, Florida, on a barrier island between the Gulf of Mexico and the Intracoastal Waterway, bordered by North Redington Beach to the north and Madeira Beach to the south. The Town is noted primarily as a waterfront residential community.

The financial reporting entity consists exclusively of the Town as the primary government. There are no entities accountable or dependent upon the Town.

Financial accountability is defined as the appointment of a voting majority to an organization's board which either displays the ability to impose its will on that organization or the possibility that the organization will impose or provide a financial burden or benefit to the primary government. Consequently, on these criteria, there are no component units to include in the Town's basic financial statements.

Basis of Presentation

The Town's basic financial statements include both the government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Town general revenues, from business-type activities, generally financed in a whole or in part with fees charged to external customers.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of net position reflects, on a full accrual basis, all long-term assets and receivables, as well as long-term liabilities. The statement of activities presents the direct cost for each functional activity and applies program revenues to arrive at a net cost for the identified functions. There are no indirect costs for allocation. Program revenues must be directly associated with the government function or business-type activity. Operating grants and contributions include operating-specific and discretionary grants and contributions, while the capital grants and contributions column reflects capital-specific grants and contributions. General revenues of the Town further support the overall combined net costs of governmental functions. Additional sources of revenues include state revenue sharing, investment, and other miscellaneous sources of income.

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

Fund Financial Statements

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

The fund financial statements are presented to emphasize the major funds of the Town. Fund financial statements are prepared on the modified accrual basis for governmental funds and the accrual basis for proprietary funds as described below.

Major governmental funds and the major proprietary fund are presented as separate columns in the fund financial statements. The Town considers all funds as major because of the public interest, even if the quantitative criteria under GASB has not been met.

The Town presents the following major governmental funds:

General Fund is the government’s primary reporting fund for current government operations. It accounts for all financial resources not required by law or administrative action to be accounted for in another fund.

Capital Projects Fund is designed to account for the accumulation of funds that are restricted, committed, or assigned to be used for the acquisition or construction of major projects and improvements.

The Town presents the following major proprietary fund:

Stormwater Utility Fund accounts for the activities of the stormwater system.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual Basis of Accounting

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Operating revenues and expenses of the proprietary funds are defined as revenues or expenses related to the provision of the applicable service. Nonoperating revenues and expenses include items unrelated to the provision of services.

Modified Accrual Basis of Accounting

Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available (susceptible to accrual).

Measurable means the amount of the transaction can be determined.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if collected within 60 days of the end of the current fiscal period, with the exception of grant revenues which is within nine months of the end of the current fiscal period.

Measurement Focus

The governmental-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Excess of Expenditures over Appropriations

During the current year, the General Fund had an incurrence of expenditures in excess of the appropriated budgeted amounts by $2,742,720. This was caused by unexpected expenditures related to hurricane debris removal costs.

Deposits and Investments

The Town maintains a pooled cash account that is available for use by all funds. Each fund's portion of this pool is presented as cash in the financial statements. The Town has a savings account that reflects estimated excess funds that is available for use by all funds for investment purposes. Each funds' portion of this pool is presented as investments in the financial statements. Interest income earned as a result of pooling is distributed monthly to the appropriate funds based on average daily balances.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments (Continued)

In addition, investments that are not pooled are held by several of the Town's funds consisting of deposits in the Local Government Surplus Trust Fund Investment Pool administered by FL State Board of Administration (SBA), and deposits in the Florida Surplus Asset Fund Trust (Florida SAFE) Investment Pool administered by PMA Financial Network.

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds.

This pool is provided as additional insurance to the Federal depository insurance and allows for additional assessments against the member institutions providing full insurance for public deposits. The Town had deposits only with qualifying institutions as of September 30, 2025.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are, reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets acquired or constructed in excess of $1,000 are recorded at historical cost, including all infrastructure assets (roads, bridges, and streets). Donated assets are recorded at acquisition value as of the date received.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Buildings	40 Years
Improvements	15 to 40 Years
Infrastructure	20 to 40 Years
Furniture and Fixtures	10 Years
Equipment	3 to 7 Years
Vehicles	5 Years
Data Processing Equipment	3 Years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Employees are able to accrue and carryover vacation balances. If the available vacation earned is not used by the end of the year, a maximum of 5 days may carry over to the employee's next year of employment, not to exceed 80 hours or 10 days in any given calendar year. Once an employee terminates, accrued unused vacation time is not paid out. Vacation hours are earned on the first day of the calendar year based on years of service as follows:

1-5 Years of Service	80 Hours (2 Weeks)
6-10 Years of Service	120 Hours (3 Weeks)
11 + Years of Service	160 Hours (4 Weeks)

Earned sick leave can be accumulated up to 10 days per year. Sick leave will be paid to an employee upon separation from employment in good standing up to 40 hours.

In the government-wide financial statements (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it has not been used that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

Postretirement Health and Life Insurance Benefits

The Town does not provide any direct postretirement health and life insurance benefits. As required by Florida Statute 112.0801, retirees are able to buy healthcare coverage at the same group insurance rates that current employees are charged. However, retirees must pay for the entire cost of medical coverage. Currently, there are no retirees participating in the Town's group insurance plan.

Net Position/Fund Balances

Net position in government-wide and proprietary fund financial statements are classified as (net) investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, laws, or regulations of other governments or imposed by law through State statute. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

In the governmental fund financial statements, fund balance is comprised of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balances as follows:

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balances (Continued)

In addition to the nonspendable fund balance, below is the hierarchy of spendable fund balances, based on spending constraints.

- Restricted: Amounts that can be spent only for the specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation; e.g. Penny for Pinellas are budgeted and reported in the Capital Projects Fund.

- Committed: Amounts that can be used only for the specific purposes determined by a formal action of the Town's Board of Commissioners, the Town's highest level of decision-making authority. Commitment of fund balance may be made from time to time by resolution of the Town Commission. Commitments can be changed or lifted by the Town Commission taking the same formal action that imposed the constraint originally (resolution). The use (appropriation) of committed fund balances is considered in conjunction with the annual budget adoption process or by budget amendment approved by resolution of the Town Commission during the fiscal year.

- Assigned: Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the government itself: and/or (b) used to reflect the appropriation of a portion of existing assigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess or expected expenditures over expected revenues. Assigned fund balance shall reflect Town Commission's intended use of resources as set forth in the annual budget (and any amendments thereto). Assigned fund balance may or may not be appropriated for expenditures in the subsequent year depending on timing of the project/reserve for which it was assigned.

- Unassigned: Unassigned fund balance is the residual classification for the General Fund and represents fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Activity

Interfund loans not expected to be repaid within a reasonable period are reclassified as transfers. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in the funds in accordance with budgetary authorizations.

For the year ended September 30, 2025, there were no transfers between the funds.

Property Taxes

The Pinellas County Tax Collector bills and collects all property taxes levied within the county. Ad valorem taxes are levied annually on property values as of January 1, and are based upon the final millage rate adopted by the Town's Board of Commissioners. The taxes are generally due November 1 and become delinquent April 1 of the following year at which time they become a lien. The Pinellas County Tax Collector sells tax certificates on or before June 1 of each year. Taxes are budgeted and recognized as revenues in the fiscal year during which the taxes are billed and substantially collected.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle

Effective October 1, 2024, the Town implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments. The Town's liability for compensated absences is included in the government-wide financial statements. See Note 4 for further information

NOTE 2 CASH AND INVESTMENTS

At September 30, 2025, the bank balances of the Town's deposits totaled $2,038,903.

The following is a reconciliation of deposits and investments to amount shown on the statement of net position.

Deposits	$ 2,018,795
Cash on Hand	100
Investments	7,531,506
Total	$ 9,550,401
Statement of Net Position:	
Cash	$ 2,018,895
Investments	7,531,506
Total	$ 9,550,401

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At September 30, 2025, all of the Town's excess cash was invested in Florida PRIME and Florida SAFE Daily Liquidity Fund. The Town's investment policy requires that investments shall have a maturity of no greater than five years from the time of purchase. The Town did not have any investments that exceeded the required time to maturity.

Credit Risk

The Town's investment policy allows investments in local government investment pools with a AAA rating from Standard and Poor's. Both the Florida PRIME and Florida SAFE Daily Liquidity Fund were rated AAAm by Standard and Poor's at September 30, 2025.

Custodial Credit Risk

Custodial credit risk is the risk that the Town will not be able to recover deposits or the value of investments in the event of the failure of a depository financial institution or a third-party holding the investment securities.

All deposit accounts of the Town are placed in banks that qualify as a public depository, as required by law (Florida Security for Public Deposits Act, Chapter 280, Florida Statutes). Chapter 280 of the Florida Statues provides that qualified public depositories must maintain eligible collateral having a market value equal to 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the 12 months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the Town's name, nor specify which collateral is held for the Town's benefit.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The Public Deposit Security Trust Fund, as created under the laws of the State of Florida, would be required to pay the Town for any deposits not covered by depository insurance or collateral pledged by the depository as previously described. Florida Statutes and the Town's investment policy authorize the Town to use interest bearing time deposits, savings accounts, and money market accounts in qualified public depositories. All deposits are entirely insured.

The Town invests funds throughout the year with Florida PRIME, an investment pool administered by the SBA, under the regulatory oversight of the State of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2025, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three month LIBOR rates. These investments represented 18.2% of the Florida PRIME's portfolio at September 30, 2025.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2025 was 47 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2025 was 73 days.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

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

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

The Town’s investment pool also includes the Florida SAFE, a common law trust organized in 2007 under the laws of the State of Florida. Florida SAFE is administered by Prudent Man Advisors, Inc. and an elected five-member Board of Trustees that oversees all actions and decides on general policies. The trust includes a liquid money market-like investment called the “FL SAFE Daily Liquidity Fund” and one or more Term Series portfolios that have a fixed duration. Participants in the trust may invest in the Fund and any Term Series portfolios and in a value-added program called the “Fixed Income Investment Program,” through which the participants may purchase investments for their own portfolio. The Fund is accounted as a Stable Net Position Value investment pool. There are no restrictions related to withdrawals from Florida SAFE Daily Liquidity Fund.

As of September 30, 2025, FL SAFE investment pool weighted average maturity in days was 67 days. Florida SAFE meets all of the necessary criteria to elect to measure all of the investments in Florida SAFE at amortized cost, as a cash equivalent.

The Town’s investment policy establishes limitations on portfolio composition, both by investment type and individual security. The following maximum limits are guidelines established for diversification by investment:

Investment Type	Maximum (%)	Individual Issue (%)
U.S. Treasury Securities	100%	100%
U.S. Agency Securities	100	100
Bank Deposits	50	100
Certificates of Deposit	90	20

As of September 30, 2025, the Town did not have any investments that exceeded the established limits.

NOTE 3 CAPITAL ASSETS

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

	Balance September 30, 2024	Additions	Disposals	Balance September 30, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 522,135	$ -	$ -	$ 522,135
Capital Assets, Being Depreciated				
Buildings	537,632	-	-	537,632
Improvements	2,731,555	8,005	-	2,739,560
Equipment	157,303	107,704	(31,728)	233,279
Total Capital Assets, Being Depreciated	3,426,490	115,709	(31,728)	3,510,471
Less Accumulated Depreciation for:				
Buildings	(368,139)	(13,581)	-	(381,720)
Improvements	(1,385,935)	(72,660)	-	(1,458,595)
Equipment	(140,868)	(14,463)	27,366	(127,965)
Total Accumulated Depreciation	(1,894,942)	(100,704)	27,366	(1,968,280)
Total Capital Assets, Being Depreciated, Net	1,531,548	15,005	(4,362)	1,542,191
Governmental Activities Capital Assets, Net	$ 2,053,683	$ 15,005	$ (4,362)	$ 2,064,326
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 110,398	$ -	$ -	$ 110,398
Capital Assets, Being Depreciated				
Infrastructure - Stormwater	5,120,696	-	-	5,120,696
Less Accumulated Depreciation for:				
Stormwater	(2,475,548)	(138,118)	-	(2,613,666)
Total Capital Assets, Being Depreciated, Net	2,645,148	(138,118)	-	2,507,030
Business-Type Activities Capital Assets, Net	$ 2,755,546	$ (138,118)	$ -	$ 2,617,428

Depreciation expense was charged to governmental functions as follows:

	Amount
General Government	$ 51,357
Culture and Recreation	11,079
Public Safety	21,148
Public Works	6,042
Transportation	11,078
Total Depreciation Expense	$ 100,704

NOTE 4 LONG-TERM LIABILITIES

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

	Balance October 1, 2024	Change *	Balance September 30, 2025	Due within One Year
Compensated Absences	$ -	$ 20,601	$ 20,601	$ 16,902

* The change in compensated absences is presented as a net change.

NOTE 5 RETIREMENT PLAN

Florida Municipal Pension Trust Fund

For employees hired prior to January 1, 1996, the Town contributed to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Florida Department of Management Services, Division of Retirement. Then, the Town, in accordance with Florida Statute 121, elected to opt out of the FRS for newly hired employees effective January 1, 1996. The Town contributes to the Florida Municipal Pension Trust Fund (FMPTF), a defined contribution pension plan that covers all full time employees as of the first day in October (calendar date) following the date of hire, and is administered by Florida League of Cities, Inc. FMPTF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Sections 121 and 185, Florida Statutes, assign the authority to establish and amend the benefit provisions of the plans that participate in FMPTF to the respective employer entities; for the Town of Redington Beach this is the Town Commission.

Florida League of Cities, Inc., issues a publicly available financial report that includes financial statements and required supplementary information for the FMPTF. That report may be obtained by writing to Florida League of Cities, Inc., 301 South Bronough Street, Suite 300, Tallahassee, Florida 32301 or by calling 800.342.8112. FMPTF members may voluntarily contribute up to 10% of their eligible salary. The Town is required by state statute to contribute 8% of eligible wages on a monthly basis, but currently contributes 10% of eligible wages. The amount of pension expense recognized by the employer to the FMPTF in for the year ended September 30, 2025 was $16,211.

NOTE 6 RISK MANAGEMENT

The Town is subject to losses in the normal course of operations resulting from general liability, property and casualty, workers' compensation, employee health and accident, environmental and antitrust matters. The Town has purchased commercial insurance to protect against property loss as a result of flooding, except for the public works building, and employee health losses. The Town participates in the Florida Municipal Liability Self Insurers Program for purposes of protecting against workers' compensation losses; real and personal property losses; automobile damage; and general liability, including malpractice and errors and omissions.

NOTE 6 RISK MANAGEMENT (CONTINUED)

The Florida Municipal Liability Self Insurers Program is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool required additional funding to satisfy all claims. The Town has not been assessed any additional insurance premiums during the year ended September 30, 2025, nor is the Town aware of any contingent assessments.

The Town does not self-insure against any risks. To the extent that the Town has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter. For each type of insurance coverage described above, there have been no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

NOTE 7 COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable for grants and similar funding are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Lawsuits

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Town's Commission that resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Commitments for Town Services

The Town contracts with various local governments and other entities to provide services such as law enforcement, fire, emergency medical services, traffic control signals, and library. These contracts are entered into on an annual basis with the exception of traffic control signals, which was entered into for a period of ten years on a reimbursement basis, expiring in 2028.

NOTE 8 FUND BALANCE REPORTING

The Town has classified its fund balances with the following hierarchy:

Nonspendable: The Town's nonspendable fund balance consists of prepaid expenditures in the General Fund totaling $14,882.

Restricted, Committed, and Unassigned: The Town has classified the spendable fund balances as Committed, Restricted, and Unassigned within the General Fund and Restricted within the Capital Projects Fund, and considered each to have been spent when expenditures are incurred.

- Restricted: The restricted fund balance within the Capital Projects Fund can only be spent on capital infrastructure projects to benefit the local community.

- Committed: The committed fund for the General Fund is $2,718,513 and corresponds to amounts set by the Board of Commissioners for specific purposes including: dump truck for $63,113, pick-up truck for $52,741, tractor for $34,172, seawall for $201,392, maintenance of the Town Hall for $911,245, maintenance of the Public Works building for $1,300,352, Park Board Master Plan $18,225, lawn mower for $13,100, playground equipment for $70,452, storm debris collection activities for $48,493, public relations/promotions $3,228 and flood and property insurance for $2,000.

- Unassigned: The unassigned fund for the General Fund is available for spending at the Town's discretion.

TOWN OF REDINGTON BEACH, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Property Taxes	$ 1,439,585	$ 1,439,585	$ 1,424,394	$ (15,191)
Sales and Use Taxes	69,500	69,500	53,688	(15,812)
Franchise Fees	147,500	147,500	133,311	(14,189)
Utility Taxes	151,000	151,000	118,084	(32,916)
Licenses and Permits	47,000	47,000	13,642	(33,358)
Intergovernmental Revenues	179,500	179,500	214,508	35,008
Fines and Forfeitures	11,000	11,000	6,079	(4,921)
Investment Income	150,000	150,000	269,513	119,513
Miscellaneous Revenues	1,700	1,700	19,491	17,791
Total Revenues	2,196,785	2,196,785	2,252,710	55,925
EXPENDITURES				
General Government:				
Administration	111,583	111,583	96,446	15,137
Legal Counsel	81,000	81,000	69,490	11,510
Legislative	28,761	28,761	22,222	6,539
Town Clerk	232,840	232,840	203,650	29,190
Comprehensive Planning	7,000	7,000	1,849	5,151
Total General Government	461,184	461,184	393,657	67,527
Public Safety:				
Law Enforcement	339,515	339,515	336,644	2,871
Protective Services	87,692	87,692	86,109	1,583
Fire Protection	144,900	144,900	141,462	3,438
Total Public Safety	572,107	572,107	564,215	7,892
Public Works	148,364	148,364	152,160	(3,796)
Transportation	55,500	55,500	44,755	10,745
Physical Environment	10,000	10,000	2,661,704	(2,651,704)
Culture and Recreation:				
Library	33,600	33,600	34,911	(1,311)
Parks and Recreation	132,000	132,000	188,364	(56,364)
Total Culture and Recreation	165,600	165,600	223,275	(57,675)
Capital Outlay	-	-	115,709	(115,709)
Total Expenditures	1,412,755	1,412,755	4,155,475	(2,742,720)
EXCESS OF REVENUES OVER EXPENDITURES	784,030	784,030	(1,902,765)	(2,686,795)
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	-	-	74,503	74,503
Replacement Reserves	(466,000)	(466,000)	-	466,000
Transfers Out	(318,030)	(318,030)	-	318,030
Total Other Financing Sources (Uses)	(784,030)	(784,030)	74,503	858,533
NET CHANGE IN FUND BALANCE	$ -	$ -	(1,828,262)	$ (1,828,262)
Fund Balance - Beginning of Year			6,694,892	
FUND BALANCE - END OF YEAR			$ 4,866,630	

See accompanying Notes to Budgetary Comparison Schedule – General Fund.

<u>Budget and Budgetary Accounting</u>

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

a) Each department submit their budgets to the clerk for input into the financial software, the budget is then presented to the Town Commission for review. The Town Clerks submits a proposed property tax millage rate.

b) Public hearings are conducted in August and September to obtain taxpayer comments on the proposed budget and property tax millage rate.

c) The budget and property tax millage rate are approved by the Town Commission in September and adopted as a budget resolution. The budget is approved at the functional level thereby establishing the legal level of budgetary control.

d) The budget is reviewed after the first six months of the fiscal year and any unusual and unforeseen changes are incorporated into the budget by a modifying resolution. This action requires the approval of the Town Commission. The Town's department heads (management) are not permitted to amend the overall budget but are permitted to make intradepartmental budget transfers without the approval of the Town Commission.

e) Annual budgets were adopted for the following funds: General Fund, Capital Projects Fund, and Stormwater Utility Fund. The budget serves as legal authorization for all expenditures. Budgeted expenditures may not legally exceed appropriations on a functional basis for the General Fund and on an individual fund basis for the Capital Projects Fund and Stormwater Utility Fund.

f) All appropriations lapse at the end of the fiscal year. The Town does not use an encumbrance method of accounting for appropriations.

g) Budgets for governmental fund types are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with one exception. Additions to replacement reserves are presented on the annual adopted budget as Other Financing Uses. However, under GAAP these additions are presented as increases in committed fund balance within the governmental fund balance sheet. The budget for the proprietary fund type (Stormwater Utility Fund) is adopted on a financial flow basis (depreciation is excluded) and as a result is not consistent with GAAP.

TOWN OF REDINGTON BEACH, FLORIDA
BUDGETARY COMPARISON SCHEDULE –CAPITAL PROJECTS FUND
YEAR ENDED SEPTEMBER 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amount	(Negative)
REVENUES				
Sales and Use Taxes	$ 220,000	$ 220,000	$ 221,980	$ 1,980
Investment Income	75,000	75,000	125,707	50,707
Total Revenues	295,000	295,000	347,687	52,687
EXPENDITURES				
Capital Outlay	2,052,858	2,052,858	-	2,052,858
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,757,858)	(1,757,858)	347,687	2,105,545
OTHER FINANCING SOURCES (USES)				
Transfers In	1,757,858	1,757,858	-	(1,757,858)
NET CHANGE IN FUND BALANCE	$ -	$ -	347,687	$ 347,687
Fund Balance - Beginning of Year			2,919,110	
FUND BALANCE - END OF YEAR			$ 3,266,797	

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

Honorable Mayor and Members of the Board of Commissioners
Town of Redington Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Redington Beach, Florida (Town), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 20, 2026.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Honorable Mayor and Members of the Board of Commissioners
Town of Redington Beach, Florida

Report on Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

Tampa, Florida
May 20, 2026

CliftonLarsonAllen LLP
CLAconnect.com

MANAGEMENT LETTER

Honorable Mayor and Members of the Board of Commissioners
Town of Redington Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Redington Beach, Florida (Town), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated May 20, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' 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 Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 20, 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. Corrective action has been taken to address the finding and recommendation made in the preceding financial audit report.

Prior Years Findings		Current Year Status	
		Not Reported	Reported
2024-001 - Material Audit Adjustments	Material Weakness	X	

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. See Note 1 to the financial statements.

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 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 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. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Programs

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, *Florida Statutes*, operated in the Town's geographical boundaries. A PACE program did not operate within the Town's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, 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. See items 2025-001 and 2025-002 in the accompanying schedule of findings and responses.

Purpose of this Letter

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
May 20, 2026

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and Members of the Board of Commissioners
Town of Redington Beach, Florida

We have examined the Town of Redington Beach, Florida's (Town) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds 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 American Institute of Certified Public Accountants. 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 we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination disclosed the following deviations from Section 218.415, Florida Statutes. While the Town does have internal control procedures in place related to investment activity, it was determined that the Town's Clerk or designee responsible for making investment decisions did not obtain the required eight (8) hours of continuing education for the year ended September 30, 2025 as described in their investment policies as required by 218.415(14).

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

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

In our opinion, except for the deviation described above, the Town complied, in all material respects, with Section 218.415, Florida Statutes regarding the investment of public funds during the year ended September 30, 2025.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
May 20, 2026

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2025-001 – Noncompliance with Investment Policy and Florida Statute 218.415

Type of Finding: Control Deficiency and State Compliance

Condition: The Town did not comply with its investment policy or the continuing education requirements of Section 218.415, Florida Statutes.

Criteria or Specific Requirement: The policy and statute require the Town Clerk or designee responsible for investment decisions to complete eight (8) hours of annual continuing education related to investment practices and products. Eight (8) hours of continuing education was not completed during the fiscal year.

Effect: The Town is not in compliance with its investment policy and Section 218.415, Florida Statutes.

Cause: The Town did not have adequate monitoring procedures in place to ensure compliance with its investment policy and the continuing education requirements outlined in Section 218.415, Florida Statutes. Specifically, there was no process to track or verify that the Town Clerk or designee completed the required eight (8) hours of annual continuing education related to investment practices and products.

Repeat Finding: No

Recommendation: The Town should implement procedures to ensure compliance with its investment policy and Section 218.415, Florida Statutes. Specifically, the Town should establish a process to track and verify that the Town Clerk or designee completes the required eight (8) hours of annual continuing education related to investment practices and products. This may include maintaining a compliance calendar, requiring documentation of completed training, and periodic review by management.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the audit finding. The Town will maintain a compliance calendar to ensure all required training is completed prior to the end of the fiscal year. Additionally, the Clerk's office will implement a more thorough process for identifying suitable virtual and in-person classes to ensure all training requirements are met.

2025-002 – Budgets

Type of Finding: State Compliance

Condition: The Town reported total expenditures in the General Fund that exceeded the final budget.

Criteria or Specific Requirement: Section 166.241, Florida Statutes, sets forth requirements related to the Town's budget, including adherence to the adopted/final budget and appropriate monitoring and amendment practices.

Effect: The Town is not in compliance with the budgetary requirements of Section 166.241, Florida Statutes.

Cause: The budget was not amended for certain expenditures related to hurricane debris cleanup that were not part of the original budget. As a result, the General Fund's expenditures exceeded the final budget.

Repeat Finding: No

Recommendation: We recommend management actively monitor actual-to-budget activity throughout the fiscal year and amend budgets timely when needed (within the period allowed by statute), particularly when new expenditures arise, to help ensure expenditures do not exceed budgeted amounts.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the audit finding. The Town will monitor actual-to-budget activity throughout the fiscal year and amend budgets within the period allowed by statute. This process will ensure timely adjustments for new expenditures and prevent spending from exceeding budgeted amounts. The Town will also reconcile all accounts in a timely manner so any expenditures over budget can be captured quickly.