COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Town Council and Town Manager
Town of Orange Park, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Orange Park, Florida (the Town) for the year ended September 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated October 10, 2023, and in our required auditor's communication letter to you dated October 7, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted and application of existing policies was not changed during 2025, except as follows:

- During the year ended September 30, 2025, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, became effective. This statement updates the recognition and measurement guidance for compensated absences by requiring that liabilities for compensated absences be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid. The statement also requires that liabilities for compensated absences be recognized for leave that has been used but not yet paid and amends certain previously required disclosures.

We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were:

- **Allowance for Doubtful Accounts**
  Management's estimate of the allowance for uncollectible accounts, which is based on historical trends and analysis of the collectability of individual accounts.

- **Net Pension Liability/Asset, Pension Related Deferred Outflows and Inflows of Resources, and Pension Expense**
  Management's estimate of the net pension liability/asset for the Town's three defined benefit pension plans is based on the actuarial valuations performed by a qualified actuary. As permitted by GASB Statement No. 68, the Town elected to use a measurement date to record the net pension liabilities and related deferred inflows and outflows, that is one year prior to the reporting date. The net pension liability/asset represents the difference between the value of pension plan assets and the total pension liability, which is measured using various actuarial assumptions. These assumptions, if changed, could have a significant impact on recorded amounts.

- **Other Postemployment Benefit (OPEB) Obligations**
  Management's estimate of the net OPEB obligation is based on the actuarial valuation performed by a qualified actuary. This liability represents the estimated cost to fund the health insurance costs of the employees of the Town after they retire. The net OPEB liability, deferred inflows, and deferred outflows are allocated between the governmental and business-type activities. There are underlying assumptions in the actuarial report, which if changed, could significantly affect the amount reported.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- The disclosure in Note 7 that discusses pension plans for the Town.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The $98,613 passed adjustment to accrue the fiscal year 2025 portion of a construction invoice that crossed fiscal years is an uncorrected misstatement of the financial statements. Management has determined that its effects are immaterial to the financial statements taken as a whole. There was one material adjustment made as a result of audit procedures to record revenues and receivables or deferred inflows for expenditures that were incurred during the year ended September 30, 2025, for three state grants.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 30, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements, or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (as described in the table of contents to the financial statements) which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information (as listed in the table of contents to the financial statements), which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Town Council and management of the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

June 30, 2026
Gainesville, Florida

2025

Town of Orange Park, Florida

Financial Statements and Independent Auditor's Report

September 30, 2025

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF ORANGE PARK, FLORIDA
LIST OF TOWN OFFICIALS
AS OF SEPTEMBER 30, 2025

TOWN COUNCIL
Randy Anderson, Mayor
Winnette Sandlin, Vice-Mayor
Doug Benefield
Glenn Taylor
Kenneth Vogel

TOWN MANAGER
John Villanueva, C.P.A (Acting)

TOWN CLERK
Courtney Russo

FINANCE DIRECTOR
John Villanueva, C.P.A.

TOWN ATTORNEY
Lawsikia Hodges

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

TOWN OF ORANGE PARK, FLORIDA

SEPTEMBER 30, 2025

TABLE OF CONTENTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

TOWN OF ORANGE PARK, FLORIDA

SEPTEMBER 30, 2025

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

Town Council and Town Manager
Town of Orange Park, Florida

Report on the Audit of 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 Orange Park, 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 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 Financial Statements section of our report. We are required to be independent of the Town and 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's 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Town Council and Town Manager
Town of Orange Park, Florida

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of 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 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 judgement 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 judgement 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 judgement, 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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

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

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 other supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are 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 June 30, 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 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.

Purvis Gray

June 30, 2026
Gainesville, Florida

The management of the Town of Orange Park, Florida (the Town), offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2025. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at the close of fiscal year 2025 by $74.7 million (net position). Of this amount, $13.2 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- At September 30, 2025, the Town's governmental funds reported a combined ending fund balance of $17.7 million, an increase of $1.6 million in comparison with the prior year.
- At September 30, 2025, unassigned fund balance for the General Fund was $11.74 million or 78.8% of total General Fund expenditures.
- The governmental activities and the business-type activities have no outstanding debt. The Town paid off the balances of the notes payable and bonded debt in the business-type activities in October 2015.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are made up of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and 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'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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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 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 of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes, licenses and permits, and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, and culture and recreation. The business-type activities of the Town include water and sewer services, and stormwater services.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town 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 Town'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 Town's near-term financing decisions. Reconciliations are provided between the governmental fund balance sheet and the statement of net position and the governmental fund statement of revenues, expenditures, and changes in fund balances and statement of activities to facilitate this comparison between governmental funds and governmental activities.

The Town maintains nine 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 and Sales Tax Fund, which are major funds. Financial information for the other seven governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The Town maintains two proprietary or "enterprise funds." Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Water and Sewer Fund and Stormwater Fund.

The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Stormwater Fund.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of those individuals that have retired from the Town and those that will retire in the future (e.g., pension beneficiaries). Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits and other post-employment benefits.

Other Supplementary Information. The combining fund statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

Below is a summary Statement of Net Position for the Town as of September 30, 2025 and 2024.

Statement of Net Position
(In thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Current and other assets	$ 22,701	$ 20,001	$ 2,177	$ 4,359	$ 24,878	$ 24,360
Capital assets	25,273	23,014	31,350	29,537	56,623	52,551
Total assets	47,974	43,015	33,527	33,896	81,501	76,911
Deferred outflows of resources	1,603	5,125	412	449	2,015	5,574
Long-term liabilities outstanding	2,454	6,293	171	119	2,625	6,412
Other liabilities	2,644	3,619	669	1,183	3,313	4,802
Total liabilities	5,098	9,912	840	1,302	5,938	11,214
Deferred inflows of resources	2,710	515	147	131	2,857	646
Net Position:						
Net investment in capital assets	25,273	23,014	31,350	29,187	56,623	52,201
Restricted	4,893	4,717	-	-	4,893	4,717
Unrestricted	11,603	9,982	1,602	3,725	13,205	13,707
Total net position	$ 41,769	$ 37,713	$ 32,952	$ 32,912	$ 74,721	$ 70,625

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, assets exceeded liabilities by $74.7 million at the close of the fiscal year ended September 30, 2025.

By far, the largest portion of the Town's net position (75.8%) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net position, $4,893 thousand (6.5%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $13.2 million (17.7%), may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in total net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Below is a summary of the changes in net position for the Town during the fiscal years ended September 30, 2025 and 2024:

Changes in Net Position
(In thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 3,639	$ 3,262	$ 5,647	$ 5,400	$ 9,286	$ 8,662
Operating grants and contributions	284	585	216	155	500	740
Capital grants and contributions	2,247	374	-	176	2,247	550
General revenues:						
Property taxes	4,700	4,406	-	-	4,700	4,406
Other taxes	4,686	4,545	-	-	4,686	4,545
Franchise fees	1,134	994	-	-	1,134	994
Other State shared revenues	1,228	1,223	-	-	1,228	1,223
Investment earnings	645	756	89	152	734	908
Miscellaneous	141	64	37	3	178	67
Total revenues	18,704	16,209	5,989	5,886	24,693	22,095
Expenses:						
General government	3,636	4,022	-	-	3,636	4,022
Public safety	7,715	8,402	-	-	7,715	8,402
Public works	3,265	3,504	-	-	3,265	3,504
Culture/recreation	497	533	-	-	497	533
Water and sewer	-	-	4,966	4,083	4,966	4,083
Stormwater	-	-	518	406	518	406
Total expenses	15,113	16,461	5,484	4,489	20,597	20,950
Increase (decrease) in net assets before transfers	3,591	(252)	505	1,397	4,096	1,145
Transfers	465	460	(465)	(460)	-	-
Change in net position	4,056	208	40	937	4,096	1,145
Net position - beginning	37,713	37,505	32,912	31,975	70,625	69,480
Net position - ending	$ 41,769	$ 37,713	$ 32,952	$ 32,912	$ 74,721	$ 70,625

Governmental activities. Governmental activities net position increased by $4.05 million. This is primarily due to increased property taxes, increased sales taxes, increased utility service taxes, increased charges for services, increased judgements and fines, and increase in capital grants and contributions. The Town of Orange Park now reports the garbage pickup revenue in the General Fund. The Sanitation Fund was dissolved in 2020. The Town now also collects service charges for ambulance fees, which are also reported in the General Fund.

Business-type activities. Business-type activities net position increased $40,000 accounting for 0.12% increase in the business-type activities net position. This increase is due to normal business operations of the enterprise funds.

Overall financial position. The overall financial position of the Town has been stable. Net position increased by $4,095,764 thereby accounting for a total increase of 5.8%. This was attributable to the explanations given above for governmental activities and business-type activities.

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. The focus of the Town'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's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of fiscal year 2025, the Town's governmental funds reported combined ending fund balances of $17.7 million, an increase of $1,605,334 in comparison with the prior year.

The General Fund is the primary operating fund of the Town. At the end of fiscal year 2025, unassigned fund balance of the General Fund was $11.75 million. Unassigned fund balance represents 78.8% of the total General Fund expenditures. The fund balance of the Town's General Fund increased by $1,238,920 during the fiscal year ended September 30, 2025 (compared to a 2024 increase of $1,223,416). This is due in part to net increase in revenues of $1,944,462, a net increase in expenditures of $2,174,038, an increase of transfers in of $95,080 and an decrease in transfers out of ($150,000).

Changes in revenue consisted of the following:

- Increase in ad valorem tax revenue of $295,000;
- Increase in utility service tax – electricity of $47,000;
- Increase in communications services tax revenue of $12,600;
- Increase in red light camera revenue of $117,000;
- Increase in franchise fee – electricity of $69,000;
- Increase in franchise fee – solid waste of $71,000;
- Decrease in investment earnings revenue of ($95,000);
- Increase in service charges – garbage/solid waste of $261,000;
- Decrease in cardroom tax of ($12,000);
- Increase in ambulance revenue of $119,000;
- Decrease in school resource officer reimbursement of ($3,000);
- Increase in fines-local ordinance violations of $14,000;
- Increase in interfund charges of $43,476.

The Sales Tax Fund is a major governmental fund. This fund includes capital projects requested by and approved by the Town Council funded by sales taxes. Fund balance for the Sales Tax Fund increased $186,929 due to increased sales tax revenue, decreased investment income revenue, and increased expenditures in capital outlay. Major capital projects expenditures during the year were for the Johnson Slough Improvements, the Bradley Park Improvements, the Milwaukee Sidewalk Improvements, and the Clover Avenue and Freckles Ct Improvements. There was also $373,000 expended on equipment purchases which included $231,000 for vehicles and heavy equipment.

Non-major governmental funds consisting of special revenue funds have a combined fund balance of $2,500,006. The net increase in fund balance during the current year for non-major governmental funds was $179,485.

Proprietary funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to $359,461 or 1.2% of total net position. Net position is accumulated in the Water and Sewer Fund to fund future water and sewer capital projects that are of long-term duration.

Unrestricted net position of the Stormwater Fund at the end of the year amounted to $1.2 million or 35.3% of total net position. Net position is accumulated in the Stormwater Fund to fund future stormwater capital projects that are of long-term duration.

The Water and Sewer fund reported an decrease in net position of ($505,234) or 1.7%. The Stormwater Fund reported an increase in net position of $544,853 or 18.3%.

General Fund Budgetary Highlights

- All of the Town's departments combined spent $588,123 less than budgeted. The amount saved was between 2.0% and 56.2% per function.
- The Town fund balance increased $1,238,920 in fiscal year 2024-2025.
- The Town received 113.4% of budgeted revenue.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to $56.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, and infrastructure, improvements which are other than buildings, equipment, and construction in progress.

Capital Assets at Year-End
(In thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 2,697	$ 2,697	$ 986	$ 122	$ 3,683	$ 2,819
Construction in progress	4,319	1,317	3,004	3,228	7,323	4,545
Buildings and improvements	6,712	6,712	247	247	6,959	6,959
Improvements other than buildings	5,091	4,986	50,020	47,092	55,111	52,078
Equipment	8,463	8,187	2,187	2,064	10,650	10,251
Infrastructure	32,633	31,666	-	-	32,633	31,666
Less accumulated depreciation	(34,643)	(32,552)	(25,094)	(23,217)	(59,737)	(55,769)
Totals	$ 25,272	$ 23,013	$ 31,350	$ 29,536	$ 56,622	$ 52,549

Major capital projects during the 2024-25 fiscal year included:

- Johnson Slough Improvements
- Bradley Park Improvements
- Clover Avenue and Freckles Ct Improvements
- Milwaukee Sidewalk
- Kingsley Avenue Improvements
- Magnolia Cemetery Culvert
- Sceptic to Sewer Conversion Project
- T.C. Miller Community Center Building
- Hickory Lane Roadway Improvements
- Surge Tank Rehabilitation
- Wyngate Drive Lift Station Improvements

Additional information on the Town's capital assets can be found in Note 5 of the notes to the financial statements.

Long-term debt. At the end of fiscal year 2025, the Town had no outstanding debt. The Town's long-term debt of bonds and the Florida Department of Environmental Protection loans were paid in full in October 2015.

Under *Florida Statutes*, no debt limit margin is placed on local governments.

Additional information on the Town's long-term debt can be found in Note 6 of the notes to the financial statements of this report.

Economic Factors and Future Budgets and Rates

The State of Florida, by Constitution, does not have a state personal income tax and therefore the State operates primarily using sales tax revenue, gasoline tax revenue, and corporate income taxes. Local governments (cities and counties) primarily rely on property assessments combined with a limited array of authorized other taxes (sales, gasoline, utilities services, etc.) and fees (franchise, occupational license, etc.) to support their governmental activities. There are a limited number of state shared revenues and recurring and non-recurring (one time) grants from both state and Federal government agencies.

- The unemployment rate as of September 30, 2025, for the municipal service area was 4.4%. This compared unfavorably with the state's average unemployment rate of 4.2% and was the same as the national average unemployment rate of 4.4%.

- Since the Town is effectively built out, new construction is not expected to produce significant annual increases in property assessments. Currently, about thirty-one percent (35.3%) of the General Fund's annual revenues are from property taxes. The Town implemented a utility service tax on electricity which went into effect on April 1, 2015, and generated $914,000 in revenue in fiscal year 2025. Other current revenues are not expected to increase significantly, and many of these are beyond the Town's control. Continued diversification of revenues where possible could help to alleviate pressure on property tax rates.

- Although the Town is constantly being challenged by increasing costs for employee benefits, it does not face demand to add personnel in order to extend current levels of services to new areas.

- Public Safety-related activities, such as Police and Fire Services, make up 48.0% of the General Fund Expenditures, down from the prior year at 51.9%.

Requests for Information

This financial report is designed to provide a general overview for those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Orange Park, Finance Director, 2042 Park Avenue, Orange Park, Florida 32073.

BASIC FINANCIAL STATEMENTS

TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	$ 18,124,823	$ 995,394	$ 19,120,217
Receivables, Net	195,843	410,529	606,372
Internal Balances	92,538	(92,538)	-
Due from Other Governments	1,917,352	397,317	2,314,669
Other Current Assets	182,723	162,832	345,555
Restricted Equity in Pooled Cash and Investments	80,827	205,567	286,394
Net Pension Asset	2,108,063	96,478	2,204,541
Capital Assets:			
Land	2,697,041	986,230	3,683,271
Construction in Progress	4,319,371	3,003,729	7,323,100
Buildings and Improvements	6,712,366	247,255	6,959,621
Improvements Other Than Buildings	5,091,048	50,019,712	55,110,760
Equipment	8,462,830	2,187,320	10,650,150
Infrastructure	32,633,307	-	32,633,307
Accumulated Depreciation	(34,643,298)	(25,093,918)	(59,737,216)
Capital Assets, Net	25,272,665	31,350,328	56,622,993
Total Assets	47,974,834	33,525,907	81,500,741
Deferred Outflows of Resources			
Pension Related	1,533,990	397,626	1,931,616
OPEB Related	68,682	14,614	83,296
Total Deferred Outflows of Resources	1,602,672	412,240	2,014,912
Liabilities			
Accounts Payable and Accrued Liabilities	1,712,756	463,086	2,175,842
Due to Other Governments	97,537	-	97,537
Unearned Revenue	753,687	-	753,687
Payable from Restricted Assets:			
Deposits	80,827	205,567	286,394
Non-Current Liabilities:			
Due Within One Year	434,975	33,331	468,306
Due in More Than One Year	1,212,203	137,689	1,349,892
Net Pension Liability	806,327	-	806,327
Total Liabilities	5,098,312	839,673	5,937,985
Deferred Inflows of Resources			
Pension Related	2,467,080	109,170	2,576,250
OPEB Related	242,978	37,422	280,400
Total Deferred Inflows of Resources	2,710,058	146,592	2,856,650
Net Position			
Net Investment in Capital Assets	25,272,665	31,350,328	56,622,993
Restricted for:			
Infrastructure	2,787,914	-	2,787,914
Transportation	1,707,979	-	1,707,979
Law Enforcement	104,082	-	104,082
Memorial Day Services	24,069	-	24,069
Building Department	269,114	-	269,114
Unrestricted	11,603,313	1,601,554	13,204,867
Total Net Position	$ 41,769,136	$ 32,951,882	$ 74,721,018

See accompanying notes.

TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Function/Program	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	$ 3,635,606	$ 67,103	$ -	$ 270,631	$ (3,297,872)	$ -	$ (3,297,872)
Public Safety	7,714,731	2,555,296	-	-	(5,159,435)	-	(5,159,435)
Public Works	3,265,951	970,162	218,789	1,963,270	(113,730)	-	(113,730)
Culture/Recreation	496,487	46,849	64,878	12,510	(372,250)	-	(372,250)
Total Governmental Activities	15,112,775	3,639,410	283,667	2,246,411	(8,943,287)	-	(8,943,287)
Business-Type Activities							
Water and Sewer	4,966,149	4,760,399	65,938	-	-	(139,812)	(139,812)
Stormwater	518,536	886,907	149,745	-	-	518,116	518,116
Total Business-Type Activities	5,484,685	5,647,306	215,683	-	-	378,304	378,304
Total Primary Government	$ 20,597,460	$ 9,286,716	$ 499,350	$ 2,246,411	(8,943,287)	378,304	(8,564,983)
		General Revenues					
		Property Taxes			4,700,770	-	4,700,770
		Insurance Premium Tax			326,924	-	326,924
		Sales Tax			1,539,105	-	1,539,105
		Utility Service Tax			913,504	-	913,504
		Communication Services Tax			682,871	-	682,871
		Motor Fuel Tax			1,154,925	-	1,154,925
		Local Business Tax			68,627	-	68,627
		Franchise Fees			1,133,855	-	1,133,855
		Other State Shared Revenues			1,228,098	-	1,228,098
		Investment Earnings			644,551	89,265	733,816
		Miscellaneous			141,202	37,050	178,252
		Transfers			465,000	(465,000)	-
		Total General Revenues and Transfers			12,999,432	(338,685)	12,660,747
		Change in Net Position			4,056,145	39,619	4,095,764
		Net Position, Beginning of Year			37,712,991	32,912,263	70,625,254
		Net Position, End of Year			$ 41,769,136	$ 32,951,882	$ 74,721,018

See accompanying notes.

TOWN OF ORANGE PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General	Capital Project Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	$ 12,718,666	$ 2,866,914	$ 2,539,243	$ 18,124,823
Restricted Equity in Pooled Cash and Investments	80,827	-	-	80,827
Receivables (Net of Allowance)	195,843	-	-	195,843
Due from Other Funds	92,538	-	-	92,538
Due from Other Governments	1,089,516	576,115	251,721	1,917,352
Inventories	44,255	-	-	44,255
Prepaid Items	138,468	-	-	138,468
Total Assets	14,360,113	3,443,029	2,790,964	20,594,106
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable and Accrued Liabilities	1,245,208	176,590	290,958	1,712,756
Due to Other Governments	97,537	-	-	97,537
Deposits	80,827	-	-	80,827
Unearned Revenue	753,687	-	-	753,687
Total Liabilities	2,177,259	176,590	290,958	2,644,807
Deferred Inflows of Resources				
Unavailable Revenues	229,730	-	-	229,730
Fund Balances				
Non-Spendable:				
Inventories	44,255	-	-	44,255
Prepaid Items	138,468	-	-	138,468
Restricted for:				
Infrastructure	-	2,787,914	-	2,787,914
Transportation	-	-	1,707,979	1,707,979
Law Enforcement	-	-	104,082	104,082
Memorial Day Services	24,069	-	-	24,069
Building Department	-	-	269,114	269,114
Committed:				
Transportation	-	-	25,183	25,183
Cemetery Care and Maintenance	-	-	393,648	393,648
Assigned:				
Infrastructure	-	478,525	-	478,525
Unassigned	11,746,332	-	-	11,746,332
Total Fund Balances	11,953,124	3,266,439	2,500,006	17,719,569
Total Liabilities and Fund Balances	$ 14,360,113	$ 3,443,029	$ 2,790,964	$ 20,594,106

See accompanying notes.

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

Fund Balance - Total Governmental Funds		$ 17,719,569
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:		
Governmental Capital Assets	$ 59,915,963	
(Accumulated Depreciation)	(34,643,298)	25,272,665
Deferred outflows and inflows of resources in governmental activities are not current financial resources and, therefore, are not reported in governmental funds:		
Deferred Outflows Related to Pensions	1,533,990	
Deferred Outflows Related to Other Postemployment Benefits (OPEB)	68,682	
Deferred Inflows Related to Pensions	(2,467,080)	
Deferred Inflows Related to OPEB	(242,978)	(1,107,386)
Some revenues have been deferred on the balance sheet because they were not measurable and available at year-end.		229,730
Non-current liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Non-current assets are not receivable in the current period and, therefore, are not reported in the funds:		
Net Pension Asset	2,108,063	
Net Pension Liability	(806,327)	
Compensated Absences	(1,027,465)	
Net OPEB Obligation	(619,713)	(345,442)
Net Position of Governmental Activities		$ 41,769,136

See accompanying notes.

TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General	Capital Project Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 6,692,696	$ 1,539,105	$ 1,154,925	$ 9,386,726
Permits, Fees, and Assessments	1,147,586	-	266,254	1,413,840
Intergovernmental	3,075,417	500,000	-	3,575,417
Charges for Services	1,979,007	-	34,811	2,013,818
Fines and Forfeitures	1,445,376	-	10,405	1,455,781
Investment Income (Loss)	475,551	156,097	12,902	644,550
Miscellaneous	159,432	-	-	159,432
Interfund Charges	511,666	-	-	511,666
Total Revenues	15,486,731	2,195,202	1,479,297	19,161,230
Expenditures				
Current:				
General Government	3,271,216	-	101,192	3,372,408
Public Safety	7,163,753	-	14,280	7,178,033
Public Works	2,347,727	-	-	2,347,727
Culture and Recreation	245,739	-	-	245,739
Capital Outlay	1,866,776	1,938,273	1,071,940	4,876,989
(Total Expenditures)	(14,895,211)	(1,938,273)	(1,187,412)	(18,020,896)
Excess of Revenues Over Expenditures	591,520	256,929	291,885	1,140,334
Other Financing Sources (Uses)				
Transfers in	647,400	-	-	647,400
Transfers (out)	-	(70,000)	(112,400)	(182,400)
Total Other Financing Sources (Uses)	647,400	(70,000)	(112,400)	465,000
Net Changes in Fund Balance	1,238,920	186,929	179,485	1,605,334
Fund Balances, Beginning of Year	10,714,204	3,079,510	2,320,521	16,114,235
Fund Balances, End of Year	$ 11,953,124	$ 3,266,439	$ 2,500,006	$ 17,719,569

See accompanying notes.

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

Net Change in Fund Balance - Total Governmental Funds		$ 1,605,334
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 these assets is depreciated over their estimated useful lives:		
Capital Outlay	$ 4,448,182	
(Less Current Year Depreciation)	(2,188,765)	2,259,417
The changes in net pension liability or asset and pension related deferred outflows and inflows of resources result in an adjustment to pension expense in the Statement of Activities, but not in the governmental fund statements.		253,272
The net change in net other postemployment benefit obligation liability and related deferred outflows and inflows of resources is reported in the Statement of Activities, but not in the governmental fund statements.		9,863
Certain revenues reported in the Statement of Activities are not considered current financial resources and, therefore, are not reported as revenue in the governmental funds. Prior unavailable revenues subsequently collected and recognized as revenue in the governmental funds in the current period are not reported in the Statement of Activities.		54,355
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in Compensated Absences		(126,096)
Change in Net Position of Governmental Activities		$ 4,056,145

See accompanying notes.

TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds		
	Major Fund		
	Water and Sewer	Stormwater	Total
Assets			
Current Assets:			
Equity in Pooled Cash and Investments	$ -	$ 995,394	$ 995,394
Restricted Equity in Pooled Cash and Investments	205,567	-	205,567
Receivables, Net	388,679	21,850	410,529
Due from Other Governments	191,982	205,335	397,317
Inventories	127,377	-	127,377
Prepaid Items	30,663	4,792	35,455
Total Current Assets	944,268	1,227,371	2,171,639
Non-Current Assets:			
Net Pension Asset	74,332	22,146	96,478
Capital Assets, Net:			
Land	986,230	-	986,230
Construction in Progress	1,439,052	1,564,677	3,003,729
Building and Improvements	247,255	-	247,255
Improvements Other Than Buildings	49,229,514	790,198	50,019,712
Equipment	2,049,931	137,389	2,187,320
(Accumulated Depreciation)	(24,875,701)	(218,217)	(25,093,918)
Total Capital Assets, Net	29,076,281	2,274,047	31,350,328
Total Assets	30,094,881	3,523,564	33,618,445
Deferred Outflow of Resources			
Pension Related	329,084	68,542	397,626
OPEB Related	12,575	2,039	14,614
Total Deferred Outflow of Resources	341,659	70,581	412,240
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	433,531	29,555	463,086
Due to Other Funds	92,538	-	92,538
Current Liabilities Payable from Restricted Assets:			
Customer Deposits	205,567	-	205,567
Current Portion of Compensated Absences	32,527	804	33,331
Total Current Liabilities	764,163	30,359	794,522
Non-Current Liabilities:			
Compensated Absences	44,306	1,095	45,401
Other Postemployment Benefits	75,202	17,086	92,288
Total Non-Current Liabilities	119,508	18,181	137,689
Total Liabilities	883,671	48,540	932,211
Deferred Inflows of Resources			
Pension Related	88,537	20,633	109,170
OPEB Related	28,590	8,832	37,422
Total Deferred Inflows of Resources	117,127	29,465	146,592
Net Position			
Net Investment in Capital Assets	29,076,281	2,274,047	31,350,328
Unrestricted	359,461	1,242,093	1,601,554
Total Net Position	$ 29,435,742	$ 3,516,140	$ 32,951,882

See accompanying notes.

TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds		
	Major Fund		
	Water and Sewer	Stormwater	Total
Operating Revenues			
Charges for Services	$ 4,760,399	$ 886,907	$ 5,647,306
Other Income	37,050	-	37,050
Total Operating Revenues	4,797,449	886,907	5,684,356
Operating Expenses			
Personnel Services	1,196,779	276,293	1,473,072
Utilities	300,209	-	300,209
Supplies, Materials, and Other	214,604	44,417	259,021
Professional and Contractual Services	109,505	41,032	150,537
General and Administrative	618,176	-	618,176
Depreciation and Amortization	1,841,087	64,744	1,905,831
Repairs and Maintenance	591,535	92,050	683,585
Insurance	94,254	-	94,254
(Total Operating Expenses)	(4,966,149)	(518,536)	(5,484,685)
Operating Income (Loss)	(168,700)	368,371	199,671
Non-Operating Revenues (Expenses)			
Intergovernmental	65,938	149,745	215,683
Investment Revenue	62,528	26,737	89,265
Total Non-Operating Revenues (Expenses)	128,466	176,482	304,948
Income Before Capital Contributions and Transfers	(40,234)	544,853	504,619
Transfers (out)	(465,000)	-	(465,000)
Change in Net Position	(505,234)	544,853	39,619
Net Position, Beginning of Year	29,940,976	2,971,287	32,912,263
Net Position, End of Year	$ 29,435,742	$ 3,516,140	$ 32,951,882

See accompanying notes.

TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Stormwater	Total
Cash Flows from Operating Activities			
Cash Received from Customers	$ 4,828,812	$ 881,931	$ 5,710,743
Cash Paid to Suppliers	(1,359,779)	(692,260)	(2,052,039)
Cash Paid to Employees	(1,174,866)	(278,699)	(1,453,565)
Cash Payments for Interfund Services Used	(618,176)	-	(618,176)
Net Cash Provided by (Used in) Operating Activities	1,675,991	(89,028)	1,586,963
Cash Flows from Non-Capital Financing Activities			
Intergovernmental Charges	65,938	149,745	215,683
Due to/from Other Funds	92,538	-	92,538
Transfers in (out)	(465,000)	-	(465,000)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(306,524)	149,745	(156,779)
Cash Flows from Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	(3,435,233)	(283,839)	(3,719,072)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(3,435,233)	(283,839)	(3,719,072)
Cash Flows from Investing Activities			
Interest Received	62,528	26,737	89,265
Net Cash Provided by Investing Activities	62,528	26,737	89,265
Net (Decrease) in Cash and Cash Equivalents	(2,003,238)	(196,385)	(2,199,623)
Cash and Cash Equivalents, Beginning of Year	2,208,805	1,191,779	3,400,584
Cash and Cash Equivalents, End of Year	$ 205,567	$ 995,394	$ 1,200,961
Reconciliation of Cash and Cash Equivalents to Statement of Net Position			
Equity in Pooled Cash and Investments	$ -	$ 995,394	$ 995,394
Restricted Equity in Pooled Cash and Investments	205,567	-	205,567
Total Cash and Cash Equivalents	$ 205,567	$ 995,394	$ 1,200,961

See accompanying notes.

TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Stormwater	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ (168,700)	$ 368,371	$ 199,671
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	1,841,087	64,744	1,905,831
Decrease (Increase) in Assets:			
Accounts Receivable, Net	24,531	(5,992)	18,539
Due from Other Governments	(65,938)	-	(65,938)
Prepaids	11,898	1,016	12,914
Inventory	10,959	-	10,959
Deferred Outflows of Resources	28,413	8,336	36,749
Increase (Decrease) in Liabilities:			
Accounts Payable and Accrued Liabilities	5,307	(514,761)	(509,454)
Customer Deposits	(5,066)	-	(5,066)
Compensated Absences	35,373	1,899	37,272
Other Postemployment Benefits	10,121	4,600	14,721
Net Pension Asset/Liability	(63,119)	(19,437)	(82,556)
Deferred Inflows of Resources	11,125	2,196	13,321
Net Cash Provided by (Used in) Operating Activities	$ 1,675,991	$ (89,028)	$ 1,586,963

See accompanying notes.

TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2025

	Pension Trust Funds
Assets	
Cash and Cash Equivalents	$ 1,192,450
Prepaid Benefits	2,729
Receivables:	
Employer and State Contributions	171,247
Accrued Income	17,547
Total Receivables	188,794
Investments:	
Florida Municipal Pension Trust Fund	14,843,468
U.S. Government and Agency Securities	603,509
Corporate Bonds	777,867
Domestic Stocks	8,907,079
International Stocks	337,394
Mutual Funds	25,307,803
Unit Investment Funds	2,573,369
Total Investments	53,350,489
Total Assets	54,734,462
Liabilities	
Accounts Payable	82,153
Total Liabilities	82,153
Net Position Held in Trust for Pension Benefits	$ 54,652,309

See accompanying notes.

TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Pension Trust Funds
Additions	
Contributions:	
Employee Contributions	$ 285,579
Employer Contributions	923,912
State Contributions	326,924
Total Contributions	1,536,415
Investment Earnings:	
Change in Fair Value of Investments	4,120,029
Interest Income	983,588
Total Investment Earnings	5,103,617
(Less Investment Expense)	(157,194)
Net Investment Income	4,946,423
Total Additions	6,482,838
Deductions	
Regular Benefits	2,396,537
Refunds	9,147
Administrative Expenses	151,051
Total Deductions	(2,556,735)
Change in Net Position	3,926,103
Net Position Held in Trust for Pension Benefits, Beginning of Year	50,726,206
Net Position Held in Trust for Pension Benefits, End of Year	$ 54,652,309

See accompanying notes.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Orange Park, Florida (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The more significant of the Town's accounting policies are described below. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

(a) Reporting Entity

The Town was first incorporated on February 18, 1879. There was considerable controversy over the original date of incorporation, so the Florida Legislature passed Bill Number 86 on June 1, 1981, to confirm the 1879 Act. The Town operates under an elected mayor-council form of government under the administration of an appointed Town Manager and provides the following services: police and fire rescue services, street maintenance and construction, water and sewer services, sanitation, stormwater, planning, zoning, culture and recreation, and economic development.

The accompanying financial statements present the financial position and results of operations and cash flows of the applicable fund types governed by the Council of the Town (the Town Council), the reporting entity of government for which the Town Council is considered to be financially accountable. There are no potential component units or related organizations of the Town that meet the criteria for inclusion in the Town's basic financial statements.

(b) Basic Financial Statements

The government-wide and fund financial statements, along with the notes to the financial statements, comprise the basic 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 non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are 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.

Net position is reported as one of three categories: (1) Net Investment in Capital Assets, (2) Restricted, or (3) Unrestricted.

The Statement of Activities demonstrates the degree that direct expenses of a given function or activity 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; (2) services or privileges provided by a given function or segment; and (3) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. 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.

(c) 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 Town 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, other postemployment benefits (OPEB), pension expense, and claims and judgments, are recorded only when payment is due.

Taxes, licenses and permits, intergovernmental revenue, charges for services, and investment earnings 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.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The Town has presented the following governmental funds:

- **Major Governmental Funds**—The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Capital Projects - Sales Tax Fund is also considered a major fund. This capital projects fund accounts for resources accumulated and payments made for the acquisition and construction of major capital facilities.

- **Non-Major Governmental Funds**—Special Revenue Funds account for revenue sources that are legally restricted to expenditures for specific purposes. Non-major special revenue funds include the Gas Tax Fund, Confiscated Property Fund, Police Education Fund, Magnolia Cemetery Fund, Police Investigative and Evidentiary Fund, Building Department Fund, and the Fair Share Fund.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of operating income and changes in net position, financial position, and cash flow. All assets, deferred outflows, liabilities, and deferred inflows are included on the Statement of Net Position. The Town's proprietary funds are all classified as enterprise funds. The Town has presented the following proprietary funds:

- **Major Proprietary Funds**—The Water and Sewer Fund accounts for the activities of the Town's water distribution system, sewage treatment plant, sewage pumping stations, and collections systems. The Stormwater Fund accounts for the operations and maintenance of the Town's stormwater management system.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's 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 and amortization of intangible assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Additionally, the Town reports the following fund type:

- **Fiduciary Fund Type**—This fund type accounts for the activities of the Town's General Employees' Pension Plan Fund, the Firefighters' Pension Plan Fund, and the Police Officers' Pension Plan Fund (collectively, Pension Trust Funds), which accumulate resources for pension and disability benefit payments to retired or disabled employees.

(d) Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for all funds. The legally adopted budgets are prepared on a basis consistent with GAAP.

The Town's procedures in establishing the budgetary data reflected in the financial statements generally are as follows:

On or before August 1, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following October. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance. Budget changes during the fiscal year are approved by the Town Council. Appropriations lapse at the end of the fiscal year. Expenditures may not legally exceed appropriations for each budgeted department of the Town; however, the Town Manager is authorized to transfer budgeted amounts within a department. The legal level of budgetary control is the department level.

The budgets are integrated into the accounting system. The budgetary information presented for the General Fund is prepared on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedule for the General Fund presents actual expenditures in accordance with GAAP on a basis consistent with the legally adopted budget as amended.

(e) Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. The cash and cash equivalents presented on the Statement of Cash Flows – Proprietary Funds are composed of restricted and unrestricted cash and cash equivalents and equity in pooled investments presented on the Statement of Net Position – Proprietary Funds.

(f) Investments

Investments of the Town and within the Pension Trust Funds are made through financial brokers, are held with trustees, and are stated at fair value.

(g) Receivables and Interfund Obligations

Receivables consist of trade receivables, amounts due from other governments, and interest receivables and are shown net of an allowance for uncollectible accounts. Uncollectible accounts receivable allowances are based on historical trends.

The unbilled portion of water and sewer revenue accrued at year-end is based upon prorating the October billing cycle.

Outstanding balances between funds 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). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

(h) Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers.

(i) Inventories

Inventories are valued at cost, which approximates market value, using the first-in first-out method. In the fund financial statements, the cost of the inventory is recorded as an expenditure when consumed, rather than when purchased. An offsetting non-spendable fund balance is reported in the governmental funds to indicate that the asset is not available for appropriation or expenditure.

(j) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. An offsetting non-spendable fund balance is reported to indicate that the asset is not available for appropriation or expenditure.

(k) Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash and cash equivalents set aside for repayment of deposits to utility customers.

(l) Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent the consumption of net position that is applicable to a future reporting period and will not be recognized as an outflow of resources (expense) until that future time. Deferred inflows of resources represent the acquisition of net position that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue) until that future time. Deferred outflows have a positive effect on net position, similar to assets, while deferred inflows have a negative effect on net position, similar to liabilities. The Town reports deferred outflows and inflows of resources related to pensions and OPEB.

Unavailable Revenues – revenues which are measurable, but not available, are recorded as deferred inflows of resources in governmental funds financial statements.

Pension and OPEB Related – the difference between expected and actual experience with regard to economic or demographic factors and changes to assumptions in the measurement of total pension and OPEB liability and the differences between expected and actual earnings on pension plan investments, are reported as deferred inflows or outflows of resources, to be recognized in expense in future years. Contributions made subsequent to the measurement date, but prior to the reporting date, are reported as deferred outflows of resources.

(m) Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide statements and in the proprietary fund 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 five years. Such assets are recorded at historical cost. Where cost could not be determined from the available records, estimated historical costs were used to record the estimated value of the assets. Assets acquired by gift or bequests are recorded at their fair market value at the date of transfer.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, if any, during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. General infrastructure assets acquired subsequent to June 30, 1980, are included in the governmental activities in the basic financial statements.

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

Assets	Years
Buildings and Improvements	5-40
Improvements Other Than Buildings	5-40
Infrastructure	10-30
Equipment	3-10

(n) Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. In the fund financial statements, governmental fund types recognize premiums/discounts and issuance costs during the current period. The face amount of debt issued, and premiums received are reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

(o) Compensated Absences

Town employees are entitled to certain compensated absences (personal leave) based on their length of employment. All leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported. For the governmental activities, compensated absences and OPEB are generally liquidated by the General Fund.

During the year ended September 30, 2025, the Town implemented GASB Statement No. 101 *Compensated Absences* (GASB 101). This statement updates the recognition and measurement guidance for compensated absences by requiring that liabilities for compensated absences be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid. The statement also requires that liabilities for compensated absences be recognized for leave that has been used but not yet paid and amends certain previously required disclosures.

(p) Pension Plans

The Town records pension contributions in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan assets are valued at fair value. The net pension liability/asset and pension related deferred outflows and inflows of resources, as well as the changes in these accounts, are recognized in the government-wide financial statements and in the proprietary fund statements.

(q) Fund Balance/Net Position

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

- **Fund Balance**—Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

  - *Non-Spendable*—Fund balances are reported as non-spendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash, such as inventory and prepaid items); or (b) legally or contractually required to be maintained intact.

  - *Restricted*—Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

  - *Committed*—Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council through the adoption of an ordinance. Only the Town Council may modify or rescind the commitment. These self-imposed limitations must be set in place prior to the end of the fiscal year.

- *Assigned*—Fund balances are reported as assigned when amounts are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is stipulated by the Town Council or an official for whom that authority has been given by Town Council. With the exception of the General Fund, amounts in all other governmental funds that are not non-spendable, restricted, or committed will be considered to be assigned. Also, at fiscal year-end, any appropriation of existing fund balance to eliminate a projected budgetary deficit in the next year's budget is considered to be an assignment of fund balance.

- *Unassigned*—Fund balances reported as unassigned are the residual amount of balances that do not meet any of the above criteria. The Town reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in other funds.

■ **Net Position**—Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position that does not meet the definition of net investment in capital assets or restricted is classified as unrestricted.

■ **Flow Assumptions**—When both restricted and unrestricted amounts of fund balance/net position are available for use for expenditures/expenses, it is the Town's policy to use restricted amounts first and then unrestricted amounts, as they are needed.

For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and then unassigned.

■ **Minimum Fund Balance Policy—**The Town has established the following minimum fund balance policy for each of the respective funds:

- *General Fund*—The unassigned fund balance shall not be less than 33% and not more than 67% of the total budgeted expenditures of the General Fund budget.

- *Water and Sewer Fund*—The unrestricted net asset balance shall not be less than 33% and not more than 67% of the total budgeted operating expenses, including debt repayment, bond coverage, and transfer/charges to other funds, but excluding depreciation.

(r) Property Taxes

The assessment of all properties and the collection of all property taxes are made through the Property Appraiser and Tax Collector of Clay County, Florida. General property taxes are recorded when received in cash, which approximates tax levied, less discounts, for the current fiscal year.

Details of the tax calendar are presented below:

Lien Date	January 1
Levy Date	October 1
Installment Payments	
First Installment	No later than June 30
Second Installment	No later than September 30
Third Installment	No later than December 31
Fourth Installment	No later than March 31
Regular Payments	
Discount Periods	November through February
No Discount Period	After March 1
Delinquent Date	April 1

(s) Use of Estimates

The preparation of basic 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.

Note 2 - Cash Deposits and Investments

The Town maintains a cash and investment pool for all funds. Each fund's portion of this pool is included in the balance sheet account "equity in pooled cash and investments". Interest earnings are allocated in accordance with the participating fund's relative percentage of investments.

The Town does not have a written investment policy and follows the State of Florida investment policy as set forth in Florida Statute 218.415. Florida Statutes authorize the Town to invest in Local Government Surplus Funds Trust Fund administered by the State Board of Administration (SBA), direct obligations of the United States Treasury, interest bearing time deposits or savings accounts in qualified public depositories, and Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Both the Firefighters' and Police Officers' Pension Plans have written investment policies.

The Firefighters' Pension Plan is authorized to invest in equities, fixed income, and money market funds, subject to certain restrictions. The Police Officers' Pension Plan is authorized to invest in equities, fixed income, pooled funds, and money market funds, subject to certain restrictions. The General Employee Pension Plan invests in the Florida Municipal Investment Trust (FMIvT) local government investment pool.

At September 30, 2025, the Town's equity in pooled cash and investments included the following:

Investments Controlled by the Town	
SBA Local Government Surplus Funds	
Trust Funds (Florida PRIME)	$ 321,615
Fixed Income	5,303,393
Money Markets	12,400,218
Total Investments Controlled by the Town	18,025,226
Cash Deposits	1,381,385
Total Cash and Investments	$ 19,406,611

Custodial Credit Risk: Custodial credit risk for investments is the risk that, in the event of a failure of a counterparty, the Town will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

At September 30, 2025, the carrying amount of the Town's cash deposits was $1,381,385 and the bank balance was $1,454,243. Included in the carrying amount of the Town's deposits is $750 in petty cash. All of the Town's cash deposits are fully insured by the Federal Deposit Insurance Corporation or collateralized in accordance with *Florida Security for Public Deposits Act* (the Act). Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral having a market value equal to 50% of the average daily balance for each month that all public deposits are in excess of any applicable deposit insurance. If the public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a savings association, the required collateral shall have a market value equal to 125% of the deposits.

The Town's investments in the Florida Local Government Surplus Funds Trust Fund Investment Pool (LGIP), currently known as Florida PRIME, is similar to money market funds in which shares are owned in the fund rather than the underlying investments. Florida PRIME is administered by the SBA pursuant to Section 218.405 of the Florida Statutes.

The pool invests in short-term, high-quality fixed income securities. To be considered high-quality, the security must be rated highest in the short-term rating category by one or more nationally recognized statistical ratings organizations or deemed to be of comparable quality by the investment manager. The account balance of this fund is considered to be the fair value of this investment. As of September 30, 2025, Standard & Poor's ratings service assigned an "AAAm" rating to the Florida PRIME.

A separate financial report for Florida PRIME is prepared by the SBA in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* Copies of the report can be obtained from the SBA website at https://prime.sbafla.com/.

The Pension Trust Funds are held with a third-party custodian, and all securities purchased by, and collateral obtained by each plan is properly designated as plan assets. The General Employees' Pension Plan funds are held with the Florida Municipal Pension Trust Fund (FMPTF). The FMPTF invests the General Employees' Pension Plan funds through the FMIvT. The FMIvT is an LGIP and, therefore, considered an external investment pool for GASB reporting requirements.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have a written investment policy on interest rate risk. Information about the sensitivity of the fair values of the Town's investments (including investments held by the pension trustee) to market interest rate fluctuations is provided by the following table that shows the Town's investments and the distribution by maturity for those that have scheduled maturity dates. The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2025, is 47 days. The General Employees' Pension Plan is invested with the FMIvT, which is an external investment pool. The FMIvT investment portfolio includes the FMIvT Broad Market High Quality Bond Fund and the FMIvT Core Plus Fixed Income, which have dollar weighted average days to maturity (WAM) of 7.10 and 5.76 years, respectively.

		Investment Maturities (in Years)				
	Fair Value	**No Specific Maturity**	**Less than 1**	**1-5**	**6-10**	**More than 10**
Investments Controlled by the Town						
SBA Local Government Surplus Funds Trust Funds (Florida PRIME)	$ 321,615	$ 321,615	$ -	$ -	$ -	$ -
Fixed Income	5,303,393	157,573	797,053	1,053,046	258,299	3,037,422
Money Markets	12,400,218	12,400,218	-	-	-	-
Total Investments Controlled by the Town	$ 18,025,226	$ 12,879,406	$ 797,053	$ 1,053,046	$ 258,299	$ 3,037,422
Pension Plan Investments						
Firefighters, Police Officers, and General Employees:						
U.S. Government and Agency Securities	$ 603,509	$ 54,178	$ -	$ 270,878	$ 278,453	$ -
Corporate Bonds	777,867	-	129,745	365,746	282,376	-
Domestic Stocks	8,907,079	8,907,079	-	-	-	-
International Stocks	337,394	337,394	-	-	-	-
Mutual Funds	25,307,803	25,307,803	-	-	-	-
Unit Investment Trust	2,573,369	2,573,369	-	-	-	-
FMIvT Broad Market High Quality Bond Fund	2,394,108	-	-	-	2,394,108	-
FMIvT Core Plus Fixed Income Fund	2,214,550	-	-	-	2,214,550	-
FMIvT Diversified Large Cap Equity	3,800,646	3,800,646	-	-	-	-
FMIvT Diversified Small to Mid Cap	1,960,176	1,960,176	-	-	-	-
FMIvT International Equity	3,261,971	3,261,971	-	-	-	-
FMIvT Core Real Estate Portfolio	1,212,017	1,212,017	-	-	-	-
Total Pension Plan Investments	$ 53,350,489	$ 47,414,633	$ 129,745	$ 636,624	$ 5,169,487	$ -

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The investment policies for the Firefighters' and Police Officers' Pension Plans permit investments limited to credit quality ratings from nationally recognized rating agencies as follows:

- All fixed income investments shall have a minimum rating of investment grade or higher as reported by a major credit rating service.

- Money market funds should have a minimum rating of Standard & Poor's A1 or Moody's P1.

The General Employees' Pension Fund's investments are held in the FMPTF and invested through the FMIvT. Participating Employers' investments through the FMIvT are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The General Employees' Pension Plan investment is with the pool, not the securities that make up the pool; therefore, no credit rating disclosures are required.

Listed below are the Town's securities rated by Standard & Poor's as of September 30, 2025:

	Quality Ratings								
	AAA	**AA+**	**AA**	**A-**	**A**	**A+**	**BBB**	**BBB+**	**Unrated**
Investment Type									
Investment Controlled by the Town:									
Florida PRIME	$ 321,615	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fixed Income	-	5,303,393	-	-	-	-	-	-	-
Money Markets	-	-	-	-	-	-	-	-	12,400,218
	$ 321,615	$ 5,303,393	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,400,218

	Quality Ratings								
	AAA	**AA+**	**AA**	**A-**	**A**	**A+**	**BBB**	**BBB+**	**Unrated**
Pension Plan Investments									
U.S. Government and Agency Securities	$ -	$ 476,417	$ -	$ -	$ -	$ -	$ -	$ -	$ 127,092
Corporate Bonds	-	52,191	-	264,928	-	38,070	125,230	261,159	36,289
Domestic Stocks	-	-	-	-	-	-	-	-	8,907,079
International Stocks	-	-	-	-	-	-	-	-	337,394
Mutual Funds	-	-	-	-	-	-	-	-	25,307,803
Unit Investment Trust	-	-	-	-	-	-	-	-	2,573,369
Florida Municipal Investment Trust	-	-	2,394,108	-	-	-	-	-	12,449,360
	$ -	$ 528,608	$ 2,394,108	$ 264,928	$ -	$ 38,070	$ 125,230	$ 261,159	$ 49,738,386

Concentrations of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this disclosure requirement.

The investment policies for the Firefighters' and Police Officers' Pension Plans have established asset allocation limits on the following investments, which are designed to reduce the concentration of credit risk as follows:

- Investments in corporate common stock and convertible bonds shall not exceed 70% of the plan assets at market.
- Not more than 5% of the plan assets at the time of purchase shall be invested in the common stock, capital stock, or convertible stock of any one issuing company nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company.
- The value of bonds issued by any single corporation shall not exceed 10% of the total fund.
- All equity and fixed income securities must be readily marketable.
- Foreign securities shall not exceed 15% of the plan's market value.

Asset allocation in the FMPTF external investment pool at September 30, 2025, is as follows:

Asset Allocation	**Asset Allocation Percentage**
Cash and Money Market	0.8%
Broad Market High Quality Bond Portfolio	16.0%
Core Plus	14.8%
Diversified Large Cap Equity	25.4%
Core Real Estate	8.1%
Diversified Small Cap Equity Portfolio	13.1%
International Equity Portfolio	21.8%
Total	100%

As of September 30, 2025, the Town's investments subject to this disclosure requirement do not exceed 5% of its total investments in any single issuer.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. All foreign securities held by the pension plans are traded in U.S. dollars.

Fair Value Measurements: The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 Inputs—**are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2 Inputs—**are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly.
- **Level 3 Inputs—**are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

The Pension Trust Funds' investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value in the hierarchy described above. The fair value measurements for the Pension Trust Fund's operating investments are as follows at September 30, 2025:

		Fair Value Measurements Using		
Investments by Fair Value Level	**Amount**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Fiduciary Funds:				
Florida Municipal Pension Trust Fund				
General Employees' Pension Plan:				
FMIvT Broad Market High Quality Bond Fund	$ 2,394,108	$ -	$ 2,394,108	$ -
FMIvT Core Plus Fixed Income Fund	2,214,550	-	2,214,550	-
FMIvT Diversified Large Cap Equity	3,800,646	-	3,800,646	-
FMIvT Diversified Small to Mid Cap	1,960,176	-	1,960,176	-
FMIvT International Equity	3,261,971	-	3,261,971	-
FMIvT Core Real Estate Portfolio	1,212,017	-	1,212,017	-
Subtotal - General Employees' Pension Plan	14,843,468	-	14,843,468	-
Firefighters' Pension Plan:				
U.S. Government and Agency Securities	603,509	-	603,509	-
Corporate Bonds	777,867	-	777,867	-
Domestic Stocks	4,572,209	4,572,209	-	-
International Stocks	337,394	337,394	-	-
Mutual Funds	5,414,762	5,414,762	-	-
Unit Investment Trusts	803,349	803,349	-	-
Subtotal - Firefighters' Pension Plan	12,509,090	11,127,714	1,381,376	-
Police Officers' Pension Plan:				
Corporate Bonds	-	-	-	-
Domestic Stocks	4,334,870	4,334,870	-	-
Mutual Funds	19,893,041	19,893,041	-	-
Unit Investment Trusts	1,770,020	1,770,020	-	-
Subtotal - Police Officers' Pension Plan	25,997,931	25,997,931	-	-
Total Investments Measured at Fair Value	$ 53,350,489	$ 37,125,645	$ 16,224,844	$ -

Investments Measured at the Net Asset Value (NAV)	**Amount**	**Weighted Average Maturity**	**Credit Risk**
Governmental Funds:			
State Board of Administration (SBA):			
Florida PRIME	$ 321,615	47 days	AAAm (S&P)

Equities are valued based on prices quoted in active markets and are categorized as Level 1 in the fair value hierarchy. Federal Agency Securities are valued using matrix pricing techniques that value securities based on their relationship to benchmark quoted prices and are categorized as Level 2. Corporate bonds are valued using quoted prices for similar securities in active markets and are categorized as Level 2 in the fair value hierarchy. The FMIvT is an investment pool that offers both fixed income and equity portfolios. The FMIvT portfolios are categorized in the fair value hierarchy depending on their underlying securities. The Florida PRIME SBA is valued at NAV, which is included in the information released by Florida PRIME annually in its own financial statements. GASB Statement No. 72 lists several types of investments, including money markets, which are excluded from the fair value measurement and disclosure requirements. Therefore, the Town's money market investment accounts are recorded at cost and are excluded from fair value measurement and disclosure.

Note 3 - Receivables

Receivables at September 30, 2025, consist of the following:

	General Fund	Capital Project Sales Tax Fund	Non-Major Funds	Water and Sewer Fund	Stormwater Fund	Total
Receivables						
Accounts Receivable, Net	$ 195,843	$ -	$ -	$ 388,679	$ 21,850	$ 606,372
Due from Other Governments	1,089,516	576,115	251,721	191,982	205,335	2,314,669
Total	$ 1,285,359	$ 576,115	$ 251,721	$ 580,661	$ 227,185	$ 2,921,041

Included in accounts receivable are water and sewer usage fees earned but not billed of $287,248 as of September 30, 2025.

The above receivables are net of an allowance for uncollectible accounts, which is based on historical trends and/or the age of the receivable. The allowances at September 30, 2025, are as follows:

General Fund	$ 394,922
Water and Sewer	51,768
Total	$ 446,690

Note 4 - Interfund Transactions

Interfund transfers for the year ended September 30, 2025, were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	$ 92,538	$ -
Water and Sewer Fund	-	92,538
Total	$ 92,538	$ 92,538

	Transfers in: General Fund
Transfers out	
Sales Tax Fund	$ 70,000
Non-Major Governmental Funds	112,400
Water and Sewer Fund	465,000
Total	$ 647,400

Transfers of resources from a fund to the fund through which resources are to be expended, are recorded as transfers, and are reported as other financing sources (uses) in the governmental funds and as transfers in (out) in the proprietary funds.

The Water and Sewer Fund transferred $465,000 to the General Fund as payment in lieu of taxes.

The Building Department Fund transferred $112,400 to the General Fund to recover salaries and benefits paid by the General Fund on behalf of building department operations. The Sales Tax Fund transferred $70,000 to the General Fund for planning and design costs to create Development Design Guidelines and implement the Town Square Vision concept plan.

Note 5 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities Capital Assets					
Capital Assets Not Being Depreciated:					
Construction in Progress	$ 1,316,742	$ 3,250,227	$ -	$ (247,598)	$ 4,319,371
Land	2,697,041	-	-	-	2,697,041
Total Capital Assets Not Being Depreciated	4,013,783	3,250,227	-	(247,598)	7,016,412
Capital Assets Being Depreciated:					
Buildings and Improvements	6,712,366	-	-	-	6,712,366
Improvements Other Than Buildings	4,986,458	104,590	-	-	5,091,048
Infrastructure	31,666,020	719,689	-	247,598	32,633,307
Equipment	8,186,786	373,015	(96,971)	-	8,462,830
Total Capital Assets Being Depreciated	51,551,630	1,197,294	(96,971)	247,598	52,899,551
Less Accumulated Depreciation:					
Buildings and Improvements	(3,718,205)	(227,299)	-	-	(3,945,504)
Improvements Other Than Buildings	(5,009,982)	(598,757)	-	-	(5,608,739)
Infrastructure	(17,381,806)	(784,659)	-	-	(18,166,465)
Equipment	(6,441,511)	(578,050)	96,971	-	(6,922,590)
Total Accumulated Depreciation	(32,551,504)	(2,188,765)	96,971	-	(34,643,298)
Total Capital Assets Being Depreciated, Net	19,000,126	(991,471)	-	247,598	18,256,253
Governmental Activities Capital Assets, Net	$ 23,013,909	$ 2,258,756	$ -	$ -	$ 25,272,665

	Ending Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital Assets Not Being Depreciated:					
Construction in Progress	$ 3,227,775	$ 1,511,178	$ -	$ (1,735,224)	$ 3,003,729
Land	122,549	863,681	-	-	986,230
Total Capital Assets Not Being Depreciated	3,350,324	2,374,859	-	(1,735,224)	3,989,959
Capital Assets Being Depreciated:					
Buildings and Improvements	247,255	-	-	-	247,255
Improvements Other Than Buildings	47,092,265	2,055,903	-	871,543	50,019,711
Equipment	2,064,351	151,991	(29,021)	-	2,187,321
Total Capital Assets Being Depreciated	49,403,871	2,207,894	(29,021)	871,543	52,454,287
Less Accumulated Depreciation:					
Buildings and Improvements	(157,624)	(11,104)	-	-	(168,728)
Improvements Other Than Buildings	(21,446,378)	(1,671,469)	-	-	(23,117,847)
Equipment	(1,613,106)	(223,258)	29,021	-	(1,807,343)
Total Accumulated Depreciation	(23,217,108)	(1,905,831)	29,021	-	(25,093,918)
Total Capital Assets Being Depreciated, Net	26,186,763	302,063	-	871,543	27,360,369
Total Business-Type Activities, Net	$ 29,537,087	$ 2,676,922	$ -	$ (863,681)	$ 31,350,328

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General Government	$ 169,705
Public Safety	337,348
Public Works	1,434,653
Culture and Recreation	247,059
Total Depreciation Expense - Governmental Activities	$ 2,188,765
Business-Type Activities	
Water and Sewer System	$ 1,841,087
Stormwater	64,744
Total Depreciation Expense - Business-Type Activities	$ 1,905,831

Note 6 - Long-Term Obligations

Change in long-term obligations for the year ended September 30, 2025, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	$ 901,370	$ 814,835	$ (688,740)	$ 1,027,465	$ 434,975
OPEB	527,709	92,004		619,713	-
Total Governmental Activities	$ 1,429,079	$ 906,839	$ (688,740)	$ 1,647,178	$ 434,975
Business-Type Activities					
Compensated Absences	$ 41,460	$ 84,492	$ (47,220)	$ 78,732	$ 33,331
OPEB	77,567	14,721	-	92,288	-
Total Business-Type Activities	$ 119,027	$ 99,213	$ (47,220)	$ 171,020	$ 33,331

For governmental activities, the General Fund is used to liquidate compensated absences, the net pension liability, and the OPEB liability.

Note 7 - Pension Plans

General Employees' Pension Plan

Plan Description

The Town contributes to the General Employees' Pension Plan, which is a single-employer defined benefit public employees' retirement system (PERS), established pursuant to Town Ordinance 11-89 adopted May 2, 1989, and as subsequently amended by Town Council. The PERS does not issue a financial report separate from the Town's financial statements. The plan has three distinct classes of participants:

Group A: Non-union participants (not identified as Local 630 or in a dispatcher position)
Group B: Local 630 participants
Group C: Dispatcher participants

Plan Benefits and Contributions

The General Employees' Pension Plan provides pension and death benefits to its members. As stipulated by Town ordinance, authority to establish and amend benefit provisions of the General Employees' Pension Plan along with the authority to provide for cost-of-living adjustments rests with the Town Council.

Vesting

All general, full-time, permanent employees who have completed one year of service are eligible to participate in PERS. Under the provisions of the PERS, pension benefits vest upon completion of five years of credited service. An employee may retire at the earlier of age 65 with ten (10) years of service, or age 62 with 20 years of service.

Average Monthly Earnings

- Group A:
  One-twelfth of the arithmetic average of earnings of the five (5) highest years of service of the ten (10) years immediately preceding retirement or termination, but not less than the highest three-year average as of June 7, 2016.

- Group B:
  One-twelfth of the arithmetic average of earnings for the last five (5) years immediately preceding retirement or termination.

- Group C:
  One-twelfth of the arithmetic average of earnings for the five (5) highest years of service of the ten (10) years immediately preceding retirement or termination.

Accrued Benefit

Group A (Hired prior to 6/7/2016):	2.50% per year.
Group A (Hired on or after 6/7/2016):	2.00% per year.
Group B:	2.50% per year prior to 10/1/13, 2.00% thereafter.
Group C (Hired prior to 6/3/2014):	2.50% per year prior to 6/3/14, 2.25% thereafter.
Group C (Hired on or after 6/3/2014):	2.00% per year.

Maximum Benefit Accrual

Group A (Hired prior to 6/7/2016):	75% of Average Monthly Earnings, but not less than the percentage accrued as of June 7, 2016.
Group A (Hired on or after 6/7/2016):	75% of Average Monthly Earnings.
Group B:	75% of Average Monthly Earnings, but not less than the percentage accrued as of September 30, 2013.
Group C (Hired prior to 6/3/2014):	90% of Average Monthly Earnings.
Group C (Hired on or after 6/3/2014):	75% of Average Monthly Earnings.

Early Retirement

Participants are eligible for early retirement upon reaching age 55 and completing ten (10) years of credited service. The accrued benefit is reduced 1/15th each year for the first five (5) years that early retirement precedes normal retirement and 1/30th each year for the next five (5) years.

Pre-Retirement Death Benefits

Benefit Married:	If eligible for Early Retirement, 50% of member's accrued benefit had he or she elected the joint and survivorship annuity and retired the day before death, payable to spouse for life.

Benefit Not Married:	If eligible for Early Retirement, member's accrued benefit had he or she elected the 10-year certain and life annuity and retired the day before death.

Contributions
Members are required to contribute as follows:

Group A: 3.0% of earnings, effective June 7, 2016.
Group B: 3.0% of earnings.
Group C: 5.0% of earnings.

Town Contributions
The Town is required to contribute at an actuarially determined rate (5.76% of valuation payroll for the year ended September 30, 2025).

Plan Investments
The General Employees' Pension Plan is invested in a group contract with FMPTF.

The plan did not hold investments in any one organization that represents 5% or more of the pension plan's fiduciary net position. For the year ended September 30, 2025, the annual money-weighted rate of the return on pension plan investments, net of pension plan investment expense, was 8.20%.

Measurement Date
As permitted by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the Town elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2024, one year prior to the reporting date. The Town's Pension Trust Funds do not issue separate financial statements. Therefore, the disclosures required by GASB Statement No. 67 as of September 30, 2025, are also included below.

Plan Membership
Plan membership in the General Employees' Pension Plan is as follows:

	October 1, 2024
Retirees and Beneficiaries	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	43
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	46
Active Plan Members	37
Total Retirees and Beneficiaries	126

General Employees' Pension Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2023	$ 12,093,810	$ 12,199,035	$ (105,225)
Changes for the Year:			
Service Cost	244,176	-	244,176
Interest	811,260	-	811,260
Differences Between Expected and Actual Experience	(433,487)	-	(433,487)
Contributions - Employer	-	174,400	(174,400)
Contributions - Employee	-	89,954	(89,954)
Net Investment Income	-	2,364,228	(2,364,228)
Benefit Payments, Including Refunds of Contributions	(630,153)	(630,153)	-
Administrative Expenses	-	(1,000)	1,000
Net Changes	(8,204)	1,997,429	(2,005,633)
Balances at September 30, 2024	$ 12,085,606	$ 14,196,464	$ (2,110,858)

September 30, 2025	
Total Pension Liability	$ 12,740,611
Plan Net Position	(14,963,173)
Net Pension Liability (Asset)	$ (2,222,562)
Plan Net Position as a Percentage of Total Pension Liability	117.44%

For the year ended September 30, 2025, the Town recognized total pension expense of $(219,282). The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflow of Resources	
Contributions Made After the Measurement Date	$ 173,975
Net Difference Between Projected and Actual Earnings	-
Differences Between Actual and Expected Experience	24,235
Total Deferred Outflow of Resources	$ 198,210
Deferred Inflow of Resources	
Differences Between Projected and Actual Earnings on Plan Investments	$ 508,862
Differences Between Actual and Expected Experience	252,867
Total Deferred Inflow of Resources	$ 761,729

Contributions made after the measurement date (shown above) will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30	Amount
2026	$ (232,395)
2027	139,106
2028	(339,579)
2029	(304,626)
Total	$ (737,494)

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

Inflation	2.75%
Salary Increases	4.75%
Investment Rate of Return	7.00%
Mortality	For Healthy Participants, PUB-2010, Scale MP-2018

Discount Rate. A discount rate of 7.0% was used to measure the total pension liability. The discount rate was based on the expected rate of return on plan investments of 7.0%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member contribution rate. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future expected benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability/(Asset) to the Discount Rate Assumption:

As of September 30, 2025

Net Pension Liability/(Asset)	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
General Employees' Pension Plan	$ (735,489)	$ (2,222,562)	$ (3,465,638)

As of September 30, 2024

Net Pension Liability/(Asset)	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
General Employees' Pension Plan	$ (693,658)	$ (2,110,858)	$ (3,296,649)

Firefighters' Pension Plan

Plan Description

The Firefighters' Pension Plan, a single-employer defined benefit plan, was established pursuant to Town Ordinance 8-89 adopted March 21, 1989, and as subsequently amended by the Town Council. Members of the Firefighters' Pension Plan include full-time state certified firefighters. The funding method and determination of benefits payable are provided in various acts of the Florida Legislature (the Act), which created funds, including subsequent amendments, thereto. The Act provides, in general, that funds are to be accumulated from employee contributions, Town contributions, state appropriations, and income from investment of accumulated funds. The Act also provides that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the Town shall supplement the fund by an appropriation from current funds or from any revenue which may lawfully be used for said purposes in an amount sufficient to make up the deficiency. The Firefighters' Pension Plan is administered by a Board of Trustees (the Board). The Board consists of five trustees, two of whom are legal residents of the Town who are appointed by the Town Council, two of whom are members of the plan who are elected by the membership, and a fifth member is elected by the other four and appointed by the Town Council. Each trustee serves a two-year term. Investments are reported at fair value. The Firefighters' Pension Plan does not issue a stand-alone financial report.

Plan Benefits and Contributions

The Firefighters' Pension Plan provides pension, death, and disability benefits to its members. As stipulated by Town ordinance, authority to establish and amend benefit provisions of the Firefighters' Pension Plan along with the authority to provide for cost-of-living adjustments rests with the Town Council.

Vesting

Each person employed by the Town Fire Department as a full-time Firefighter becomes a member of the Plan. Members are considered vested after five years of credited service and are entitled to plan benefits. Fire Department employees attaining the earlier of the age of 55 and ten (10) years of credited service or 25 years of credited service regardless of age are considered fully vested in the plan.

Benefit

If hired prior to June 7, 2016, the retirement benefit is equal to 3.00% of average final compensation for each year of credited service. If hired after June 6, 2016, the retirement benefit is equal to 2.75% of average final compensation for each year of credited service.

Maximum Benefit

If hired prior to June 7, 2016, 80% of average final compensation. If hired after June 6, 2016, 75% of average final compensation.

Early Retirement

Members are eligible for early retirement upon reaching age 50 and ten (10) years of credited service. The retirement benefit is based on the accrued benefit, reduced 3.0% per year for each year prior to normal retirement.

Disability Benefits
For service incurred disabilities, active employees receive disability benefits accrued to the date of disability but not less than 42% of average final compensation, subject to the maximum limit. For non-service incurred disabilities, employees with ten (10) years of credited service receive disability benefits accrued to the date of disability. Disability benefits are payable for life with 120 monthly payments guaranteed, or until recovery, as determined by the Board.

Pre-Retirement Death Benefits
If an employee dies before completion of five (5) years of continuous service, employee contributions are refunded without interest. If an employee dies after the completion of at least five (5) years of continuous service, the monthly accrued benefits, reduced actuarially, are payable to the designated beneficiary for their lifetime. After retirement, benefits are payable to the beneficiary in accordance with the option selected at retirement.

Contributions
The Town is required to contribute at an actuarially determined rate of 19.54% valuation payroll for the year ended September 30, 2025. The Town and state contributions to the Firefighters' Pension Plan were $451,805 for the year ended September 30, 2025. Under the provisions of the Town Ordinance, Fire Department employees of the Town are required to contribute 4% of their annual compensation to the Firefighters' Pension Plan. The payments are deducted from the employees' wages and remitted by the Town to the Firefighters' Pension Plan bi-weekly.

Administrative costs are funded by contributions made to the plan. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the standardized measure of the pension benefit obligation. The Town must provide annual contributions sufficient to satisfy any actuarially determined contribution requirements not covered by the state premium tax refunds and employee contributions.

Plan Investments
The Firefighters' Pension Board is responsible for establishing and amending the plans' investments. The plan's current investment policy gives the Board discretion to allocate assets provided that no more than 60% of the funds at cost are invested in common stock or capital stock.

The plan did not hold investments in any one organization that represents 5% or more of the pension plan's fiduciary net position. The money-weighted rate of return on plan investments, net of related investment expenses, was 13.65% for the year ended September 30, 2025.

Measurement Date
As permitted by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the Town elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2024, one year prior to the reporting date. The Town's Pension Trust Funds do not issue separate financial statements. Therefore, the disclosures required by GASB Statement No. 67 as of September 30, 2025, are also included below.

Plan Membership

Plan membership in the Firefighters' Pension Plan is as follows:

	October 1, 2024
Retirees and Beneficiaries	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	27
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	11
Active Plan Members	17
Total Retirees and Beneficiaries	55

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

Firefighters' Pension Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2023	$ 11,171,981	$ 9,258,108	$ 1,913,873
Changes for the Year:			
Service Cost	313,547	-	313,547
Interest	815,370	-	815,370
Differences Between Expected and Actual Experience	467,436	-	467,436
Changes of Benefit Terms	(478,102)	-	(478,102)
Contributions - Employer	-	254,341	(254,341)
Contributions - State	-	133,302	(133,302)
Contributions - Employee	-	64,401	(64,401)
Net Investment Income	-	2,302,894	(2,302,894)
Benefit Payments, Including Refunds of Contributions	-	(478,102)	478,102
Administrative Expenses	-	(51,039)	51,039
Net Changes	1,118,251	2,225,797	(1,107,546)
Balances at September 30, 2024	$ 12,290,232	$ 11,483,905	$ 806,327

September 30, 2025	
Total Pension Liability	$ 13,083,430
Plan Net Position	(12,969,953)
Net Pension Liability (Asset)	$ 113,477
Plan Net Position as a Percentage of Total Pension Liability	99.13%

Differences between plan fiduciary net position presented above and the amounts presented in the financial statements are due to certain accruals which are the result of timing differences. These differences are not considered to be significant.

For the year ended September 30, 2025, the Town recognized total pension expense of $696,048. The Town reported deferred outflows of resources related to pensions from the following sources:

Deferred Outflow of Resources		
Contributions Made After the Measurement Date	$	451,805
Differences Between Actual and Expected Experience		509,440
Changes of Assumptions		-
Net Difference Between Projected and Actual Earnings		-
Total Deferred Outflow of Resources	$	961,245
Deferred Inflow of Resources		
Changes in Assumptions	$	-
Net Difference Between Projected and Actual Earnings		772,461
Total Deferred Inflow of Resources	$	772,461

Contributions made after the measurement date (shown above) will be recognized as a reduction in the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30		**Amount**
2026	$	215,021
2027		224,579
2028		(375,726)
2029		(326,895)
Total	$	(263,021)

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

Inflation	2.50%
Salary Increases	Service Based
Discount Rate	7.25%
Investment Rate of Return	7.25%
Mortality	PUB-2010, projected generationally with Scale MP-2018
Mortality Disabled	PUB-2010, projected generationally with Scale MP-2018, Disabled

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Domestic Equity	50%	7.5%
International Equity	15%	8.5%
Broad Market Fixed Income	25%	2.5%
Real Estate	10%	4.5%

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate. The following presents the net pension liability of the Firefighters' Pension Plan Fund, calculated using the discount rate of 7.25%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

As of September 30, 2025	**1% Decrease (6.25%)**	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
Net Pension (Asset) Liability	$ 1,720,653	$ 113,474	$ (1,224,806)

As of September 30, 2024	**1% Decrease (6.25%)**	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
Net Pension (Asset) Liability	$ 2,308,569	$ 806,324	$ (449,777)

Police Officers' Pension Plan

Plan Description

The Police Officers' Pension Plan, a single-employer defined benefit pension plan, was established pursuant to Town Ordinance 28-82, adopted December 28, 1982, as subsequently amended by the Town Council. Members of the Police Officers' Pension Plan include full-time state certified police officers. The funding method and determination of benefits payable are provided in various acts of the Florida Legislature (the Act), which created funds, including subsequent amendment, thereto. The Act provides, in general, that funds are to be accumulated from employee contributions, Town contributions, state appropriations, and income from investment of accumulated funds. The Act also provides that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the Town shall supplement the fund by an appropriation from current funds or from any revenue which may lawfully be used for said purposes in an amount sufficient to make up the deficiency. The Police Officers' Pension Plan is administered by the Board. The Board consists of five trustees: two citizens of Orange Park appointed by the Town, two full-time Police Officers who are elected by a majority of the Members of the Plan, and a fifth trustee who is chosen by a majority of the first four Trustees. Each trustee serves a four-year term. Investments are reported at fair value. The Police Officers' Pension Plan does not issue a stand-alone financial report.

Plan Benefits

The Police Officers' Pension Plan provides pension, death, and disability benefits to its members. As stipulated by Town ordinance, authority to establish and amend benefit provisions of the Police Officers' Pension Plan along with the authority to provide for cost-of-living adjustments rests with the Town Council. In 2014, the Town passed Ordinance 12-14 amending the Police Officers' Pension Plan. The Ordinance amended several key provisions of the Plan as noted throughout the paragraphs below.

Vesting
All Police Department employees attaining the earlier of the age of 55 and ten (10) years of credited service or age 52 and 25 years of credited service are entitled to a retirement benefit.

Accrued Benefit
The accrued benefit is a percentage of average monthly earnings, based on the following accrual rates:

Hire Date	Applicable Credited Service	Accrual Rate
Before 11/13/12	Prior to 11/13/12	3.75%
Between 11/13/12 and 06/02/14		3.50%
On and After 06/03/14		3.35%
Between 11/13/12 and 06/02/14	All Years of Credited Service	3.25%
Between 06/03/14 and 05/02/16	All Years of Credited Service	3.20%
On and After 05/03/16	All Years of Credited Service	3.00%

Maximum Benefit
If hired prior to November 13, 2012, 90% of average monthly earnings. If hired after November 13, 2012, 75% of average monthly earnings.

Supplemental Benefit
Each member hired prior to November 13, 2012, who retires under normal retirement shall receive an additional $200 per month payable for life. For members hired on or after November 13, 2012, the additional benefit shall be $100 per month payable for life.

Early Retirement
Employees who have attained age 45 and have completed ten (10) years of service are eligible for an early retirement equal to the applicable multiplier times average monthly earnings times years of credited service (excluding the supplement), reduced 3% for each year that early retirement precedes normal retirement.

Disability Benefits
Active employees who become disabled receive disability benefits (upon expiration of accrued sick pay and vacation pay) of 50% of pay on date of disability if service connected. Employees who become disabled from a non-service-connected disability must have ten (10) years of credited service to receive benefits of 25% of pay on date of disability. The minimum disability benefit is 2% of average monthly earnings times years of credited service. The benefits are payable for life, with 120 monthly payments guaranteed, or until recovery, as determined by the Board. If an employee is terminated before completion of five (5) years of continuous service, employee contributions are refunded without interest.

Contributions
The Town is required to contribute at an actuarially determined rate (21.59% of valuation payroll for the year ended September 30, 2025). Town and state contributions to the plan were $625,056 for the year ended September 30, 2025. Employees are required to contribute a rate of not less than 6.5% of gross earnings. For employees hired before the effective date of Ordinance 12-14, their contribution is reduced to 3% of gross earnings once such employees reach the maximum accrual of 90% of average monthly earnings.

Plan Investments

The Board is responsible for establishing and amending the plan's investment policies. The plan's current investment policy gives the Board discretion to allocate assets provided that no more than 70% of the total market value of assets of the fund shall at any time be invested in common and/or preferred stocks, nor shall the aggregate investment in any one issuing company exceed one percent of the outstanding capital stock of that company. The plan did not hold investments in any one organization that represents 5% or more of the pension plan's fiduciary net position. The money-weighted rate of return on plan investments, net of related investment expenses, was 9.15% for the year ended September 30, 2025.

Measurement Date

As permitted by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the Town elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2024, one year prior to the reporting date. The Town's Pension Trust Funds do not issue separate financial statements. Therefore, the disclosures required by GASB Statement No. 67 as of September 30, 2025, are also included below.

Plan membership in the Police Officer's Pension Plan is as follows:

	October 1, 2024
Retirees and Beneficiaries	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	34
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	14
Active Plan Members	24
Total Retirees and Beneficiaries	72

Police Officers' Pension Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2023	$ 24,556,869	$ 21,607,079	$ 2,949,790
Changes for the Year:			
Service Cost	421,929	-	421,929
Interest	1,615,344	-	1,615,344
Differences Between Expected and Actual Experience	96,376	-	96,376
Contributions - Employer	-	284,724	(284,724)
Contributions - State	-	171,282	(171,282)
Contributions - Employee	-	108,672	(108,672)
Net Investment Income	-	4,680,932	(4,680,932)
Benefit Payments, Including Refunds of Contributions	(1,738,364)	(1,738,364)	-
Administrative Expenses	-	(68,488)	68,488
Net Changes	395,285	3,438,758	(3,043,473)
Balances at September 30, 2024	$ 24,952,154	$ 25,045,837	$ (93,683)

September 30, 2025	
Total Pension Liability	$ 27,529,275
Plan Net Position	(26,719,183)
Net Pension Liability (Asset)	$ 810,092
Plan Net Position as a Percentage of Total Pension Liability	97.06%

Differences between plan fiduciary net position presented above and the amounts presented in the financial statements are due to certain accruals which are the result of timing differences. These differences are not considered to be significant.

For the year ended September 30, 2025, the Town recognized total pension expense of $504,607. The Town reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

Deferred Outflow of Resources		
Contributions Made after the Measurement Date	$	625,056
Changes of Assumptions		-
Net Difference Between Projected and Actual Earnings		-
Differences Between Actual and Expected Experience		147,105
Total Deferred Outflow of Resources	$	772,161
Deferred Inflow of Resources		
Differences Between Actual and Expected Experience	$	10,973
Net Difference Between Projected and Actual Earnings		1,031,087
Total Deferred Inflow of Resources	$	1,042,060

Contributions made after the measurement date (shown above) will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30		**Amount**
2026	$	7,095
2027		613,838
2028		(860,817)
2029		(655,071)
Total	$	(894,955)

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

Inflation	2.50%
Salary Increases	Service based
Discount Rate	6.70%
Investment Rate of Return	6.70%
Mortality	PUB-2010, projected generationally with Scale MP-2018
Mortality Disabled	PUB-2010, projected generationally with Scale MP-2018, Disabled

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	51.25%	7.5%
International Equity	10.00%	8.5%
Broad Market Fixed Income	31.25%	2.5%
Real Estate	7.50%	4.5%

Discount Rate. The discount rate used to measure the total pension liability was 6.70%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate. The following presents the net pension liability of the Police Officers' Pension Fund, calculated using the discount rate of 6.70%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

As of September 30, 2025	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Net Pension Liability/(Asset)	$ 4,326,433	$ 810,092	$ (2,103,971)

As of September 30, 2024	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Net Pension Liability/(Asset)	$ 3,086,214	$ (93,684)	$ (2,726,382)

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2025

	General Employees' Pension Plan Fund	Firefighters' Pension Plan Fund	Police Officers' Pension Plan Fund	Total
Assets				
Cash and Cash Equivalents	$ 119,705	$ 431,035	$ 641,710	$ 1,192,450
Receivables:				
Due from Town	-	67,899	103,348	171,247
Accrued Income	-	13,507	4,040	17,547
Total Receivables	-	81,406	107,388	188,794
Prepaid Benefits	-	-	2,729	2,729
Investments:				
Florida Municipal Pension Trust Fund:				
FMIvT Broad Market High Quality Bond Fund	2,394,108	-	-	2,394,108
FMIvT Core Plus Fixed Income Fund	2,214,550	-	-	2,214,550
FMIvT Diversified Large Cap Equity	3,800,646	-	-	3,800,646
FMIvT Diversified Small to Mid Cap	1,960,176	-	-	1,960,176
FMIvT International Equity	3,261,971	-	-	3,261,971
FMIvT Core Real Estate Portfolio	1,212,017	-	-	1,212,017
U.S. Government and Agency Securities	-	603,509	-	603,509
Corporate Bonds	-	777,867	-	777,867
Domestic Stocks	-	4,572,209	4,334,870	8,907,079
International Stocks	-	337,394	-	337,394
Mutual Funds	-	5,414,759	19,893,044	25,307,803
Real Estate Investment Fund	-	803,348	1,770,021	$ 2,573,369
Total Investments	14,843,468	12,509,086	25,997,935	53,350,489
Total Assets	14,963,173	13,021,527	26,749,762	54,734,462
Liabilities				
Accounts Payable	-	51,574	30,579	82,153
Total Liabilities	-	51,574	30,579	82,153
Net Position Held in Trust for Pension Benefits	$ 14,963,173	$ 12,969,953	$ 26,719,183	$ 54,652,309

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Employees' Pension Plan Fund	Firefighters' Pension Plan Fund	Police Officers' Pension Plan Fund	Total
Additions				
Contributions:				
Employee Contributions	$ 97,951	$ 63,927	$ 123,701	$ 285,579
Employer Contributions	173,975	304,383	445,554	923,912
State Contributions	-	147,422	179,502	326,924
Total Contributions	271,926	515,732	748,757	1,536,415
Investment Earnings:				
Change in Fair Value of Investments	1,170,939	1,317,900	1,631,190	4,120,029
Interest and Dividends	-	297,466	686,122	983,588
Total Investment Earnings	1,170,939	1,615,366	2,317,312	5,103,617
Less Investment Expense	(26,195)	(65,404)	(65,595)	(157,194)
Net Investment Income	1,144,744	1,549,962	2,251,717	4,946,423
Total Additions	1,416,670	2,065,694	3,000,474	6,482,838
Deductions				
Benefit Payments	640,814	518,381	1,237,342	2,396,537
Refunds	9,147	-	-	9,147
Administrative Expenses	-	61,265	89,786	151,051
Total Deductions	(649,961)	(579,646)	(1,327,128)	(2,556,735)
Change in Net Position	766,709	1,486,048	1,673,346	3,926,103
Net Position Held in Trust for Pension Benefits, Beginning of Year	14,196,464	11,483,905	25,045,837	50,726,206
Net Position Held in Trust for Pension Benefits, End of Year	$ 14,963,173	$ 12,969,953	$ 26,719,183	$ 54,652,309

Note 8 - Deferred Compensation Plans

The Town maintains for its employees two deferred compensation plans under provisions of Internal Revenue Code Section 457 (the Plans). The Plans, available to all full-time employees, allow participants to defer a portion of their salary until future years. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. The Town has very little administrative involvement, performs no investing function and has no fiduciary responsibility for these Plans. All amounts of compensation deferred under the Plans, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are solely the property and rights of the participants and are not subject to claims of the Town’s creditors. Accordingly, these Plan assets are not reported as a part of the financial statements.

Note 9 - Other Postemployment Benefits

The Town provides retirees with the option to purchase health and dental insurance (at their own expense) from the Town's single employer, experience rated health insurance plan (the Plan) that provides medical and dental benefits to active and eligible retirees at the Town's group rate as mandated by Florida Statute 112.0801. State law prohibits the Town from separately rating retirees and active employees; therefore, this requirement creates an implicit rate benefit for the retirees' because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. As a result, the Town is subsidizing the premium rates paid by retirees by allowing them to participate in the Plan at reduced or blended group premium rates. The Plan does not issue a separate publicly available financial report.

Membership Information

The following table provides a summary of the number of participants in the plan as of October 1, 2024 (the latest valuation date).

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	92
Total Plan Members	112

Funding Policy

Contribution requirements for the Plan of the Town are established and may be amended by Town Council. The Town has followed the pay-as-you-go funding policy. The Town pays any remaining required amounts after contributions of Plan members are taken into account. Currently, retired members pay the full premium associated with the coverage elected and there is no direct Town subsidy. Spouses and other dependents are also eligible for coverage, and the member is responsible for payment of the applicable premiums.

Total OPEB Liability—The Town's total OPEB liability of $712,001 was measured as of October 1, 2024, which is one year prior to the reporting date. The actuarial valuation date was October 1, 2024.

Changes in the Total OPEB Liability

Total OPEB Liability,	
Beginning of Year	$ 605,276
Service Cost	43,212
Interest on Total OPEB Liability	29,468
Differences Between Actual and Expected Experience	-
Changes of Assumptions and Other Inputs	58,352
Benefit Payments	(24,307)
Net Change in Total OPEB Liability	106,725
Total OPEB Obligation, End of Year	$ 712,001

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the Town as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 2.81%	Current Discount Rate 3.81%	1% Increase 4.81%
Total OPEB Liability	$ 794,092	$ 712,001	$ 641,774

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

The following table presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 647,031	$ 712,001	$ 788,866

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

For the fiscal year ended September 30, 2025, the Town recognized OPEB expense of $16,020. At September 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Benefits Paid After Measurement Date	$ 25,307	$ -
Differences Between Actual and Expected Experience	-	154,778
Changes of Assumptions or Other Inputs	57,989	122,890
Total	$ 83,296	$ 277,668

Of the total amount reported as deferred outflows of resources related to OPEB, $25,307 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended September 30, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	Amount
2026	$ (58,674)
2027	(60,041)
2028	(57,642)
2029	(38,978)
2030	(8,833)
Thereafter	4,490
Total	$ (219,678)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	October 1, 2023
Measurement Date:	October 1, 2024
Reporting Date:	September 30, 2025
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.75%
Discount Rate:	3.81%
Projected Salary Increases:	4.25%-10.00%
Retirement Age:	Retirement ages follow the pension plan retirement ages as described in Note 7.
Mortality:	Healthy members based on various PUB-2010 mortality tables and generational mortality improvements with Scale MP-2018.
Healthcare Cost Trend Rate:	Based on the Getzen Model, with trend starting at 6.30% and gradually decreasing to an ultimate trend rate of 4.00% in 2042.
Expenses:	Administrative expenses are equal to expected expenses during the measurement period as provided by the Town.

Note 10 - Interlocal Agreement

The Town annually executes agreements with the Board of County Commissioners of Clay County, Florida (the County). The agreements specify services related to transportation, public safety, culture/recreation, and physical environment that will be performed by the Town or reimbursed to the County for their performance of the services. The intent and purpose of the agreements is to ensure that tax dollars collected in the Town are not allocated to pay costs incurred by the County for providing services in unincorporated areas.

Note 11 - Risk Management

The Town is exposed to various risks of loss related to general/professional liability, automobile liability, property damage, and workers' compensation. The Town purchases commercial insurance with various deductibles for the various types of losses. The Town has not had any significant reduction in insurance coverage, and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

Note 12 - Commitments and Contingencies

The Town is subject to various disputes, legal proceedings, and labor relation claims, which arise in the normal course of its operations. Although the outcome of these issues is not presently determinable, it is the opinion of the Town that the resolution of these matters will not have a material adverse effect to the financial condition of the Town.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 6,584,372	$ 6,584,372	$ 6,692,696	$ 108,324
Permits, Fees, and Special Assessments	1,077,750	1,077,750	1,147,586	69,836
Intergovernmental	1,979,470	1,979,470	3,075,417	1,095,947
Charges for Services	2,400,906	2,400,906	2,490,673	89,767
Fines and Forfeitures	1,260,000	1,260,000	1,445,376	185,376
Investment Income	211,500	211,500	475,551	264,051
Miscellaneous	135,000	135,000	159,432	24,432
Total Revenues	13,648,998	13,648,998	15,486,731	1,837,733
Expenditures				
Current:				
Legislative	263,302	263,302	247,701	15,601
Code Enforcement	156,650	156,650	137,612	19,038
Executive	209,930	249,930	222,330	27,600
Human Resources	116,950	116,950	51,279	65,671
Finance	568,996	568,996	556,305	12,691
Economic and Community Development	231,920	231,920	214,170	17,750
Non-Departmental Government Expenditures	3,013,661	3,117,424	2,263,360	854,064
Facilities Maintenance	1,352,028	1,531,757	1,012,034	519,723
Equipment Maintenance	203,378	203,378	194,102	9,276
Memorial Day	2,500	2,500	1,706	794
Police	4,400,128	4,424,128	4,334,632	89,496
Fire	3,185,027	3,154,527	2,955,511	199,016
Streets, Roads, and Drainage	921,052	924,052	900,538	23,514
Rescue Services	125,540	156,390	112,699	43,691
Public Works Administration	1,498,898	1,498,898	1,447,198	51,700
Recreation and Programs	285,204	251,441	244,034	7,407
(Total Expenditures)	(16,535,164)	(16,852,243)	(14,895,211)	1,957,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,886,166)	(3,203,245)	591,520	3,794,765
Other Financing Sources (Uses)				
Transfers in	577,400	647,400	647,400	-
Total Other Financing Sources (Uses)	577,400	647,400	647,400	-
Net Change in Fund Balance	(2,308,766)	(2,555,845)	1,238,920	3,794,765
Fund Balance, Beginning of Year	2,308,766	2,555,845	10,714,204	8,158,359
Fund Balance, End of Year	$ -	$ -	$ 11,953,124	$ 11,953,124

Note 1 - Budgetary Information

The budget is prepared on a basis consistent with generally accepted accounting principles using the modified accrual basis of accounting. The Town of Orange Park, Florida maintains the legal level of budgetary control at the activity level in the General Fund. Total expenditures may not exceed appropriations without Council of the Town approval.

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION PLAN

	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Total Pension Liability										
Service Cost	$ 260,111	$ 244,176	$ 238,265	$ 250,068	$ 198,442	$ 241,329	$ 232,299	$ 242,895	$ 214,252	$ 184,303
Interest	854,726	811,260	810,964	774,208	777,403	747,461	725,020	697,173	689,944	642,052
Benefit Changes	-	-	-	-	-	-	-	-	-	(32,351)
Differences Between Actual and Expected Experience	189,129	(433,487)	105,015	(495,369)	45,141	41,280	(132,614)	(498,830)	(29,834)	19,887
Assumption Changes	-	-	-	-	-	(200,214)	-	15,088	-	120,280
Benefit Payments, Including Refunds of Member Contributions	(648,961)	(630,153)	(604,718)	(580,086)	(575,405)	(551,190)	(422,466)	(375,627)	(316,027)	(248,893)
Net Change in Total Pension Liability	655,005	(8,204)	549,526	(51,179)	445,581	278,666	402,239	80,699	558,335	685,278
Total Pension Liability, Beginning	12,085,606	12,093,810	11,544,284	11,595,463	11,149,882	10,871,216	10,468,977	10,388,278	9,829,943	9,144,665
Total Pension Liability, Ending (a)	12,740,611	12,085,606	12,093,810	11,544,284	11,595,463	11,149,882	10,871,216	10,468,977	10,388,278	9,829,943
Plan Fiduciary Net Position										
Contributions - Town	173,975	174,400	168,497	169,628	135,308	172,921	168,906	177,948	311,423	419,653
Contributions - Member	97,951	89,954	82,499	82,280	74,471	72,296	67,573	66,273	65,433	48,259
Net Investment Income	1,144,744	2,364,228	972,994	(1,806,060)	2,252,116	722,773	566,194	759,187	1,213,981	2,010,513
Benefit Payments, Including Refunds of Member Contributions	(648,961)	(630,153)	(604,718)	(580,086)	(575,405)	(551,190)	(422,466)	(375,627)	(316,027)	(248,893)
Administrative Expenses	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(425)	(2,575)
Net Change in Plan Fiduciary Net Position	766,709	1,997,429	618,272	(2,135,238)	1,885,490	415,800	379,207	626,781	1,274,385	2,226,957
Plan Fiduciary Net Position, Beginning	14,196,464	12,199,035	11,580,763	13,716,001	11,830,511	11,414,711	11,035,504	10,408,723	9,134,338	6,907,381
Plan Fiduciary Net Position, Ending (b)	14,963,173	14,196,464	12,199,035	11,580,763	13,716,001	11,830,511	11,414,711	11,035,504	10,408,723	9,134,338
Net Pension Liability (Asset), Ending (a) - (b)	$ (2,222,562)	$ (2,110,858)	$ (105,225)	$ (36,479)	$ (2,120,538)	$ (680,629)	$ (543,495)	$ (566,527)	$ (20,445)	$ 695,605
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	117.44%	117.47%	100.87%	100.32%	118.29%	106.10%	105.00%	105.41%	100.20%	92.92%
Covered Employee Payroll	$ 3,020,283	$ 2,540,153	$ 2,524,823	$ 2,542,108	$ 2,150,340	$ 2,173,943	$ 2,008,990	$ 2,045,341	$ 2,189,775	$ 2,131,622
Net Pension Liability as a Percentage of Covered Employee Payroll	-73.59%	-83.10%	-4.17%	-1.43%	-98.61%	-31.31%	-27.05%	-27.70%	-0.93%	32.63%

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION PLAN

Notes to Schedule:

Changes of Benefit Terms:
For measurement date 9/30/2016, Ordinance 11-16 was adopted by Town Council on June 7, 2016, which amended benefits for employees not represented by Local 630 or in dispatcher positions. The plan changes that were made in conjunction with that Ordinance are as follows:

- Average annual earnings are the average for the highest five years of service for the last ten years preceding retirement, termination, or death. However, average annual earnings cannot be less than the average annual earnings as of June 7, 2016.

- The benefit multiplier is 2.00% for participants hired on or after June 7, 2016.

- The maximum pension benefit is 75% of average earnings but not less than the maximum pension benefit as of June 7, 2016.

- Employee contributions are 3.00% of gross earnings effective June 7, 2016.

Changes of Assumptions:
For measurement date 09/30/2017, as a result of Chapter 2015-157, *Laws of Florida* , the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System.

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION PLAN

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	$ 173,975	$ 174,400	$ 168,497	$ 169,628	$ 130,111	$ 172,921	$ 168,906	$ 177,407	$ 257,642	$ 395,500
Contributions in Relation to the Actuarially Determined Contribution	173,975	174,400	168,497	169,628	135,308	172,921	168,906	177,948	311,423	419,653
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ (5,197)	$ -	$ -	$ (541)	$ (53,781)	$ (24,153)
Covered Employee Payroll	$ 3,020,283	$ 2,540,153	$ 2,524,823	$ 2,542,108	$ 2,150,340	$ 2,173,943	$ 2,008,990	$ 2,045,341	$ 2,189,775	$ 2,131,622
Contributions as a Percentage of Covered Employee Payroll	5.76%	6.87%	6.67%	6.67%	6.29%	7.95%	8.41%	8.70%	14.22%	19.69%

NOTES TO SCHEDULE

Valuation Date: 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.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal Cost Method
Amortization Method:	Level Dollar, Closed
Amortization Period:	30 Years
Asset Valuation Method:	Fair Market Value
Inflation:	2.75%
Salary Increases:	4.75%
Investment Rate of Return:	7.00%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	For healthy male participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements project to each future decrement date with Scale MP-2018. For healthy male participants postemployment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

Other Information:

Benefit Changes

2015: For employees not represented by Local 630 or in dispatcher positions - final average monthly earnings changed to five year average for participants hired after June 7, 2016, multiplier reduced to 2.0%, maximum annual benefit is 75%, effective June 7, 2016, employee contributions of 3.0% of earnings.

Assumption Changes

2019: Mortality updated. 2017: Mortality updated. 2016: Mortality updated.

2013: Investment return updated to 7% compounded annually, net of investment expenses. Salary increase factors updated. 2009: The Town will no longer purchase annuities effective October 1, 2010.

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
GENERAL EMPLOYEES' PENSION PLAN

	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Annual Money Weighted Rate of Return, Net of Investment Expenses	8.20%	19.70%	8.50%	-13.30%	19.30%	6.40%	5.20%	7.30%	13.42%	N/A*

The data presented above was measured using actuarial methods prescribed by GASB Statements No. 67 and 68.

*Previously, the General Employees' Pension Plan was invested in an annuity contract with New York Life. Due to the nature of the investment, the annual money weighted rate of return was unavailable. During fiscal year 2017, the Town switched the pension plan investments to a more traditional investment portfolio with the League of Cities.

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION PLAN

	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Total Pension Liability										
Service Cost	$ 281,975	$ 313,547	$ 298,545	$ 288,887	$ 257,216	$ 249,582	$ 229,098	$ 229,080	$ 197,883	$ 197,700
Interest	892,694	815,370	730,117	686,085	656,151	625,151	611,896	547,771	508,848	496,512
Change in Excess State Money	-	-	-	-	-	-	-	-	-	(52,584)
Changes of Benefit Items	-	-	-	-	-	-	(4,998)	-	-	(210,422)
Differences Between Expected and Actual Experience	(173,104)	467,436	593,449	217,262	10,789	16,288	(347,209)	355,825	63,754	(201,630)
Changes of Assumptions	310,014	-	-	-	281,540	(179,638)	232,680	-	-	132,868
Contributions - Buy Back	-	-	-	-	-	-	-	-	-	33,190
Benefit Payments, Including Refunds of Employee Contributions	(518,381)	(478,102)	(444,328)	(744,792)	(300,808)	(310,559)	(303,506)	(297,050)	(301,841)	(297,050)
Net Change in Total Pension Liability	793,198	1,118,251	1,177,783	447,442	904,888	400,824	417,961	835,626	468,644	98,584
Total Pension Liability, Beginning	12,290,232	11,171,981	9,994,198	9,546,756	8,641,868	8,241,044	7,823,083	6,987,457	6,518,813	6,420,229
Total Pension Liability, Ending (a)	13,083,430	12,290,232	11,171,981	9,994,198	9,546,756	8,641,868	8,241,044	7,823,083	6,987,457	6,518,813
Plan Fiduciary Net Position										
Contributions - Employer	304,383	254,341	219,641	177,785	208,139	210,146	251,143	214,339	158,271	221,243
Contributions - State	147,422	133,302	135,228	105,984	87,494	109,816	89,667	95,363	89,453	84,808
Contributions - Member	63,927	64,401	66,715	57,099	53,581	49,209	48,171	48,334	48,573	34,771
Contributions - Buy Back	-	-	-	-	-	-	-	-	-	33,190
Net Investment Income	1,549,962	2,302,894	855,897	(1,484,374)	1,690,575	787,121	347,335	530,937	785,707	348,392
Benefit Payments, Including Refunds of Employee Contributions	(518,381)	(478,102)	(444,328)	(744,792)	(300,808)	(310,559)	(303,506)	(297,050)	(301,841)	(297,050)
Administrative Expenses	(61,265)	(51,039)	(48,420)	(41,750)	(54,901)	(46,702)	(50,480)	(41,929)	(38,863)	(55,455)
Net Change in Plan Fiduciary Net Position	1,486,048	2,225,797	784,733	(1,930,048)	1,684,080	799,031	382,330	549,994	741,300	369,899
Plan Fiduciary Net Position, Beginning	11,483,905	9,258,108	8,473,375	10,403,423	8,719,343	7,920,312	7,537,982	6,987,988	6,246,688	5,876,789
Plan Fiduciary Net Position, Ending (b)	12,969,953	11,483,905	9,258,108	8,473,375	10,403,423	8,719,343	7,920,312	7,537,982	6,987,988	6,246,688
Net Pension Liability (Asset), Ending (a) - (b)	$ 113,477	$ 806,327	$ 1,913,873	$ 1,520,823	$ (856,667)	$ (77,475)	$ 320,732	$ 285,101	$ (531)	$ 272,125
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.13%	93.44%	82.87%	84.78%	108.97%	100.90%	96.11%	96.36%	100.01%	95.83%
Covered Employee Payroll	$ 1,598,174	$ 1,610,035	$ 1,667,855	$ 1,427,485	$ 1,339,519	$ 1,230,220	$ 1,204,275	$ 1,208,356	$ 1,214,329	$ 1,040,989
Net Pension Liability as a Percentage of Covered Employee Payroll	7.10%	50.08%	114.75%	106.54%	-63.95%	-6.30%	26.63%	23.59%	-0.04%	26.14%

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION PLAN

Notes to Schedule:

Changes of Assumptions:
For measurement date 09/30/2021, the Board approved the following assumption changes based on the August 9, 2021 actuarial experience study:
1. The investment return assumption was lowered from 7.50% to 7.25%, net of investment related expenses.
2. The salary increase rate assumption was changed, generally adjusted downward.
3. The termination rate assumption was changed, reflecting an overall increase to the assumed rates.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, *Laws of Florida* , the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date 09/30/2019, the investment rate of return was lowered from 7.75% to 7.50% per year, compounded annually, net of investment-related expenses.

For measurement date 09/30/2016, amounts reported as changes of assumptions resulted from the Experience Study dated August 8, 2016, the Board has adopted the following changes of assumptions:
- Salary Increases
- Mortality Rates
- Normal and Early Retirement Rates
- Withdrawal Rates
- Investment Return
- Payroll Growth

Additionally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

Changes of Benefit Terms:
For measurement date 9/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from the following changes:
1. Ordinance No. 10-16, adopted and effective June 7, 2016, implemented the following benefit changes:
    - An increase in the Member Contribution Rate.
    - An increase in the averaging period for calculation of Average Final Compensation.
    - A reduced benefit accrual rate for Members, hired after June 6, 2016.
    - Maximum benefit limitations for all Members, expressed as a percentage of Average Final Compensation.
    - A benefit commencement date upon attainment of age 55 for Vested Terminated Members.
2. Ordinance No. 07-16, adopted and effective April 5, 2016, incorporated language for compliance with the Internal Revenue Code. A letter of No Actuarial Impact was submitted for these changes.

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' PENSION PLAN

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution*	$ 451,804	$ 400,738	$ 341,743	$ 285,354	$ 295,632	$ 318,381	$ 340,810	$ 309,702	$ 247,723	$ 306,051
Contributions in Relation to the Actuarially Determined Contribution*	451,805	387,643	354,869	283,772	295,633	319,962	340,810	309,702	247,724	306,051
Contribution Deficiency (Excess)	$ (1)	$ 13,095	$ (13,126)	$ 1,582	$ (1)	$ (1,581)	$ -	$ -	$ (1)	$ -
Covered Employee Payroll	$ 1,598,174	$ 1,610,035	$ 1,667,855	$ 1,427,485	$ 1,339,519	$ 1,230,220	$ 1,204,275	$ 1,208,359	$ 1,214,329	$ 1,040,989
Contributions as a Percentage of Covered Employee Payroll	28.27%	24.08%	21.28%	19.88%	22.07%	26.01%	28.30%	25.63%	20.40%	29.40%

*Amounts include the contribution from the State of Florida.

NOTES TO SCHEDULE

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

Methods and assumptions used to determine contribution rates:

Mortality Rate:

Healthy Retiree Lives:
Female: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
Healthy Active Lives:
Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Healthy Beneficiary Lives:
Female: PubG.H-2010 (Below Median) for Healthy Retirees.
Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.
Disabled Lives:
80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

The above assumed rates were mandated by Chapter 2015-157, *Laws of Florida* .
This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' PENSION PLAN

Termination Rates:

Credited Service	Probability of Termination
<1	10%
1	8%
2-9	9%
10-14	3%
15+	0%

The above rates were approved by the Board as the result of an Experience Study dated August 8, 2016.

Disability Rates: See table below. 90% of Disability and Pre-Retirement Deaths are assumed to be service-connected. These rates are similar to those used by other Florida municipal special risk programs.

Age	% Becoming Disabled During the Year
20	0.14%
25	0.15%
30	0.18%
35	0.23%
40	0.30%
45	0.51%
50	1.00%
55	1.55%
60+	2.09%

Retirement Age: Assumed 100% immediate retirement upon the earlier of: 1) age 55 and 10 years of service, or 2) 25 years of service, regardless of age. This assumption was approved by the Board as the result of an Experience Study dated August 9, 2021.

Early Retirement: Members eligible for Early Retirement (age 50 with 10 years of Credit Service) are not assumed to retire. This assumption was approved by the Board as the result of an Experience Study dated August 9, 2021.

Interest Rate: 7.25% per year compounded annually, net of investment related expenses. This assumption is supported by the target asset allocation of the trust and long-term expected returns by asset class.

Salary Increases: 6.0% per year for less than 5 years of Credited Service, and 5.0% per year for 5 or more years of Credited Service. This assumption was approved by the Board as the result of an Experience Study dated August 9, 2021.

Asset Smoothing Methodology: The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of the Assets.

Payroll Growth: None.

Funding Method: Entry Age Normal Actuarial Cost Method.

Amortization Method: Level Percentage of Pay, Closed.

Remaining Amortization Period: 28 Years (as of 10/01/2017).

SCHEDULE OF INVESTMENT RETURNS

	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Annual Money Weighted Rate of Return Net of Investment Expenses	13.65%	24.98%	10.24%	-14.75%	19.52%	10.02%	4.44%	7.71%	12.84%	6.01%

The data presented above was measured using actuarial methods prescribed by GASB Statements No. 67 and 68.

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' PENSION PLAN

	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Total Pension Liability										
Service Cost	$ 480,308	$ 421,929	$ 430,987	$ 442,825	$ 413,035	$ 406,341	$ 428,602	$ 368,642	$ 340,830	$ 325,676
Interest	1,662,524	1,615,344	1,565,758	1,506,383	1,485,385	1,440,453	1,455,929	1,367,155	1,322,590	1,272,407
Differences Between Expected and Actual Experience	830,919	96,376	149,838	(43,891)	(459,092)	1,879	(325,984)	229,994	(289,995)	(291,764)
Changes in Assumptions	840,712	-	-	-	1,012,941	(372,266)	425,836	222,248	232,908	343,759
Benefit Payments, Including Refunds of Employee Contributions	(1,237,342)	(1,738,364)	(1,056,491)	(958,100)	(881,174)	(819,329)	(842,721)	(849,873)	(820,443)	(810,306)
Net Change in Total Pension Liability	2,577,121	395,285	1,090,092	947,217	1,571,095	657,078	1,141,662	1,338,166	785,890	839,772
Total Pension Liability, Beginning	24,952,154	24,556,869	23,466,777	22,519,560	20,948,465	20,291,387	19,149,725	17,811,559	17,025,669	16,185,897
Total Pension Liability, Ending (a)	27,529,275	24,952,154	24,556,869	23,466,777	22,519,560	20,948,465	20,291,387	19,149,725	17,811,559	17,025,669
Plan Fiduciary Net Position										
Contributions - Employer	445,554	284,724	250,624	232,977	415,918	454,444	599,933	510,167	510,150	507,652
Contributions - State	179,502	171,282	189,717	161,523	156,637	160,615	160,400	159,155	143,498	139,588
Contributions - Employee	123,701	108,672	103,595	99,129	97,348	96,196	95,479	86,091	85,448	82,605
Net Investment Income	2,251,716	4,680,932	2,452,497	(5,478,626)	4,497,129	2,514,587	947,368	1,946,165	1,744,231	1,134,540
Benefit Payments, Including Refunds of Employee Contributions	(1,237,342)	(1,738,364)	(1,056,491)	(958,100)	(881,174)	(819,329)	(842,721)	(849,873)	(820,443)	(810,306)
Administrative Expenses	(89,786)	(68,488)	(68,151)	(73,389)	(47,842)	(54,395)	(52,976)	(44,260)	(50,517)	(44,045)
Net Change in Plan Fiduciary Net Position	1,673,345	3,438,758	1,871,791	(6,016,486)	4,238,016	2,352,118	907,483	1,807,445	1,612,367	1,010,034
Plan Fiduciary Net Position, Beginning	25,045,837	21,607,079	19,735,288	25,751,774	21,513,758	19,161,640	18,254,157	16,446,712	14,834,345	13,824,311
Plan Fiduciary Net Position, Ending (b)	26,719,182	25,045,837	21,607,079	19,735,288	25,751,774	21,513,758	19,161,640	18,254,157	16,446,712	14,834,345
Net Pension Liability (Asset), Ending (a) - (b)	$ 810,093	$ (93,683)	$ 2,949,790	$ 3,731,489	$ (3,232,214)	$ (565,293)	$ 1,129,747	$ 895,568	$ 1,364,847	$ 2,191,324
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.06%	100.38%	87.99%	84.10%	114.35%	102.70%	94.43%	95.32%	92.34%	87.13%
Covered Employee Payroll	$ 1,974,282	$ 1,726,671	$ 1,595,407	$ 1,525,057	$ 1,532,288	$ 1,479,931	$ 1,502,642	$ 1,324,478	$ 1,314,581	$ 1,270,842
Net Pension Liability as a Percentage of Covered Employee Payroll	41.03%	-5.43%	184.89%	244.68%	-210.94%	-38.20%	75.18%	67.62%	103.82%	172.43%

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' PENSION PLAN

Notes to Schedule:

Changes of Assumptions:

For measurement date 09/30/2021, the investment rate of return was lowered from 7.10% to 6.70% per year, net of investment related expenses.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, *Laws of Florida* , the assumed rates of mortality were changed to the rates used in the Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on the plan demographics.

For measurement date 09/30/2019, as a result of October 18, 2019 Actuarial Experience Study, the following changes were made:

- The investment return assumption was lowered from 7.60% to 7.10%.
- The salary increase assumption has been updated from a flat 6.00% to 6.50% for the first five years of service, and 4.50% thereafter.
- The termination rates have been updated from an age based table to a service based table. The assumed termination rates are 7.0% for the first 5 years of service, 5.5% for the next 5 years of service, and 0.0% thereafter.
- The normal retirement rates have been updated from the earlier of age 55 and 10 years of service or age 52 and 25 years of service (members at the assumed retirement age are assumed to retire one year later).
- The early retirement rates have been updated.

For measurement date 09/30/2017, as required by Chapter 2015-157, *Laws of Florida,* the assumed rates of mortality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report. Additionally, the investment return was lowered from 7.80% to 7.70% per year, net of investment related expenses.

For measurement date 09/30/2016, amounts reported as changes of assumptions are as follows:

- The investment return assumption was lowered from 7.90% to 7.80% per year, net of investment related expenses.
- The payroll growth assumption was lowered from 0.90% to 0.80% per year in order to comply with the requirements of Part VII of Chapter 112, Florida Statutes. This requirement states that the payroll growth assumption utilized for purposes of amortizing the Unfunded Actuarial Accrued Liability may not exceed the actual 10-year average payroll increase realize by the plan.
- As mandated by Chapter 2015-157, *Laws of Florida,* the assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables for special risk employees used by the Florida Retirement System actuary in the July 1, 2015 actuarial valuation.
- The assumed rate of annual COLA increase was lowered from 3.00% to 2.50% per year, equal to the expected long-term inflation rate as provided by the plan's investment consultant.

For measurement date 9/30/2015, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 8.00% to 7.90%.

Changes of Benefit Terms:

For measurement date 09/30/2016, Ordinance 08-16 was adopted by Town Council on May 3, 2016. The plan changes that were made in conjunction with that Ordinance are as follows:

- The benefit accrual rate was reduced from 3.20% to 3.00% per year for future new hires, effective May 3, 2016. The supplemental benefit will be $100 per month.
- A DROP Plan was established for future retirees. The period of participation shall not exceed sixty (60) months and participant DROP accounts will receive the same net-of-fees investment returns that are realized by the Fund while participating in DROP.
- Pursuant to the requirements of Chapter 2015-39, *Laws of Florida,* a Share Plan was established. A letter of no actuarial impact for the above plan changes was issued, dated March 29, 2016. Future savings will be realized as the current active membership is replace with new hires at the lower benefit structure.

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' PENSION PLAN

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	$ 625,058	$ 491,929	$ 434,589	$ 387,059	$ 585,794	$ 615,059	$ 760,337	$ 653,895	$ 633,102	$ 647,240
Contributions in Relation to the Actuarially Determined Contribution	625,056	456,006	440,341	394,500	572,555	615,059	760,333	669,322	653,648	647,240
Contribution Deficiency (Excess)	$ 2	$ 35,923	$ (5,752)	$ (7,441)	$ 13,239	$ -	$ 4	$ (15,427)	$ (20,546)	$ -
Covered Employee Payroll	$ 1,974,282	$ 1,726,671	$ 1,595,407	$ 1,525,057	$ 1,532,288	$ 1,479,931	$ 1,502,642	$ 1,324,478	$ 1,314,581	$ 1,270,842
Contributions as a Percentage of Covered Employee Payroll	31.66%	26.41%	27.60%	25.87%	37.37%	41.56%	50.60%	50.53%	49.72%	50.93%

NOTES TO SCHEDULE

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

Methods and assumptions used to determine contribution rates:

Mortality Rate:

Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 for Healthy Retirees, set forward one year.
Healthy Active Lives:
Female: Female: PubS.H-2010 (Below Median) for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Healthy Beneficiary Lives:
Female: PubG.H-2010 (Below Median) for Healthy Retirees.
Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.
Disabled Lives:
80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.
The above assumed rates were mandated by Chapter 2015-157, *Laws of Florida* .
This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' PENSION PLAN

Termination Rates:	See table below.
Disability Rates:	See table below. 75% of disablements and pre-retirement deaths are assumed to be service-related.
Retirement Age:	Earlier of age 55 and 10 years of service or age 52 and 25 years of service; Members at the assumed retirement age are assumed to retire one year later. We feel this assumption is reasonable given current Plan provisions.
Early Retirement:	Commencing with the earliest Early Retirement Age (45), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. We feel this assumption is reasonable given current Plan provisions.
Interest Rate:	6.70% per year, compounded annually, net of investment related assumptions. We believe this assumption is supported by the target asset allocation of the trust and long-term expected returns by asset class.
Salary Increases:	
Cost-of-Living Adjustment:	2.50% per year, beginning at age 55 for eligible Members. This is consistent with the long-term inflation rate assumption, as provided by the plan's investment consultant.
Payroll Growth Assumption:	None

Termination Rate Table:

Credited Service	Probability of Termination
0-4	7%
5-9	6%
10+	0%

Termination and Disability Rate Table:

Age	% Becoming Disabled During the
20	0.14%
25	0.15%
30	0.18%
35	0.23%
40	0.30%
45	0.51%
50	1.00%
55	1.55%
60+	2.09%

Final Year Salary Load:

Years of Credited Service as of October 1, 2013	**Assumption**
Less than 5 years	No Load
5-10 years	10%
10 or more years	20%

Cost Method:	Entry Age Normal Actuarial Cost Method.
Marriage Assumption:	100% of participants are assumed to be married, with husbands 3 years older than wives.
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	September 30, 2025	**September 30, 2024**	**September 30, 2023**	**September 30, 2022**	**September 30, 2021**	**September 30, 2020**	**September 30, 2019**	**September 30, 2018**	**September 30, 2017**	**September 30, 2016**
Annual Money Weighted Rate of Return Net of Investment Expenses	9.15%	22.29%	12.70%	-21.64%	21.18%	13.31%	5.25%	12.03%	12.00%	8.37%

The data presented above was measured using actuarial methods prescribed by GASB Statements No. 67 and 68.

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2025

Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018
Service Cost	$ 43,212	$ 51,071	$ 78,114	$ 87,080	$ 76,500	$ 45,911	$ 45,309	$ 71,508
Interest on the Total OPEB Liability	29,468	34,192	20,201	22,020	21,616	26,692	23,978	32,910
Benefit Changes	-	-	-	-	-	161	-	-
Difference Between Expected and Actual Experience	-	(181,513)	-	(63,109)	-	(105,696)	-	(301,219)
Changes of Assumptions and Other Inputs	58,352	(14,431)	(200,930)	(8,207)	21,090	108,572	(31,305)	(109,438)
Benefit Payments	(24,307)	(19,925)	(11,486)	(13,734)	(11,313)	(17,040)	(36,321)	(51,763)
Net Change in Total OPEB Liability	106,725	(130,606)	(114,101)	24,050	107,893	58,600	1,661	(358,002)
Total OPEB Liability, Beginning	605,276	735,882	849,983	825,933	718,040	659,440	657,779	1,015,781
Total OPEB Liability, Ending	$ 712,001	$ 605,276	$ 735,882	$ 849,983	$ 825,933	$ 718,040	$ 659,440	$ 657,779
Covered-Employee Payroll	$ 5,996,390	$ 5,797,498	$ 5,717,336	$ 5,519,490	$ 4,966,551	$ 4,838,723	$ 4,477,282	$ 4,347,926
Total OPEB Liability as a Percentage of Covered-Employee Payroll	11.87%	10.44%	12.87%	15.40%	16.63%	14.84%	14.73%	15.13%

Additional years will be added to this schedule until 10 years of data is presented.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ORANGE PARK, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

SPECIAL REVENUE FUNDS

The *Special Revenue Funds* are used to account for specific revenues that are legally restricted to expenditure for particular purposes:

- *Gas Tax Fund*—This fund accounts for revenue derived from fuel taxes. These funds are used for transportation expenditures.

- *Confiscated Property Fund*—This fund accounts for revenue derived from confiscated property and cash. Proceeds are used to augment police activities.

- *Police Education Fund*—This fund accounts for revenue derived from county court costs. Expenditures are used to provide criminal justice education degree programs and training courses for police department personnel.

- *Magnolia Cemetery Fund*—This fund accounts for revenues derived from the operations of the cemetery.

- *Police Investigative/Evidentiary Fund*—This fund accounts for revenue ordered by the courts and administered by the police department for use in officer investigations where it is necessary to protect the identity of the source of funds.

- *Building Department Fund*—This fund accounts for various fees charged to be used to fund the building department.

- *Fair Share Fund*—This fund accounts for proportionate fair share revenue to address the impact of development on transportation facilities. Expenditures are used toward funding of scheduled improvements in the Capital Improvements Element of the Comprehensive Plan.

TOWN OF ORANGE PARK, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds							Total
	Gas Tax	Confiscated Property	Police Education	Magnolia Cemetery	Police Investigative/ Evidentiary	Building Department	Fair Share	Non-Major Governmental Funds
Assets								
Equity in Pooled Cash and Investments	$ 1,664,309	$ 84,983	$ 49,715	$ 393,648	$ 39,468	$ 281,937	$ 25,183	$ 2,539,243
Due from Other Governments	251,721	-	-	-	-	-	-	251,721
Total Assets	1,916,030	84,983	49,715	393,648	39,468	281,937	25,183	2,790,964
Liabilities and Fund Balances								
Liabilities								
Accounts Payable and Accrued Liabilities	208,051	69,927	157	-	-	12,823	-	290,958
Total Liabilities	208,051	69,927	157	-	-	12,823	-	290,958
Fund Balances								
Restricted:								
Transportation	1,707,979	-	-	-	-	-	-	1,707,979
Law Enforcement	-	15,056	49,558	-	39,468	-	-	104,082
Building Department	-	-	-	-	-	269,114	-	269,114
Committed:								
Cemetery Care and Maintenance	-	-	-	393,648	-	-	-	393,648
Transportation	-	-	-	-	-	-	25,183	25,183
Total Fund Balances	1,707,979	15,056	49,558	393,648	39,468	269,114	25,183	2,500,006
Total Liabilities and Fund Balances	$ 1,916,030	$ 84,983	$ 49,715	$ 393,648	$ 39,468	$ 281,937	$ 25,183	$ 2,790,964

TOWN OF ORANGE PARK, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds							Total
	Gas Tax	Confiscated Property	Police Education	Magnolia Cemetery	Police Investigative/ Evidentiary	Building Department	Fair Share	Non-Major Governmental Funds
Revenues								
Taxes	$ 1,154,925	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,154,925
Charges and Services	-	-	-	34,220	-	591	-	34,811
Fines and Forfeitures	-	-	6,606	-	3,799	266,255	-	276,660
Investment Income (Loss)	-	-	1,850	-	-	10,213	838	12,901
Total Revenues	1,154,925	-	8,456	34,220	3,799	277,059	838	1,479,297
Expenditures								
Current:								
General Government	-	-	-	-	-	101,192	-	101,192
Public Safety	-	-	14,145	-	135	-	-	14,280
Capital Outlay	1,071,940	-	-	-	-	-	-	1,071,940
Total Expenditures	(1,071,940)	-	(14,145)	-	(135)	(101,192)	-	(1,187,412)
Excess (Deficiency) of Revenues Over (Under) Expenditures	82,985	-	(5,689)	34,220	3,664	175,867	838	291,885
Other Financing Sources (Uses)								
Transfers (out)	-	-	-	-	-	(112,400)	-	(112,400)
Total Other Financing Sources (Uses)	-	-	-	-	-	(112,400)	-	(112,400)
Change in Fund Balances	82,985	-	(5,689)	34,220	3,664	63,467	838	179,485
Fund Balances, Beginning of Year	1,624,994	15,056	55,247	359,428	35,804	205,647	24,345	2,320,521
Fund Balances, End of Year	$ 1,707,979	$ 15,056	$ 49,558	$ 393,648	$ 39,468	$ 269,114	$ 25,183	$ 2,500,006

OTHER REPORTS

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor/Pass-Through Grantor/ Grant Program	Assistance Listing Number	Grant ID Number	Expenditures
Federal Awards			
U.S. Department of Treasury			
Passed Through Florida Division of Emergency Management: COVID-19 American Rescue Plan Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5245	$ 1,463,270
Passed Through Florida Department of Financial Services: COVID-19 Town of Orange Park - Community Center Rehabilitation	21.027	23.s.aa.900.029	187,188
Total U.S. Department of Treasury			1,650,458
Total Federal Expenditures			$ 1,650,458

TOWN OF ORANGE PARK, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) is presented on the modified accrual basis of accounting.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Town of Orange Park, Florida did not elect to use the 15% de minimis indirect cost rate in Section 200.414, *Indirect (F&A) Costs,* of the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Town Council and Town Manager
Town of Orange Park, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the Town of Orange Park, Florida's (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* the could have a direct and material effect on each of the Town's major federal programs for the year ended September 30, 2025. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town has complied, in all material respects, with the types of compliance requirements referred to above that could have a material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program
We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

Town Council and Town Manager
Town of Orange Park, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

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

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

- Identify and assess the risks of material non-compliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Town Council and Town Manager
Town of Orange Park, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Town's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Purvis Gray

June 30, 2026
Gainesville, Florida

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Summary of Auditor's Results

Financial Statements

1. The independent auditor's report expresses an unmodified opinion on the financial statements of the Town of Orange Park, Florida (the Town).

2. The audit disclosed a significant deficiency, but no material weaknesses, in 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*.

3. There were no instances of non-compliance identified during the audit of the financial statements reported in the 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*.

Federal Awards

4. The audit disclosed a significant deficiency, but no material weaknesses, in internal control over major federal programs that are required to be reported in the schedule of findings and questioned costs.

5. The report on compliance for the major federal programs expresses an unmodified opinion.

6. The audit did disclose findings relative to the major federal programs that are required to be reported in accordance with the *Uniform Guidance.*

7. The programs tested as a major federal program included:

Federal Programs	Assistance Listing No.
Coronavirus State and Local Fiscal Recovery Funds	21.027

8. The threshold for distinguishing Type A and B programs was $1,000,000 for federal programs.

9. The Town did not qualify as a low-risk auditee for federal grant programs.

Financial Statement Findings

Financial statement findings, if any, are reported in the independent auditor's report on internal control over financial reporting and compliance.

Findings and Questioned Costs for Major Federal Programs

The audit disclosed one finding for major federal programs to be reported under the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

Status of Prior Audit Findings

The prior year finding 2024-001 as required to be reported in accordance with Uniform Guidance*,* has been repeated in the current year as finding 2025-001.

TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

2025-001 – ALN 21.027 – Coronavirus and Local Fiscal Recovery Funds – Procurement, Suspension, and Debarment: Lack of Controls for Suspension and Debarment (Significant Deficiency)

Criteria—According to the Coronavirus State and Local Recover Funds (CSLRF) Final Rule, Suspension and Debarment is covered under CFR 200.214 in Subpart C, which is fully applicable under the revenue replacement method. As such, suspension and debarment should be evaluated and documented for all non-payroll expenditures under the program.

Condition—During our testing, it was noted that 1 of 4 of the vendor selections tested for this program did not have suspension and debarment evaluated or documented prior to the purchase. In addition, there was no formal control policy for the Town to evaluate and document suspension and debarment for expenditures in this program.

Cause—This finding was identified as part of the audit for the year ended September 30, 2024; however, the vendor in question had been onboarded prior to the completion of that audit.

Effect—In this case, there is no indication that the vendor in question was actually suspended or debarred. However, by not evaluating suspension and debarment for the expenditures of this program, expenditures could be made that do not comply with the program requirements for suspension and debarment.

Recommendation—We recommend that suspension and debarment be evaluated and documented for all expenditures made for this program and that a formal control policy for suspension and debarment be considered for such purchases.

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*

Town Council and Town Manager
Town of Orange Park, 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 Orange Park, Florida (the Town) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 30, 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. We identified one deficiency in internal control, described below as 2025-004, that we consider to be a significant deficiency:

Town Council and Town Manager
Town of Orange Park, Florida

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*

<u>2025-004 – Grant Accounting</u>

Condition—During the year, the Town experienced unexpected turnover in the financial department, which particularly impacted the grant tracking process. When unexpected turnover of key personnel in a small organization such as the Town occurs, there is significant loss of institutional knowledge as well as a lack of familiarity with the activity being audited. During final fieldwork, we identified one material audit adjustment that was made to record revenues and receivables or deferred inflows for grant expenditures that were incurred during the year.

Effects—As a result, the Town's financial statements would have been materially misstated if the adjustment noted above had not been identified during the audit process.

Recommendation—Although unexpected turnover of key personnel will create disruption, we recommend a review of the sufficiency of documentation of job roles, responsibilities, and key financial closing processes within the finance department. Additional documentation of these items may assist with transition when unexpected turnover occurs.

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, non-compliance 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 non-compliance 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.

Purvis Gray

June 30, 2026
Gainesville, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS

Town Council and Town Manager
Town of Orange Park, Florida

We have examined the Town of Orange Park, Florida's (the Town) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. Town management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

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

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

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

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

Purvis Gray

June 30, 2026
Gainesville, Florida

MANAGEMENT LETTER

Town Council and Town Manager
Town of Orange Park, Florida

Report on the Financial Statements
We have audited the financial statements of the Town of Orange Park, Florida (the Town) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 30, 2026.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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;* Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *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 June 30, 2026, should be considered in conjunction with the management letter.

Prior Audit Findings
Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. The prior year finding 2024-001 has been repeated in the current year as finding 2025-001.

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. This information is included in the notes to the financial statements.

Financial Condition and Management
Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require 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.

Town Council and Town Manager
Town of Orange Park, Florida

MANAGEMENT LETTER

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 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
As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the Town is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the Town's geographical boundaries during the fiscal year under audit. The Town has not authorized the operation of a PACE program, and management is not aware of the operation of any such program, within its geographical boundaries.

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 determined that the Town had no special district component units.

Additional Matters
Section 10.554(1)(i)3., *Rules of the Auditor General,* requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we identified the additional items below.

2025-002 – Utility Cash Flow

Condition—During fiscal years ended September 30, 2025 and September 30, 2024, the Town expended $4,968,107 on infrastructure improvements in the Water and Sewer Fund, financed from operating reserves. In addition, there have been no rate increases during that time. The Town has also transferred $925,020 to the General Fund as payment in lieu of taxes during this time. As a result, the Utility Fund has no unrestricted cash available at September 30, 2025, and borrowed $92,538 from the General Fund to finance operations.

Recommendation—We are aware the Town has passed a rate increase during the year ended September 30, 2026. We recommend the Town project future cash flows to determine if additional rate increases, cost reductions, or borrowing are necessary to finance future operations and capital improvements.

Town Council and Town Manager
Town of Orange Park, Florida

MANAGEMENT LETTER

<u>**2025-003 – Minimum Fund Balance**</u>

Criteria—According to the Town's Minimum Fund Balance Policy, as described in Note 1 to the financial statements, the General Fund shall have an unassigned fund balance between 33% and 67% of the total budgeted General Fund expenditures and the Water and Sewer Fund shall have unrestricted net asset balance between 33% and 67% of the total budgeted Water and Sewer Fund operating expenses.

Condition—During our testing, it was noted that the General Fund had an unassigned fund balance at September 30, 2025, that exceeded 67% of the total budgeted General Fund expenditures. It was also noted that the Water and Sewer Fund had unrestricted net assets at September 30, 2025, that were below 33% of the total budgeted Water and Sewer Fund operating expenses.

Recommendation—We recommend the Town review revenue and cost projections for both funds to determine what adjustments may be necessary to return unassigned fund balance and unrestricted net assets to levels described in the Minimum Fund Balance Policy.

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 Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Town Council, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

June 30, 2026
Gainesville, Florida

TOWN of ORANGE PARK
Closer To What Matters

June 30, 2026

Purvis Gray & Company, CPAs
222 NE 1st Street
Gainesville, FL 32601

Thank you for the opportunity to respond to the Town of Orange Park's ***Management Letter*** dated June 30, 2026. We are pleased to present the Town's response to this letter.

2025-001 – ALN 21.027 – Coronavirus and Local Fiscal Recovery Funds – Procurement, Suspension, and Debarment: Lack of Controls for Suspension and Debarment (Significant Deficiency)

Criteria—According to the Coronavirus State and Local Recover Funds (CSLRF) Final Rule, Suspension and Debarment is covered under CFR 200.214 in Subpart C, which is fully applicable under the revenue replacement method. As such, suspension and debarment should be evaluated and documented for all non-payroll expenditures under the program.

Condition—During our testing, it was noted that 1 of 4 of the vendor selections tested for this program did not have suspension and debarment evaluated or documented prior to the purchase. In addition, there was no formal control policy for the Town to evaluate and document suspension and debarment for expenditures in this program.

Cause—This finding was identified as part of the audit for the year ended September 30, 2024, however, the vendor in question had been onboarded prior to completion of that audit.

Effect—In this case, there is no indication that the vendor in question was actually suspended or debarred. However, by not evaluating suspension and debarment for the expenditures of this program, expenditures could be made that do not comply with the program requirements for suspension and debarment.

Recommendation—We recommend that suspension and debarment be evaluated and documented for all expenditures made for this program and that a formal control policy for suspension and debarment be considered for such purchases.

Management Response to 2024-001 – ALN 21.027 – Coronavirus and Local Fiscal Recovery Funds – Procurement, Suspension, and Debarment: Lack of Controls for Suspension and Debarment (Significant Deficiency)

The Town has been duly aware of it responsibilities pertaining to this program and will comply with the program requirements for suspension and debarment including evaluation and documentation for program expenditures.

2025-002 – Utility Cash Flow

Condition—During fiscal years ended September 30, 2025 and September 30, 2024, the Town expended $4,968,107 on infrastrtucture improvements in the Water and Sewer Fund, financed from operating reserves. In addition, there have been no rate increases during that time. The Town has also transferred $925,020 to the General Fund as payment in lieu of taxes during this time. As a result, the Utility Fund has no unrestricted cash available at September 30, 2025, and borrowed $92,538 from the General Fund to finance operations.

Recommendation – We are aware the Town has passed a rate increase during the year ended September 30, 2026. We recommend the Town project future cash flows to determine if additional rate increases, cost reductions, or borrowing are necessary to finance future operations and capital improvements.

Management Response to 2025-002 – Utility Cash Flow

The Town increased its water and sewer rates by 8% beginning May 2026. The Ordinance also has a 7% increase scheduled to take effect on October 1, 2026, and another 7% increase to take effect on October 1, 2027. The Town plans to project its future cash flow soon to determine if further rate increases may be necessary.

2025-003 – Minimum Fund Balance

Criteria—According to the Town's Minimum Fund Balance Policy, as described in Note 1 to the financial statements, the General Fund shall have an unassigned fund balance between 33% and 67% of the total budgeted General Fund expenditures and the Water and Sewer Fund shall have unrestricted net asset balance between 33% and 67% of the total budgeted Water and Sewer Fund operating expenses.

Condition—During our testing, it was noted that the General Fund had an unassigned fund balance at September 30, 2025, that exceeded 67% of the total budgeted General Fund expenditures. It was also noted that the Water and Sewer Fund had unrestricted net assets at September 30, 2025, that were below 33% of the total budgeted Water and Sewer Fund operating expenses.

Recommendation—We recommend that the Town create and implement controls to track these fund balance and net asset amounts in relation to the Town's Minimum Fund Balance Policy.

Management Response to 2025-003 – Minimum Fund Balance

The Town will immediately create and implement controls to track the fund balance and net asset requirements for these funds.

TOWN of ORANGE PARK

Closer To What Matters

2025-004 – Grant Accounting

Condition—During the year, the Town experienced unexpected turnover in the financial department, which particularly impacted the grant tracking process. When unexpected turnover of key personnel in a small organization such as the Town occurs, there is significant loss of institutional knowledge as well as a lack of familiarity with the activity being audited. During final fieldwork, we identified one material audit adjustment that was made to record revenue and receivables of deferred inflows for grant expenditures that were incurred during the year.

Effects—As a result, the Town's financial statements would have been materially misstated if the adjustment noted above had not been identified during the audit process.

Recommendation—Although unexpected turnover of key personnel will create disruption, we recommend a review of the sufficiency of documentation of job roles, responsibilities, and key financial closing processes within the finance department. Additional documentation of these items may assist with the transition when unexpected turnover occurs.

Management Response to 2025-004 – Grant Accounting

The Town will do a review of the sufficiency of documentation of job roles, responsibilities, and key financial closing processes. The Town hired a human resources consulting firm and will task this consultant to assist with this review.

Signature: ______________ Signature: ______________

ACTING TOWN MANAGER   Town Clerk