

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, 2024. 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 17, 2023, and in our required auditor's communication letter to you dated October 28, 2024. 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 the application of existing policies was not changed during 2024. 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:

- **Accumulated Depreciation and Depreciation Expense**

Management estimates accumulated depreciation and depreciation expense for capital assets using the straight-line method of depreciation and by determining estimated useful lives based on the classes of depreciable property described in the notes to the financial statements.

- **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.

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■ **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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 20, 2025.

Town Council and Town Manager
Town of Orange Park, Florida

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 20, 2025
Gainesville, Florida

2024

Town of Orange Park, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2024

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**TOWN OF ORANGE PARK, FLORIDA
LIST OF TOWN OFFICIALS
AS OF SEPTEMBER 30, 2024**

TOWN COUNCIL

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

TOWN MANAGER

Sarah Campbell

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, 2024

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**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

TOWN OF ORANGE PARK, FLORIDA

SEPTEMBER 30, 2024

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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, 2024, 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, 2024, 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.

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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

Town Council and Town Manager
Town of Orange Park, Florida

INDEPENDENT AUDITOR'S REPORT

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 Principles, 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 20, 2025, 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 20, 2025
Gainesville, Florida

**TOWN OF ORANGE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

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, 2024. 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 2024 by \$70.6 million (net position). Of this amount, \$13.7 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- At September 30, 2024, the Town's governmental funds reported a combined ending fund balance of \$16.1 million, an increase of \$2.28 million in comparison with the prior year.
- At September 30, 2024, unassigned fund balance for the General Fund was \$8.16 million or 64.2% 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.

**TOWN OF ORANGE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

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 postemployment benefits.

**TOWN OF ORANGE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

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, 2024 and 2023.

Statement of Net Position						
(In thousands)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 20,000	\$ 17,956	\$ 4,362	\$ 3,954	\$ 24,362	\$ 21,910
Capital assets	23,014	23,729	29,537	28,731	52,551	52,460
Total assets	43,014	41,685	33,899	32,685	76,913	74,370
Deferred outflows of resources	5,125	7,525	449	470	5,574	7,995
Long-term liabilities outstanding	6,293	6,699	119	132	6,412	6,831
Other liabilities	3,619	4,055	1,183	916	4,802	4,971
Total liabilities	9,912	10,754	1,302	1,048	11,214	11,802
Deferred inflows of resources	515	951	133	131	648	1,082
Net Position:						
Net Investment in Capital Assets	23,014	23,729	29,187	28,731	52,201	52,460
Restricted	4,717	3,999	-	-	4,717	3,999
Unrestricted	9,982	9,777	3,725	3,244	13,707	13,021
Total net position	\$ 37,713	\$ 37,505	\$ 32,912	\$ 31,975	\$ 70,625	\$ 69,480

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 \$70.6 million at the close of the fiscal year ended September 30, 2024.

By far, the largest portion of the Town's net position (73.9%) 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, \$4,717 thousand (6.7%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$13.71 million (19.4%), 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, 2024 and 2023:

**TOWN OF ORANGE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Changes in Net Position (In thousands)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
Program revenues:						
Charges for services	\$ 3,262	\$ 2,939	\$ 5,400	\$ 5,114	\$ 8,662	\$ 8,053
Operating grants and contributions	585	622	155	29	740	651
Capital grants and contributions	374	244	176	-	550	244
General revenues:						
Property taxes	4,406	4,093	-	-	4,406	4,093
Other taxes	4,545	4,333	-	-	4,545	4,333
Franchise fees	994	989	-	-	994	989
Other State shared revenues	1,223	1,221	-	-	1,223	1,221
Investment earnings	756	67	152	28	908	95
Miscellaneous	64	82	3	-	67	82
Total revenues	<u>16,209</u>	<u>14,590</u>	<u>5,886</u>	<u>5,171</u>	<u>22,095</u>	<u>19,761</u>
Expenses:						
General government	4,022	3,690	-	-	4,022	3,690
Public safety	8,402	7,514	-	-	8,402	7,514
Public works	3,504	2,728	-	-	3,504	2,728
Culture/recreation	533	513	-	-	533	513
Water and sewer	-	-	4,083	4,318	4,083	4,318
Stormwater	-	-	406	349	406	349
Total expenses	<u>16,461</u>	<u>14,445</u>	<u>4,489</u>	<u>4,667</u>	<u>20,950</u>	<u>19,112</u>
Increase (decrease) in net assets before transfers	(252)	145	1,397	504	1,145	649
Transfers	460	456	(460)	(456)	-	-
Change in net position	<u>208</u>	<u>601</u>	<u>937</u>	<u>48</u>	<u>1,145</u>	<u>649</u>
Net position - beginning	<u>37,505</u>	<u>36,904</u>	<u>31,975</u>	<u>31,927</u>	<u>69,480</u>	<u>68,831</u>
Net position - ending	<u>\$ 37,713</u>	<u>\$ 37,505</u>	<u>\$ 32,912</u>	<u>\$ 31,975</u>	<u>\$ 70,625</u>	<u>\$ 69,480</u>

Governmental activities. Governmental activities net position increased by \$208,000. This is primarily due to increased property taxes, increased sales taxes, increased other state shared revenues, increased charges for services, and increased judgements and fines. 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 \$937,000 accounting for 2.9% increase in the business-type activities net position. This increase is due to normal business operations of the enterprise funds and an increase in the stormwater fee rates.

Overall financial position. The overall financial position of the Town has been stable. Net position increased by \$1,144,832 thereby accounting for a total increase of 1.6%. 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 2024, the Town's governmental funds reported combined ending fund balances of \$16.1 million, an increase of \$2,282,067 in comparison with the prior year.

**TOWN OF ORANGE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

The General Fund is the primary operating fund of the Town. At the end of fiscal year 2024, unassigned fund balance of the General Fund was \$8.16 million. Unassigned fund balance represents 64.1% of the total General Fund expenditures. The fund balance of the Town's General Fund increased by \$1,223,416 during the fiscal year ended September 30, 2024 (compared to a 2023 increase of \$1,248,084). This is due in part to net increase in revenues of \$1,130,323, a net increase in expenditures of \$997,911, a decrease of transfers in of \$7,080 and an increase in transfers out of (\$150,000).

Changes in revenue consisted of the following:

- Increase in ad valorem tax revenue of \$312,000;
- Increase in utility service tax – electricity of \$28,000;
- Increase in communications services tax revenue of \$35,000;
- Increase in local business tax of \$8,000;
- Increase in red light camera revenue of \$74,000;
- Decrease in franchise fee – electricity of (\$60,000);
- Increase in franchise fee – solid waste of \$63,000;
- Increase in investment earnings revenue of \$512,000;
- Increase in service charges – garbage/solid waste of \$163,000
- Decrease in miscellaneous revenues of (\$30,000);
- Decrease in cardroom tax of (\$20,000);
- Decrease in ambulance revenue of (\$84,000);
- Increase in school resource officer reimbursement of \$63,000;
- Increase in fines-local ordinance violations of \$14,000;
- Increase in interfund charges of \$37,000

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 \$1,087,209 due to increased sales tax revenue, increased investment income revenue, and decreased expenditures in capital outlay. Major capital projects expenditures during the year were for the Johnson Slough Improvements, the Bradley Park Improvements, and the Clover Avenue and Freckles Ct Improvements. There was also \$503,000 expended on equipment purchases which included \$444,000 for police and utility vehicles.

Non-major governmental funds consisting of special revenue funds have a combined fund balance of \$2,320,521. The net decrease in fund balance during the current year for non-major governmental funds was (\$28,558).

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 \$2.5 million or 8.2% 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 \$1.3 million or 42.6% of total net position. Net position is accumulated in the Stormwater Fund to fund future stormwater capital projects that are of long-term duration.

**TOWN OF ORANGE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

The Water and Sewer fund reported an increase in net position of \$455,276 or 1.5%. The Stormwater Fund reported an increase in net position of \$481,797 or 19.4%.

General Fund Budgetary Highlights

- All of the Town's departments combined spent \$3,642,664 less than budgeted. The amount saved was between 0.5% and 8.5% per function.
- The Town fund balance increased \$821,096 in fiscal year 2023-2024.
- The Town received 110.3% 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, 2024, amounts to \$52.5 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	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,697	\$ 2,697	\$ 122	\$ 122	\$ 2,819	\$ 2,819
Construction in progress	1,317	750	3,228	3,683	4,545	4,433
Buildings and improvements	6,712	6,712	247	247	6,959	6,959
Improvements other than buildings	4,986	4,786	47,092	44,227	52,078	49,013
Equipment	8,187	7,916	2,064	1,861	10,251	9,777
Infrastructure	31,666	31,392	-	-	31,666	31,392
Less accumulated depreciation	(32,552)	(30,526)	(23,217)	(21,410)	(55,769)	(51,936)
Totals	\$ 23,013	\$ 23,727	\$ 29,536	\$ 28,730	\$ 52,549	\$ 52,457

Major capital projects during the 2023-24 fiscal year included:

- Johnson Slough Improvements
- Bradley Park Improvements
- Clover Avenue and Freckles Ct Improvements
- Milwaukee Sidewalk
- Rusmor Water Main Extension
- Kingsley Avenue Improvements
- Magnolia Cemetery Culvert
- Ash Street WWTP Filter Improvements
- Gano Lift Station Improvements
- Sceptic to Sewer Conversion Project
- 2023-2024 Sewer Relining Projects
- TAC II SCADA System

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

**TOWN OF ORANGE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Long-term debt. At the end of fiscal year 2024, 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, 2024, for the municipal service area was 3.4%. This compared favorably with the state's average unemployment rate of 3.5% and with the national average unemployment rate of 4.2%.
- Since the Town is effectively built out, new construction is not expected to produce significant annual increases in property assessments. Currently, about thirty-six percent (35.7%) 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 \$774,000 in revenue in fiscal year 2024. 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 51.9% of the General Fund Expenditures, down from the prior year at 54.2%.

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, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 17,756,205	\$ 3,189,951	\$ 20,946,156
Receivables, Net	314,577	429,068	743,645
Due from Other Governments	1,536,208	331,379	1,867,587
Other Current Assets	220,247	186,705	406,952
Restricted Equity in Pooled Cash and Investments	81,499	210,633	292,132
Net Pension Asset	91,302	13,922	105,224
Capital Assets:			
Land	2,697,041	122,549	2,819,590
Construction in Progress	1,316,742	3,227,777	4,544,519
Buildings and Improvements	6,712,366	247,255	6,959,621
Improvements Other Than Buildings	4,986,458	47,092,265	52,078,723
Equipment	8,186,786	2,064,349	10,251,135
Infrastructure	31,666,020	-	31,666,020
Accumulated Depreciation	(32,551,504)	(23,217,108)	(55,768,612)
Capital Assets, Net	<u>23,013,909</u>	<u>29,537,087</u>	<u>52,550,996</u>
Total Assets	<u>43,013,947</u>	<u>33,898,745</u>	<u>76,912,692</u>
Deferred Outflows of Resources			
Pension Related	5,082,391	438,466	5,520,857
OPEB Related	43,106	10,523	53,629
Total Deferred Outflows of Resources	<u>5,125,497</u>	<u>448,989</u>	<u>5,574,486</u>
Liabilities			
Accounts Payable and Accrued Liabilities	1,209,515	972,540	2,182,055
Due to Other Governments	87,265	-	87,265
Unearned Revenue	2,240,847	-	2,240,847
Payable from Restricted Assets:			
Deposits	81,499	210,633	292,132
Non-Current Liabilities:			
Due Within One Year	385,198	17,718	402,916
Due in More Than One Year	1,043,881	101,309	1,145,190
Net Pension Liability	4,863,631	-	4,863,631
Total Liabilities	<u>9,911,836</u>	<u>1,302,200</u>	<u>11,214,036</u>
Deferred Inflows of Resources			
Pension Related	195,347	83,641	278,988
OPEB Related	319,270	49,630	368,900
Total Deferred Inflows of Resources	<u>514,617</u>	<u>133,271</u>	<u>647,888</u>
Net Position			
Net Investment in Capital Assets	23,013,909	29,187,302	52,201,211
Restricted for:			
Infrastructure	2,757,081	-	2,757,081
Transportation	1,624,994	-	1,624,994
Law Enforcement	106,107	-	106,107
Memorial Day Services	23,193	-	23,193
Building Department	205,647	-	205,647
Unrestricted	9,982,060	3,724,961	13,707,021
Total Net Position	<u>\$ 37,712,991</u>	<u>\$ 32,912,263</u>	<u>\$ 70,625,254</u>

See accompanying notes.

**TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ 4,022,200	\$ 118,779	\$ 279,921	\$ 13,154	\$ (3,610,346)	\$ -	\$ (3,610,346)
Public Safety	8,401,775	2,385,416	11,824	-	(6,004,535)	-	(6,004,535)
Public Works	3,504,102	709,207	213,924	360,498	(2,220,473)	-	(2,220,473)
Culture/Recreation	533,308	48,703	79,512	-	(405,093)	-	(405,093)
Total Governmental Activities	16,461,385	3,262,105	585,181	373,652	(12,240,447)	-	(12,240,447)
Business-Type Activities							
Water and Sewer	4,082,515	4,763,446	126,044	-	-	806,975	806,975
Stormwater	406,395	636,551	29,651	175,873	-	435,680	435,680
Total Business-Type Activities	4,488,910	5,399,997	155,695	175,873	-	1,242,655	1,242,655
Total Primary Government	\$ 20,950,295	\$ 8,662,102	\$ 740,876	\$ 549,525	(12,240,447)	1,242,655	(10,997,792)
		General Revenues					
					4,405,632	-	4,405,632
					304,584	-	304,584
					1,488,550	-	1,488,550
					866,404	-	866,404
					670,248	-	670,248
					1,146,782	-	1,146,782
					68,453	-	68,453
					993,701	-	993,701
					1,223,114	-	1,223,114
					756,217	151,800	908,017
					64,501	2,638	67,139
					460,020	(460,020)	-
					12,448,206	(305,582)	12,142,624
					207,759	937,073	1,144,832
					37,505,232	31,975,190	69,480,422
					\$ 37,712,991	\$ 32,912,263	\$ 70,625,254

See accompanying notes.

**TOWN OF ORANGE PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	<u>General</u>	<u>Capital Project Sales Tax</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Investments	\$ 12,735,177	\$ 2,836,313	\$ 2,184,715	\$ 17,756,205
Restricted Equity in Pooled Cash and Investments	81,499	-	-	81,499
Receivables (Net of Allowance)	314,577	-	-	314,577
Due from Other Governments	911,371	369,107	255,730	1,536,208
Inventories	43,792	-	-	43,792
Prepaid Items	176,455	-	-	176,455
Total Assets	<u>14,262,871</u>	<u>3,205,420</u>	<u>2,440,445</u>	<u>19,908,736</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable and Accrued Liabilities	963,681	125,910	119,924	1,209,515
Due to Other Governments	87,265	-	-	87,265
Deposits	81,499	-	-	81,499
Unearned Revenue	2,240,847	-	-	2,240,847
Total Liabilities	<u>3,373,292</u>	<u>125,910</u>	<u>119,924</u>	<u>3,619,126</u>
Deferred Inflows of Resources				
Unavailable Revenues	<u>175,375</u>	<u>-</u>	<u>-</u>	<u>175,375</u>
Fund Balances				
Non-Spendable:				
Inventories	43,792	-	-	43,792
Prepaid Items	176,455	-	-	176,455
Restricted for:				
Infrastructure	-	2,757,081	-	2,757,081
Transportation	-	-	1,624,994	1,624,994
Law Enforcement	-	-	106,107	106,107
Memorial Day Services	23,193	-	-	23,193
Building Department	-	-	205,647	205,647
Committed:				
Transportation	-	-	24,345	24,345
Cemetery Care and Maintenance	-	-	359,428	359,428
Assigned:				
Subsequent Year's Budget	2,308,766	-	-	2,308,766
Infrastructure	-	322,429	-	322,429
Unassigned	8,161,998	-	-	8,161,998
Total Fund Balances	<u>10,714,204</u>	<u>3,079,510</u>	<u>2,320,521</u>	<u>16,114,235</u>
Total Liabilities and Fund Balances	<u>\$ 14,262,871</u>	<u>\$ 3,205,420</u>	<u>\$ 2,440,445</u>	<u>\$ 19,908,736</u>

See accompanying notes.

**TOWN OF ORANGE PARK, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

Fund Balance - Total Governmental Funds \$ 16,114,235

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental Capital Assets	\$ 55,565,413	
(Accumulated Depreciation)	<u>(32,551,504)</u>	23,013,909

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	5,082,391	
Deferred Outflows Related to Other Postemployment Benefits (OPEB)	43,106	
Deferred Inflows Related to Pensions	(195,347)	
Deferred Inflows Related to OPEB	<u>(319,270)</u>	4,610,880

Some revenues have been deferred on the balance sheet because they were not measurable and available at year-end.	175,375
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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	91,302	
Net Pension Liability	(4,863,631)	
Compensated Absences	(901,370)	
Net OPEB Obligation	<u>(527,709)</u>	<u>(6,201,408)</u>

Net Position of Governmental Activities \$ 37,712,991

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, 2024

	General	Capital Project Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 6,315,320	\$ 1,488,551	\$ 1,146,782	\$ 8,950,653
Permits, Fees, and Assessments	1,004,431	-	152,684	1,157,115
Intergovernmental	2,117,195	-	-	2,117,195
Charges for Services	1,632,720	-	18,710	1,651,430
Fines and Forfeitures	1,364,836	-	10,528	1,375,364
Investment Income (Loss)	570,280	172,429	13,508	756,217
Miscellaneous	69,297	-	-	69,297
Interfund Charges	468,190	-	-	468,190
Total Revenues	<u>13,542,269</u>	<u>1,660,980</u>	<u>1,342,212</u>	<u>16,545,461</u>
Expenditures				
Current:				
General Government	3,657,128	-	88,194	3,745,322
Public Safety	6,606,816	-	18,434	6,625,250
Public Works	2,073,695	-	-	2,073,695
Culture and Recreation	265,108	-	-	265,108
Capital Outlay	118,426	723,771	1,171,842	2,014,039
(Total Expenditures)	<u>(12,721,173)</u>	<u>(723,771)</u>	<u>(1,278,470)</u>	<u>(14,723,414)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>821,096</u>	<u>937,209</u>	<u>63,742</u>	<u>1,822,047</u>
Other Financing Sources (Uses)				
Transfers in	552,320	150,000	-	702,320
Transfers (out)	(150,000)	-	(92,300)	(242,300)
Total Other Financing Sources (Uses)	<u>402,320</u>	<u>150,000</u>	<u>(92,300)</u>	<u>460,020</u>
Net Changes in Fund Balance	1,223,416	1,087,209	(28,558)	2,282,067
Fund Balances, Beginning of Year	<u>9,490,788</u>	<u>1,992,301</u>	<u>2,349,079</u>	<u>13,832,168</u>
Fund Balances, End of Year	<u>\$ 10,714,204</u>	<u>\$ 3,079,510</u>	<u>\$ 2,320,521</u>	<u>\$ 16,114,235</u>

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, 2024**

Net Change in Fund Balance - Total Governmental Funds \$ 2,282,067

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	\$ 1,551,575	
(Less Current Year Depreciation)	<u>(2,266,301)</u>	(714,726)

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. (1,434,623)

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. 36,573

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. 131,853

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		<u>(93,385)</u>
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Change in Net Position of Governmental Activities \$ 207,759

See accompanying notes.

TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Fund		
	Water and Sewer	Stormwater	Total
Assets			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 1,998,172	\$ 1,191,779	\$ 3,189,951
Restricted Equity in Pooled Cash and Investments	210,633	-	210,633
Receivables, Net	413,210	15,858	429,068
Due from Other Governments	126,044	205,335	331,379
Inventories	138,336	-	138,336
Prepaid Items	42,561	5,808	48,369
Total Current Assets	2,928,956	1,418,780	4,347,736
Non-Current Assets:			
Net Pension Asset	11,213	2,709	13,922
Capital Assets, Net:			
Land	122,549	-	122,549
Construction in Progress	1,751,719	1,476,058	3,227,777
Building and Improvements	247,255	-	247,255
Improvements Other Than Buildings	46,497,287	594,978	47,092,265
Equipment	1,926,960	137,389	2,064,349
(Accumulated Depreciation)	(23,063,635)	(153,473)	(23,217,108)
Total Capital Assets, Net	27,482,135	2,054,952	29,537,087
Total Assets	30,422,304	3,476,441	33,898,745
Deferred Outflow of Resources			
Pension Related	360,309	78,157	438,466
OPEB Related	9,763	760	10,523
Total Deferred Outflow of Resources	370,072	78,917	448,989
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	428,224	544,316	972,540
Current Liabilities Payable from Restricted Assets:			
Customer Deposits	210,633	-	210,633
Current Portion of Compensated Absences	17,718	-	17,718
Total Current Liabilities	656,575	544,316	1,200,891
Non-Current Liabilities:			
Compensated Absences	23,742	-	23,742
Other Postemployment Benefits	65,081	12,486	77,567
Total Non-Current Liabilities	88,823	12,486	101,309
Total Liabilities	745,398	556,802	1,302,200
Deferred Inflows of Resources			
Pension Related	69,019	14,622	83,641
OPEB Related	36,983	12,647	49,630
Total Deferred Inflows of Resources	106,002	27,269	133,271
Net Position			
Net Investment in Capital Assets	27,482,135	1,705,167	29,187,302
Unrestricted	2,458,841	1,266,120	3,724,961
Total Net Position	\$ 29,940,976	\$ 2,971,287	\$ 32,912,263

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, 2024**

	Business-Type Activities - Enterprise Funds		
	Major Fund		
	Water and Sewer	Stormwater	Total
Operating Revenues			
Charges for Services	\$ 4,763,446	\$ 636,551	\$ 5,399,997
Other Income	2,638	-	2,638
Total Operating Revenues	<u>4,766,084</u>	<u>636,551</u>	<u>5,402,635</u>
Operating Expenses			
Personnel Services	1,019,487	164,935	1,184,422
Utilities	257,377	-	257,377
Supplies, Materials, and Other	223,296	38,563	261,859
Professional and Contractual Services	73,867	24,108	97,975
General and Administrative	553,114	2,420	555,534
Depreciation and Amortization	1,767,392	54,295	1,821,687
Repairs and Maintenance	114,226	117,574	231,800
Insurance	73,756	4,500	78,256
(Total Operating Expenses)	<u>(4,082,515)</u>	<u>(406,395)</u>	<u>(4,488,910)</u>
Operating Income (Loss)	<u>683,569</u>	<u>230,156</u>	<u>913,725</u>
Non-Operating Revenues (Expenses)			
Intergovernmental	126,044	205,524	331,568
Investment Revenue	105,683	46,117	151,800
Total Non-Operating Revenues (Expenses)	<u>231,727</u>	<u>251,641</u>	<u>483,368</u>
Income Before Capital Contributions and Transfers	915,296	481,797	1,397,093
Transfers (out)	<u>(460,020)</u>	<u>-</u>	<u>(460,020)</u>
Change in Net Position	455,276	481,797	937,073
Net Position, Beginning of Year	<u>29,485,700</u>	<u>2,489,490</u>	<u>31,975,190</u>
Net Position, End of Year	<u>\$ 29,940,976</u>	<u>\$ 2,971,287</u>	<u>\$ 32,912,263</u>

See accompanying notes.

**TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Stormwater	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 4,749,007	\$ 628,508	\$ 5,377,515
Cash Paid to Suppliers	(889,137)	333,438	(555,699)
Cash Paid to Employees	(1,004,156)	(173,234)	(1,177,390)
Cash Payments for Interfund Services Used	(553,114)	(2,420)	(555,534)
Net Cash Provided by (Used in) Operating Activities	2,302,600	786,292	3,088,892
Cash Flows from Non-Capital Financing Activities			
Intergovernmental Charges	126,044	205,524	331,568
Due to/from Other Funds	(220)	(49)	(269)
Transfers in (out)	(460,020)	-	(460,020)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(334,196)	205,475	(128,721)
Cash Flows from Capital and Related Financing Activities			
Intergovernmental Charges	-	(161,116)	(161,116)
Acquisition and Construction of Capital Assets	(1,902,636)	(725,349)	(2,627,985)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,902,636)	(886,465)	(2,789,101)
Cash Flows from Investing Activities			
Interest Received	105,683	46,117	151,800
Net Cash Provided by (Used in) Investing Activities	105,683	46,117	151,800
Net Increase (Decrease) in Cash and Cash Equivalents	171,451	151,419	322,870
Cash and Cash Equivalents, Beginning of Year	2,037,354	1,040,360	3,077,714
Cash and Cash Equivalents, End of Year	\$ 2,208,805	\$ 1,191,779	\$ 3,400,584
<u>Reconciliation of Cash and Cash Equivalents to Statement of Net Position</u>			
Equity in Pooled Cash and Investments	\$ 1,998,172	\$ 1,191,779	\$ 3,189,951
Restricted Equity in Pooled Cash and Investments	210,633	-	210,633
Total Cash and Cash Equivalents	\$ 2,208,805	\$ 1,191,779	\$ 3,400,584

See accompanying notes.

**TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Stormwater	Total
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ 683,569	\$ 230,156	\$ 913,725
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	1,767,392	54,295	1,821,687
Decrease (Increase) in Assets:			
Accounts Receivable, Net	17,372	(7,588)	9,784
Due from Other Governments	64,307	-	64,307
Prepays	(7,407)	(455)	(7,862)
Inventory	13,254	-	13,254
Deferred Outflows of Resources	15,703	5,430	21,133
Increase (Decrease) in Liabilities:			
Accounts Payable and Accrued Liabilities	(224,176)	518,183	294,007
Customer Deposits	(27,042)	-	(27,042)
Compensated Absences	14,011	(7,423)	6,588
Other Postemployment Benefits	(11,951)	(7,682)	(19,633)
Net Pension Asset/Liability	(2,504)	(788)	(3,292)
Deferred Inflows of Resources	72	2,164	2,236
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,302,600</u>	<u>\$ 786,292</u>	<u>\$ 3,088,892</u>

See accompanying notes.

**TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024**

	Pension Trust Funds
Assets	
Cash and Cash Equivalents	\$ 675,974
Prepaid Benefits	2,729
Receivables:	
Employer and State Contributions	185,894
Accrued Income	15,282
Total Receivables	201,176
Investments:	
Florida Municipal Pension Trust Fund	13,952,404
U.S. Government and Agency Securities	654,628
Corporate Bonds	9,124,745
Domestic Stocks	13,264,069
International Stocks	45,779
Mutual Funds	12,088,627
Unit Investment Funds	782,734
Total Investments	49,912,986
Total Assets	50,792,865
Liabilities	
Accounts Payable	66,659
Total Liabilities	66,659
Net Position Held in Trust for Pension Benefits	\$ 50,726,206

See accompanying notes.

TOWN OF ORANGE PARK, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Pension Trust Funds
Additions	
Contributions:	
Employee Contributions	\$ 263,027
Employer Contributions	762,512
State Contributions	304,584
Total Contributions	1,330,123
Investment Earnings:	
Change in Fair Value of Investments	8,577,903
Interest Income	940,750
Total Investment Earnings	9,518,653
(Less Investment Expense)	(170,598)
Net Investment Income	9,348,055
Total Additions	10,678,178
 Deductions	
Regular Benefits	2,268,093
DROP Benefits	570,026
Refunds	19,644
Administrative Expenses	109,381
Total Deductions	(2,967,144)
 Change in Net Position	7,711,034
 Net Position Held in Trust for Pension Benefits, Beginning of Year	43,015,172
 Net Position Held in Trust for Pension Benefits, End of Year	\$ 50,726,206

See accompanying notes.

TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(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:

TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

- **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.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(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.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(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

TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(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.

(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.

TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

- *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.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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, 2024, 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)	\$ 307,244
Fixed Income	5,071,599
Money Markets	<u>13,174,282</u>
Total Investments Controlled by the Town	<u>18,553,125</u>
Cash Deposits	<u>2,685,163</u>
Total Cash and Investments	<u>\$ 21,238,288</u>

TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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, 2024, the carrying amount of the Town's cash deposits was \$2,685,163 and the bank balance was \$2,745,408. 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, 2024, 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, 2024, is 39 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 5.27 and 6.66 years, respectively.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

	Fair Value	Investment Maturities (in Years)				
		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)	\$ 307,244	\$ 307,244	\$ -	\$ -	\$ -	\$ -
Fixed Income	5,071,599	68,182	1,627,585	483,186	-	2,892,646
Money Markets	13,174,282	13,174,282	-	-	-	-
Total Investments Controlled by the Town	\$ 18,553,125	\$ 13,549,708	\$ 1,627,585	\$ 483,186	\$ -	\$ 2,892,646
Pension Plan Investments						
Firefighters, Police Officers, and General Employees:						
U.S. Government and Agency Securities						
Securities	\$ 654,628	\$ 71,353	\$ 88,429	\$ 356,814	\$ 138,032	\$ -
Corporate Bonds	9,124,745	8,431,705	89,799	490,837	112,404	-
Domestic Stocks	13,264,069	13,264,069	-	-	-	-
International Stocks	45,779	45,779	-	-	-	-
Mutual Funds	12,088,627	12,088,627	-	-	-	-
Unit Investment Trust	782,734	782,734	-	-	-	-
FMIvT Broad Market High Quality Bond Fund						
Bond Fund	2,037,674	-	-	-	2,037,674	-
FMIvT Core Plus Fixed Income Fund						
FMIvT Core Plus Fixed Income Fund	2,108,426	-	-	-	2,108,426	-
FMIvT Diversified Large Cap Equity						
FMIvT Diversified Large Cap Equity	3,523,477	3,523,477	-	-	-	-
FMIvT Diversified Small to Mid Cap						
FMIvT Diversified Small to Mid Cap	2,051,824	2,051,824	-	-	-	-
FMIvT International Equity						
FMIvT International Equity	2,900,855	2,900,855	-	-	-	-
FMIvT Core Real Estate Portfolio						
FMIvT Core Real Estate Portfolio	1,330,148	1,330,148	-	-	-	-
Total Pension Plan Investments	\$ 49,912,986	\$ 44,490,571	\$ 178,228	\$ 847,651	\$ 4,396,536	\$ -

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, 2024:

Investment Type	Quality Ratings								
	AAA	AA+	AA	A-	A	A+	BBB	BBB+	Unrated
Investment Controlled by the Town:									
Florida PRIME	\$ 307,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Income	-	5,071,599	-	-	-	-	-	-	-
Money Markets	-	-	-	-	-	-	-	-	13,174,282
	\$ 307,244	\$ 5,071,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,174,282

TOWN OF ORANGE PARK, FLORIDA
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SEPTEMBER 30, 2024

	Quality Ratings								
	AAA	AA+	AA	A-	A	A+	BBB	BBB+	Unrated
Pension Plan Investments									
U.S. Government and Agency Securities	\$ -	\$ 511,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,427
Corporate Bonds	-	51,742	-	272,029	39,410	36,992	39,484	217,961	8,467,127
Domestic Stocks	-	-	-	-	-	-	-	-	13,264,069
International Stocks	-	-	-	-	-	-	-	-	45,779
Mutual Funds	-	-	-	-	-	-	-	-	12,088,627
Unit Investment Trust	-	-	-	-	-	-	-	-	782,734
Florida Municipal Investment Trust	-	-	2,037,674	-	-	-	-	-	11,914,730
	<u>\$ -</u>	<u>\$ 562,943</u>	<u>\$ 2,037,674</u>	<u>\$ 272,029</u>	<u>\$ 39,410</u>	<u>\$ 36,992</u>	<u>\$ 39,484</u>	<u>\$ 217,961</u>	<u>\$ 46,706,493</u>

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, 2024, is as follows:

<u>Asset Allocation</u>	<u>Asset Allocation Percentage</u>
Cash and Money Market	1.4%
Broad Market High Quality Bond Portfolio	14.4%
Core Plus	14.9%
Diversified Large Cap Equity	24.9%
Core Real Estate	14.5%
Diversified Small Cap Equity Portfolio	20.5%
International Equity Portfolio	9.4%
Total	<u>100%</u>

As of September 30, 2024, 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.

**TOWN OF ORANGE PARK, FLORIDA
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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, 2024:

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		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:				
FMLvT Broad Market High Quality Bond Fund	\$ 2,037,674	\$ -	\$ 2,037,674	\$ -
FMLvT Core Plus Fixed Income Fund	2,108,426	-	2,108,426	-
FMLvT Diversified Large Cap Equity	3,523,477	-	3,523,477	-
FMLvT Diversified Small to Mid Cap	2,051,824	-	2,051,824	-
FMLvT International Equity	2,900,855	-	2,900,855	-
FMLvT Core Real Estate Portfolio	1,330,148	-	1,330,148	-
Subtotal - General Employees' Pension Plan	<u>13,952,404</u>	<u>-</u>	<u>13,952,404</u>	<u>-</u>
Firefighters' Pension Plan:				
U.S. Government and Agency Securities	654,628	-	654,628	-
Corporate Bonds	693,040	-	693,040	-
Domestic Stocks	4,071,397	4,071,397	-	-
International Stocks	45,779	45,779	-	-
Mutual Funds	5,032,145	5,032,145	-	-
Unit Investment Trusts	782,734	782,734	-	-
Subtotal - Firefighters' Pension Plan	<u>11,279,723</u>	<u>9,932,055</u>	<u>1,347,668</u>	<u>-</u>
Police Officers' Pension Plan:				
Corporate Bonds	8,431,705	8,431,705	-	-
Domestic Stocks	9,192,672	9,192,672	-	-
Mutual Funds	7,056,482	7,056,482	-	-
Subtotal - Police Officers' Pension Plan	<u>24,680,859</u>	<u>24,680,859</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	<u><u>\$ 49,912,986</u></u>	<u><u>\$ 34,612,914</u></u>	<u><u>\$ 15,300,072</u></u>	<u><u>\$ -</u></u>

Investments Measured at the Net Asset Value (NAV)	Amount	Weighted Average Maturity	Credit Risk
Governmental Funds:			
State Board of Administration (SBA):			
Florida PRIME	<u>\$ 307,244</u>	39 days	AAAm (S&P)

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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, 2024, 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	\$ 314,577	\$ -	\$ -	\$ 413,210	\$ 15,858	\$ 743,645
Due from Other Governments	911,371	369,107	255,730	126,044	205,335	1,867,587
Total	<u>\$ 1,225,948</u>	<u>\$ 369,107</u>	<u>\$ 255,730</u>	<u>\$ 539,254</u>	<u>\$ 221,193</u>	<u>\$ 2,611,232</u>

Included in accounts receivable are water and sewer usage fees earned but not billed of \$226,436 as of September 30, 2024.

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, 2024, are as follows:

General Fund	\$ 661,976
Water and Sewer	<u>29,743</u>
Total	<u>\$ 691,719</u>

Note 4 - Interfund Transactions

Interfund transfers for the year ended September 30, 2024, were as follows:

	Transfers in		
	General Fund	Sales Tax Fund	Non-Major Governmental Funds
Transfers out			
General Fund	\$ -	\$ 150,000	\$ -
Non-Major Governmental Funds	92,300	-	-
Water and Sewer Fund	460,020	-	-
Total	<u>\$ 552,320</u>	<u>\$ 150,000</u>	<u>\$ -</u>

**TOWN OF ORANGE PARK, FLORIDA
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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 \$460,020 to the General Fund as payment in lieu of taxes.

The Building Department Fund transferred \$92,300 to the General Fund to recover salaries and benefits paid by the General Fund on behalf of building department operations. The General Fund transferred \$150,000 to the Sales Tax Fund for the Milwaukee Sidewalk project.

Note 5 - Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities Capital Assets					
Capital Assets Not Being Depreciated:					
Construction in Progress	\$ 749,993	\$ 721,931	\$ -	\$ (155,182)	\$ 1,316,742
Land	2,697,041	-	-	-	2,697,041
Total Capital Assets Not Being Depreciated	3,447,034	721,931	-	(155,182)	4,013,783
Capital Assets Being Depreciated:					
Buildings and Improvements	6,712,366	-	-	-	6,712,366
Improvements Other Than Buildings	4,785,932	200,526	-	-	4,986,458
Infrastructure	31,391,905	118,933	-	155,182	31,666,020
Equipment	7,916,200	510,185	(239,599)	-	8,186,786
Total Capital Assets Being Depreciated	50,806,403	829,644	(239,599)	155,182	51,551,630
Less Accumulated Depreciation:					
Buildings and Improvements	(3,487,645)	(230,560)	-	-	(3,718,205)
Improvements Other Than Buildings	(4,399,213)	(610,769)	-	-	(5,009,982)
Infrastructure	(16,604,870)	(776,936)	-	-	(17,381,806)
Equipment	(6,033,074)	(648,036)	239,599	-	(6,441,511)
Total Accumulated Depreciation	(30,524,802)	(2,266,301)	239,599	-	(32,551,504)
Total Capital Assets Being Depreciated, Net	20,281,601	(1,436,657)	-	155,182	19,000,126
Governmental Activities Capital Assets, Net	\$ 23,728,635	\$ (714,726)	\$ -	\$ -	\$ 23,013,909
Business-Type Activities					
Capital Assets Not Being Depreciated:					
Construction in Progress	\$ 3,682,544	\$ 1,109,673	\$ -	\$ (1,564,442)	\$ 3,227,775
Land	122,549	-	-	-	122,549
Total Capital Assets Not Being Depreciated	3,805,093	1,109,673	-	(1,564,442)	3,350,324
Capital Assets Being Depreciated:					
Buildings and Improvements	247,255	-	-	-	247,255
Improvements Other Than Buildings	44,227,280	1,300,543	-	1,564,442	47,092,265
Equipment	1,861,119	217,769	(14,537)	-	2,064,351
Total Capital Assets Being Depreciated	46,335,654	1,518,312	(14,537)	1,564,442	49,403,871
Less Accumulated Depreciation:					
Buildings and Improvements	(148,351)	(9,273)	-	-	(157,624)
Improvements Other Than Buildings	(19,881,448)	(1,564,930)	-	-	(21,446,378)
Equipment	(1,380,159)	(247,484)	14,537	-	(1,613,106)
Total Accumulated Depreciation	(21,409,958)	(1,821,687)	14,537	-	(23,217,108)
Total Capital Assets Being Depreciated, Net	24,925,696	(303,375)	-	1,564,442	26,186,763
Total Business-Type Activities, Net	\$ 28,730,789	\$ 806,298	\$ -	\$ -	\$ 29,537,087

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Depreciation expense was charged to functions/programs as follows:

Governmental Activities		
General Government		\$ 172,948
Public Safety		432,517
Public Works		1,404,474
Culture and Recreation		256,362
Total Depreciation Expense - Governmental Activities		<u>\$ 2,266,301</u>
Business-Type Activities		
Water and Sewer System		\$ 1,767,392
Stormwater		54,295
Total Depreciation Expense - Business-Type Activities		<u>\$ 1,821,687</u>

Note 6 - Long-Term Obligations

Change in long-term obligations for the year ended September 30, 2024, were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Compensated Absences	\$ 807,985	\$ 762,034	\$ (668,649)	\$ 901,370	\$ 385,198
OPEB	638,681	-	(110,972)	527,709	-
Total Governmental Activities	<u>\$ 1,446,666</u>	<u>\$ 762,034</u>	<u>\$ (779,621)</u>	<u>\$ 1,429,079</u>	<u>\$ 385,198</u>
Business-Type Activities					
Compensated Absences	\$ 34,872	\$ 50,726	\$ (44,138)	\$ 41,460	\$ 17,718
OPEB	97,200	-	(19,633)	77,567	-
Total Business-Type Activities	<u>\$ 132,072</u>	<u>\$ 50,726</u>	<u>\$ (63,771)</u>	<u>\$ 119,027</u>	<u>\$ 17,718</u>

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.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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.
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**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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 (6.87% of valuation payroll for the year ended September 30, 2024).

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, 2024, the annual money-weighted rate of the return on pension plan investments, net of pension plan investment expense, was 19.70%.

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, 2023, 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, 2024, are also included below.

Plan Membership

Plan membership in the General Employees’ Pension Plan is as follows:

	October 1, 2023
Retirees and Beneficiaries	
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	42
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	45
Active Plan Members	38
Total Retirees and Beneficiaries	125

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2022	\$ 11,544,284	\$ 11,580,763	\$ (36,479)
Changes for the Year:			
Service Cost	238,265	-	238,265
Interest	810,964	-	810,964
Differences Between Expected and Actual Experience	105,015	-	105,015
Contributions - Employer	-	168,497	(168,497)
Contributions - Employee	-	82,499	(82,499)
Net Investment Income	-	972,994	(972,994)
Benefit Payments, Including Refunds of Contributions	(604,718)	(604,718)	-
Administrative Expenses	-	(1,000)	1,000
Net Changes	549,526	618,272	(68,746)
Balances at September 30, 2023	<u>\$ 12,093,810</u>	<u>\$ 12,199,035</u>	<u>\$ (105,225)</u>

September 30, 2024

Total Pension Liability	\$ 12,085,606
Plan Net Position	(14,196,464)
Net Pension Liability (Asset)	<u>\$ (2,110,858)</u>

Plan Net Position as a Percentage of Total Pension Liability 117.47%

For the year ended September 30, 2024, the Town recognized total pension expense of \$318,740. 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	\$ 174,400
Net Difference Between Projected and Actual Earnings	951,365
Differences Between Actual and Expected Experience	64,625
Total Deferred Outflow of Resources	<u>\$ 1,190,390</u>

Deferred Inflow of Resources

Differences Between Projected and Actual Earnings on Plan Investments	\$ 141,533
Total Deferred Inflow of Resources	<u>\$ 141,533</u>

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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, 2025. 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
2025	\$ 140,577
2026	252,852
2027	515,980
2028	(34,952)
Total	\$ 874,457

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2023, updated to September 30, 2024, 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, 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)

As of September 30, 2023

Net Pension Liability/(Asset)	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
General Employees' Pension Plan	\$ 1,336,663	\$ (105,225)	\$ (1,310,666)

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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 16.79% valuation payroll for the year ended September 30, 2024. The Town and state contributions to the Firefighters' Pension Plan were \$387,643 for the year ended September 30, 2024. 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 24.98% for the year ended September 30, 2024.

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, 2023, 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, 2024, are also included below.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Plan Membership

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

	October 1, 2023
Retirees and Beneficiaries	
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	26
Inactive Plan Members Entitled to But	
Not Yet Receiving Benefits	8
Active Plan Members	20
Total Retirees and Beneficiaries	54

The components of the net pension liability of the sponsor on September 30, 2024, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2022	\$ 9,994,198	\$ 8,473,375	\$ 1,520,823
Changes for the Year:			
Service Cost	298,545	-	298,545
Interest	730,117	-	730,117
Differences Between Expected and Actual Experience	593,449	-	593,449
Changes of Benefit Terms	(444,328)	-	(444,328)
Contributions - Employer	-	219,641	(219,641)
Contributions - State	-	135,228	(135,228)
Contributions - Employee	-	66,715	(66,715)
Net Investment Income	-	855,897	(855,897)
Benefit Payments, Including Refunds of Contributions	-	(444,328)	444,328
Administrative Expenses	-	(48,420)	48,420
Net Changes	1,177,783	784,733	393,050
Balances at September 30, 2023	\$ 11,171,981	\$ 9,258,108	\$ 1,913,873
 September 30, 2024			
Total Pension Liability			\$ 12,290,232
Plan Net Position			(11,483,905)
Net Pension Liability (Asset)			\$ 806,327

Plan Net Position as a Percentage of Total Pension Liability	93.44%
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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.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

For the year ended September 30, 2024, the Town recognized total pension expense of \$922,869. The Town reported deferred outflows of resources related to pensions from the following sources:

Deferred Outflow of Resources	
Contributions Made After the Measurement Date	\$ 387,643
Differences Between Actual and Expected Experience	468,053
Changes of Assumptions	-
Differences Between Actual and Expected Experience	684,877
Total Deferred Outflow of Resources	<u><u>\$ 1,540,573</u></u>
Deferred Inflow of Resources	
Changes in Assumptions	-
Total Deferred Inflow of Resources	<u><u>\$ -</u></u>

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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30	Amount
2025	\$ 419,995
2026	386,104
2027	395,662
2028	(48,831)
Total	<u><u>\$ 1,152,930</u></u>

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2023, updated to September 30, 2024, 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%

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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, 2024	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset) Liability	<u>\$ 2,308,569</u>	<u>\$ 806,324</u>	<u>\$ (449,777)</u>
As of September 30, 2023	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset) Liability	<u>\$ 3,290,865</u>	<u>\$ 1,913,870</u>	<u>\$ 762,422</u>

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.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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:

<u>Hire Date</u>	<u>Applicable Credited Service</u>	<u>Accrual Rate</u>
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.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Contributions

The Town is required to contribute at an actuarially determined rate (15.76% of valuation payroll for the year ended September 30, 2024). Town and state contributions to the plan were \$456,006 for the year ended September 30, 2024. 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 22.29% for the year ended September 30, 2024.

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, 2023, 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, 2024, are also included below.

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

	October 1, 2023
Retirees and Beneficiaries	
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	34
Inactive Plan Members Entitled to But	
Not Yet Receiving Benefits	11
Active Plan Members	24
Total Retirees and Beneficiaries	69

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balances at September 30, 2022	\$ 23,466,777	\$ 19,735,288	\$ 3,731,489
Changes for the Year:			
Service Cost	430,987	-	430,987
Interest	1,565,758	-	1,565,758
Differences Between Expected and Actual Experience	149,838	-	149,838
Contributions - Employer	-	250,624	(250,624)
Contributions - State	-	189,717	(189,717)
Contributions - Employee	-	103,595	(103,595)
Net Investment Income	-	2,452,497	(2,452,497)
Benefit Payments, Including Refunds of Contributions	(1,056,491)	(1,056,491)	-
Administrative Expenses	-	(68,151)	68,151
Net Changes	<u>1,090,092</u>	<u>1,871,791</u>	<u>(781,699)</u>
Balances at September 30, 2023	<u>\$ 24,556,869</u>	<u>\$ 21,607,079</u>	<u>\$ 2,949,790</u>
September 30, 2024			
Total Pension Liability			\$ 24,952,154
Plan Net Position			(25,045,837)
Net Pension Liability (Asset)			<u>\$ (93,683)</u>
Plan Net Position as a Percentage of Total Pension Liability			100.38%

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, 2024, the Town recognized total pension expense of \$1,218,007. 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	\$ 456,006
Changes of Assumptions	253,235
Net Difference Between Projected and Actual Earnings	1,968,321
Differences Between Actual and Expected Experience	112,380
Total Deferred Outflow of Resources	<u>\$ 2,789,942</u>
Deferred Inflow of Resources	
Differences Between Actual and Expected Experience	\$ 136,719
Total Deferred Inflow of Resources	<u>\$ 136,719</u>

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30	Amount
2025	\$ 544,461
2026	637,975
2027	1,244,718
2028	(229,937)
Total	\$ 2,197,217

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2023, updated to September 30, 2024, 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	55%	7.5%
International Equity	10%	8.5%
Broad Market Fixed Income	35%	2.5%

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:

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

As of September 30, 2023	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Net Pension Liability/(Asset)	<u>\$ 6,069,357</u>	<u>\$ 2,949,790</u>	<u>\$ 371,016</u>

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2024**

	General Employees' Pension Plan Fund	Firefighters' Pension Plan Fund	Police Officers' Pension Plan Fund	Total
Assets				
Cash and Cash Equivalents	\$ 198,107	\$ 171,057	\$ 306,810	\$ 675,974
Receivables:				
Due from Town	45,953	54,037	85,904	185,894
Accrued Income	-	12,563	2,719	15,282
Total Receivables	45,953	66,600	88,623	201,176
Prepaid Benefits	-	-	2,729	2,729
Investments:				
Florida Municipal Pension Trust Fund:				
FMIvT Broad Market High Quality Bond Fund	2,037,674	-	-	2,037,674
FMIvT Core Plus Fixed Income Fund	2,108,426	-	-	2,108,426
FMIvT Diversified Large Cap Equity	3,523,477	-	-	3,523,477
FMIvT Diversified Small to Mid Cap	2,051,824	-	-	2,051,824
FMIvT International Equity	2,900,855	-	-	2,900,855
FMIvT Core Real Estate Portfolio	1,330,148	-	-	1,330,148
U.S. Government and Agency				
Securities	-	654,628	-	654,628
Corporate Bonds	-	693,040	8,431,705	9,124,745
Domestic Stocks	-	4,071,397	9,192,672	13,264,069
International Stocks	-	45,779	-	45,779
Mutual Funds	-	5,032,144	7,056,483	12,088,627
Real Estate Investment Fund	-	782,734	-	782,734
Total Investments	13,952,404	11,279,722	24,680,860	49,912,986
Total Assets	14,196,464	11,517,379	25,079,022	50,792,865
Liabilities				
Accounts Payable	-	33,474	33,185	66,659
Total Liabilities	-	33,474	33,185	66,659
Net Position Held in Trust for Pension Benefits	\$ 14,196,464	\$ 11,483,905	\$ 25,045,837	\$ 50,726,206

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	General Employees' Pension Plan Fund	Firefighters' Pension Plan Fund	Police Officers' Pension Plan Fund	Total
Additions				
Contributions:				
Employee Contributions	\$ 89,954	\$ 64,401	\$ 108,672	\$ 263,027
Employer Contributions	174,400	267,466	320,646	762,512
State Contributions	-	133,302	171,282	304,584
Total Contributions	264,354	465,169	600,600	1,330,123
Investment Earnings:				
Change in Fair Value of Investments	2,386,872	2,084,022	4,107,009	8,577,903
Interest and Dividends	-	280,129	660,621	940,750
Total Investment Earnings	2,386,872	2,364,151	4,767,630	9,518,653
Less Investment Expense	(22,644)	(61,256)	(86,698)	(170,598)
Net Investment Income	2,364,228	2,302,895	4,680,932	9,348,055
Total Additions	2,628,582	2,768,064	5,281,532	10,678,178
Deductions				
Benefit Payments	621,654	478,102	1,168,337	2,268,093
DROP Benefits	-	-	570,026	570,026
Refunds	9,499	-	10,145	19,644
Administrative Expenses	-	51,039	58,342	109,381
Total Deductions	(631,153)	(529,141)	(1,806,850)	(2,967,144)
Change in Net Position	1,997,429	2,238,923	3,474,682	7,711,034
Net Position Held in Trust for Pension Benefits, Beginning of Year	12,199,035	9,244,982	21,571,155	43,015,172
Net Position Held in Trust for Pension Benefits, End of Year	\$ 14,196,464	\$ 11,483,905	\$ 25,045,837	\$ 50,726,206

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.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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, 2023 (the latest valuation date).

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>92</u>
Total Plan Members	<u><u>112</u></u>

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 \$605,276 was measured as of October 1, 2023, which is one year prior to the reporting date. The actuarial valuation date was October 1, 2023.

Changes in the Total OPEB Liability

Total OPEB Liability,	
Beginning of Year	\$ <u>735,882</u>
Service Cost	51,071
Interest on Total OPEB Liability	34,192
Differences Between Actual and Expected Experience	(181,513)
Changes of Assumptions and Other Inputs	(14,431)
Benefit Payments	<u>(19,925)</u>
Net Change in Total OPEB Liability	<u>(130,606)</u>
Total OPEB Obligation, End of Year	<u><u>\$ 605,276</u></u>

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:

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>3.63%</u>	<u>4.63%</u>	<u>5.63%</u>
Total OPEB Liability	<u>\$ 671,784</u>	<u>\$ 605,276</u>	<u>\$ 547,834</u>

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:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 555,182</u>	<u>\$ 605,276</u>	<u>\$ 663,806</u>

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

For the fiscal year ended September 30, 2024, the Town recognized OPEB expense of \$(12,010). At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Benefits Paid After Measurement Date	\$ 24,307	\$ -
Differences Between Actual and Expected Experience	-	208,890
Changes of Assumptions or Other Inputs	<u>29,322</u>	<u>157,277</u>
Total	<u>\$ 53,629</u>	<u>\$ 366,167</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$24,307 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, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2025	\$ (67,792)
2026	(67,651)
2027	(69,018)
2028	(66,619)
2029	(47,955)
Thereafter	<u>(17,810)</u>
Total	<u>\$ (336,845)</u>

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.

**TOWN OF ORANGE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	October 1, 2023
Measurement Date:	October 1, 2023
Reporting Date:	September 30, 2024
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.75%
Discount Rate:	4.63%
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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 6,153,279	\$ 6,153,279	\$ 6,315,320	\$ 162,041
Permits, Fees, and Special Assessments	921,000	921,000	1,004,431	83,431
Intergovernmental	2,009,086	2,009,086	2,117,195	108,109
Charges for Services	2,135,362	2,135,362	2,100,910	(34,452)
Fines and Forfeitures	1,015,000	1,015,000	1,364,836	349,836
Investment Income	64,850	64,850	570,280	505,430
Miscellaneous	49,600	49,600	69,297	19,697
Total Revenues	12,348,177	12,348,177	13,542,269	1,194,092
Expenditures				
Current:				
Legislative	241,911	236,717	229,036	7,681
Code Enforcement	141,360	137,139	135,736	1,403
Executive	188,575	200,507	199,411	1,096
Human Resources	87,102	83,799	76,710	7,089
Finance	508,638	512,412	512,407	5
Economic and Community Development	235,250	241,481	239,926	1,555
Non-Departmental Government Expenditures	3,462,999	3,405,482	1,230,338	2,175,144
Facilities Maintenance	1,397,333	2,064,252	727,917	1,336,335
Equipment Maintenance	179,098	169,098	161,746	7,352
Memorial Day	2,500	2,500	546	1,954
Police	3,965,231	3,998,404	3,964,492	33,912
Fire	2,718,475	2,767,496	2,752,615	14,881
Streets, Roads, and Drainage	898,564	881,564	846,047	35,517
Rescue Services	164,290	159,049	149,377	9,672
Public Works Administration	1,191,007	1,236,007	1,230,307	5,700
Recreation and Programs	274,161	267,930	264,562	3,368
(Total Expenditures)	(15,656,494)	(16,363,837)	(12,721,173)	3,642,664
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,308,317)	(4,015,660)	821,096	4,836,756
Other Financing Sources (Uses)				
Transfers in	552,320	552,320	552,320	-
Transfers (out)	-	(150,000)	(150,000)	-
Total Other Financing Sources (Uses)	552,320	402,320	402,320	-
Net Change in Fund Balance	(2,755,997)	(3,613,340)	1,223,416	4,836,756
Fund Balance, Beginning of Year	2,755,997	3,613,340	9,490,788	5,877,448
Fund Balance, End of Year	\$ -	\$ -	\$ 10,714,204	\$ 10,714,204

**TOWN OF ORANGE PARK, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024**

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, 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	September 30, 2015
Total Pension Liability										
Service Cost	\$ 244,176	\$ 238,265	\$ 250,068	\$ 198,442	\$ 241,329	\$ 232,299	\$ 242,895	\$ 214,252	\$ 184,303	\$ 217,717
Interest	811,260	810,964	774,208	777,403	747,461	725,020	697,173	689,944	642,052	604,681
Benefit Changes	-	-	-	-	-	-	-	-	(32,351)	(86,307)
Differences Between Actual and Expected Experience	(433,487)	105,015	(495,369)	45,141	41,280	(132,614)	(498,830)	(29,834)	19,887	2,980
Assumption Changes	-	-	-	-	(200,214)	-	15,088	-	120,280	-
Benefit Payments, Including Refunds of Member Contributions	(630,153)	(604,718)	(580,086)	(575,405)	(551,190)	(422,466)	(375,627)	(316,027)	(248,893)	(196,624)
Net Change in Total Pension Liability	(8,204)	549,526	(51,179)	445,581	278,666	402,239	80,699	558,335	685,278	542,447
Total Pension Liability, Beginning	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	8,602,218
Total Pension Liability, Ending (a)	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
Plan Fiduciary Net Position										
Contributions - Town	174,400	168,497	169,628	135,308	172,921	168,906	177,948	311,423	419,653	439,208
Contributions - Member	89,954	82,499	82,280	74,471	72,296	67,573	66,273	65,433	48,259	25,606
Net Investment Income	2,364,228	972,994	(1,806,060)	2,252,116	722,773	566,194	759,187	1,213,981	2,010,513	342,918
Benefit Payments, Including Refunds of Member Contributions	(630,153)	(604,718)	(580,086)	(575,405)	(551,190)	(422,466)	(375,627)	(316,027)	(248,893)	(196,624)
Administrative Expenses	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(425)	(2,575)	(26,172)
Net Change in Plan Fiduciary Net Position	1,997,429	618,272	(2,135,238)	1,885,490	415,800	379,207	626,781	1,274,385	2,226,957	584,936
Plan Fiduciary Net Position, Beginning	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	6,322,445
Plan Fiduciary Net Position, Ending (b)	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
Net Pension Liability (Asset), Ending (a) - (b)	\$ (2,110,858)	\$ (105,225)	\$ (36,479)	\$ (2,120,538)	\$ (680,629)	\$ (543,495)	\$ (566,527)	\$ (20,445)	\$ 695,605	\$ 2,237,284
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	117.47%	100.87%	100.32%	118.29%	106.10%	105.00%	105.41%	100.20%	92.92%	75.53%
Covered Employee Payroll	\$ 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	\$ 1,957,935
Net Pension Liability as a Percentage of Covered Employee Payroll	-83.10%	-4.17%	-1.43%	-98.61%	-31.31%	-27.05%	-27.70%	-0.93%	32.63%	114.27%

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**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 174,400	\$ 168,497	\$ 169,628	\$ 130,111	\$ 172,921	\$ 168,906	\$ 177,407	\$ 257,642	\$ 395,500	\$ 439,208
Contributions in Relation to the Actuarially Determined Contribution	174,400	168,497	169,628	135,308	172,921	168,906	177,948	311,423	419,653	439,208
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,197)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (541)</u>	<u>\$ (53,781)</u>	<u>\$ (24,153)</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 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	\$ 1,957,935
Contributions as a Percentage of Covered Employee Payroll	6.87%	6.67%	6.67%	6.29%	7.95%	8.41%	8.70%	14.22%	19.69%	22.43%

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, 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	September 30, 2015
Annual Money Weighted Rate of Return, Net of Investment Expenses	19.70%	8.50%	-13.30%	19.30%	6.40%	5.20%	7.30%	13.42%	N/A*	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, 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	September 30, 2015
Total Pension Liability										
Service Cost	\$ 313,547	\$ 298,545	\$ 288,887	\$ 257,216	\$ 249,582	\$ 229,098	\$ 229,080	\$ 197,883	\$ 197,700	\$ 223,182
Interest	815,370	730,117	686,085	656,151	625,151	611,896	547,771	508,848	496,512	468,541
Change in Excess State Money	-	-	-	-	-	-	-	-	(52,584)	-
Changes of Benefit Items	-	-	-	-	-	(4,998)	-	-	(210,422)	-
Differences Between Expected and Actual Experience	467,436	593,449	217,262	10,789	16,288	(347,209)	355,825	63,754	(201,630)	168,306
Changes of Assumptions	-	-	-	281,540	(179,638)	232,680	-	-	132,868	-
Contributions - Buy Back	-	-	-	-	-	-	-	-	33,190	-
Benefit Payments, Including Refunds of Employee Contributions	(478,102)	(444,328)	(744,792)	(300,808)	(310,559)	(303,506)	(297,050)	(301,841)	(297,050)	(251,922)
Net Change in Total Pension Liability	1,118,251	1,177,783	447,442	904,888	400,824	417,961	835,626	468,644	98,584	608,107
Total Pension Liability, Beginning	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	5,812,122
Total Pension Liability, Ending (a)	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
Plan Fiduciary Net Position										
Contributions - Employer	254,341	219,641	177,785	208,139	210,146	251,143	214,339	158,271	221,243	319,831
Contributions - State	133,302	135,228	105,984	87,494	109,816	89,667	95,363	89,453	84,808	99,592
Contributions - Member	64,401	66,715	57,099	53,581	49,209	48,171	48,334	48,573	34,771	31,176
Contributions - Buy Back	-	-	-	-	-	-	-	-	33,190	-
Net Investment Income	2,302,894	855,897	(1,484,374)	1,690,575	787,121	347,335	530,937	785,707	348,392	(50,813)
Benefit Payments, Including Refunds of Employee Contributions	(478,102)	(444,328)	(744,792)	(300,808)	(310,559)	(303,506)	(297,050)	(301,841)	(297,050)	(251,922)
Administrative Expenses	(51,039)	(48,420)	(41,750)	(54,901)	(46,702)	(50,480)	(41,929)	(38,863)	(55,455)	(23,140)
Net Change in Plan Fiduciary Net Position	2,225,797	784,733	(1,930,048)	1,684,080	799,031	382,330	549,994	741,300	369,899	124,724
Plan Fiduciary Net Position, Beginning	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	5,752,065
Plan Fiduciary Net Position, Ending (b)	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
Net Pension Liability (Asset), Ending (a) - (b)	\$ 806,327	\$ 1,913,873	\$ 1,520,823	\$ (856,667)	\$ (77,475)	\$ 320,732	\$ 285,101	\$ (531)	\$ 272,125	\$ 543,440
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.44%	82.87%	84.78%	108.97%	100.90%	96.11%	96.36%	100.01%	95.83%	91.54%
Covered Employee Payroll	\$ 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	\$ 1,157,180
Net Pension Liability as a Percentage of Covered Employee Payroll	50.08%	114.75%	106.54%	-63.95%	-6.30%	26.63%	23.59%	-0.04%	26.14%	46.96%

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**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution*	\$ 400,738	\$ 341,743	\$ 285,354	\$ 295,632	\$ 318,381	\$ 340,810	\$ 309,702	\$ 247,723	\$ 306,051	\$ 419,419
Contributions in Relation to the Actuarially Determined Contribution*	387,643	354,869	283,772	295,633	319,962	340,810	309,702	247,724	306,051	419,423
Contribution Deficiency (Excess)	<u>\$ 13,095</u>	<u>\$ (13,126)</u>	<u>\$ 1,582</u>	<u>\$ (1)</u>	<u>\$ (1,581)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (4)</u>
Covered Employee Payroll	<u>\$ 1,610,035</u>	<u>\$ 1,667,855</u>	<u>\$ 1,427,485</u>	<u>\$ 1,339,519</u>	<u>\$ 1,230,220</u>	<u>\$ 1,204,275</u>	<u>\$ 1,208,359</u>	<u>\$ 1,214,329</u>	<u>\$ 1,040,989</u>	<u>\$ 1,157,180</u>
Contributions as a Percentage of Covered Employee Payroll	24.08%	21.28%	19.88%	22.07%	26.01%	28.30%	25.63%	20.40%	29.40%	36.25%

*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
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, 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	September 30, 2015
Annual Money Weighted Rate of Return Net of Investment Expenses	24.98%	10.24%	-14.75%	19.52%	10.02%	4.44%	7.71%	12.84%	6.01%	-0.90%

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, 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	September 30, 2015
Total Pension Liability										
Service Cost	\$ 421,929	\$ 430,987	\$ 442,825	\$ 413,035	\$ 406,341	\$ 428,602	\$ 368,642	\$ 340,830	\$ 325,676	\$ 306,760
Interest	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	1,236,212
Differences Between Expected and Actual Experience	96,376	149,838	(43,891)	(459,092)	1,879	(325,984)	229,994	(289,995)	(291,764)	(295,266)
Changes in Assumptions	-	-	-	1,012,941	(372,266)	425,836	222,248	232,908	343,759	182,706
Benefit Payments, Including Refunds of Employee Contributions	(1,738,364)	(1,056,491)	(958,100)	(881,174)	(819,329)	(842,721)	(849,873)	(820,443)	(810,306)	(780,803)
Net Change in Total Pension Liability	395,285	1,090,092	947,217	1,571,095	657,078	1,141,662	1,338,166	785,890	839,772	649,609
Total Pension Liability, Beginning	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	15,536,288
Total Pension Liability, Ending (a)	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
Plan Fiduciary Net Position										
Contributions - Employer	284,724	250,624	232,977	415,918	454,444	599,933	510,167	510,150	507,652	584,222
Contributions - State	171,282	189,717	161,523	156,637	160,615	160,400	159,155	143,498	139,588	129,319
Contributions - Employee	108,672	103,595	99,129	97,348	96,196	95,479	86,091	85,448	82,605	76,183
Net Investment Income	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	64,497
Benefit Payments, Including Refunds of Employee Contributions	(1,738,364)	(1,056,491)	(958,100)	(881,174)	(819,329)	(842,721)	(849,873)	(820,443)	(810,306)	(780,803)
Administrative Expenses	(68,488)	(68,151)	(73,389)	(47,842)	(54,395)	(52,976)	(44,260)	(50,517)	(44,045)	(35,667)
Net Change in Plan Fiduciary Net Position	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	37,751
Plan Fiduciary Net Position, Beginning	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	13,786,560
Plan Fiduciary Net Position, Ending (b)	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
Net Pension Liability (Asset), Ending (a) - (b)	\$ (93,683)	\$ 2,949,790	\$ 3,731,489	\$ (3,232,214)	\$ (565,293)	\$ 1,129,747	\$ 895,568	\$ 1,364,847	\$ 2,191,324	\$ 2,361,586
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.38%	87.99%	84.10%	114.35%	102.70%	94.43%	95.32%	92.34%	87.13%	85.41%
Covered Employee Payroll	\$ 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	\$ 1,205,917
Net Pension Liability as a Percentage of Covered Employee Payroll	-5.43%	184.89%	244.68%	-210.94%	-38.20%	75.18%	67.62%	103.82%	172.43%	195.83%

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 realized 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 replaced with new hires at the lower benefit structure.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 491,929	\$ 434,589	\$ 387,059	\$ 585,794	\$ 615,059	\$ 760,337	\$ 653,895	\$ 633,102	\$ 647,240	\$ 713,541
Contributions in Relation to the Actuarially Determined Contribution	456,006	440,341	394,500	572,555	615,059	760,333	669,322	653,648	647,240	713,541
Contribution Deficiency (Excess)	\$ 35,923	\$ (5,752)	\$ (7,441)	\$ 13,239	\$ -	\$ 4	\$ (15,427)	\$ (20,546)	\$ -	\$ -
Covered Employee Payroll	\$ 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	\$ 1,205,917
Contributions as a Percentage of Covered Employee Payroll	26.41%	27.60%	25.87%	37.37%	41.56%	50.60%	50.53%	49.72%	50.93%	59.17%

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: 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:
Disability Rates:
Retirement Age:

See table below.
See table below. 75% of disablements and pre-retirement deaths are assumed to be service-related.
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:

Termination Rate Table:

None

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

Termination and Disability Rate Table:

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:

Marriage Assumption:

Asset Valuation Method:

Entry Age Normal Actuarial Cost Method.
100% of participants are assumed to be married, with husbands 3 years older than wives.
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, 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	September 30, 2015
Annual Money Weighted Rate of Return Net of Investment Expenses	22.29%	12.70%	-21.64%	21.18%	13.31%	5.25%	12.03%	12.00%	8.37%	0.48%

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, 2024

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 51,071	\$ 78,114	\$ 87,080	\$ 76,500	\$ 45,911	\$ 45,309	\$ 71,508
Interest on the Total OPEB Liability	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	(14,431)	(200,930)	(8,207)	21,090	108,572	(31,305)	(109,438)
Benefit Payments	(19,925)	(11,486)	(13,734)	(11,313)	(17,040)	(36,321)	(51,763)
Net Change in Total OPEB Liability	(130,606)	(114,101)	24,050	107,893	58,600	1,661	(358,002)
Total OPEB Liability, Beginning	735,882	849,983	825,933	718,040	659,440	657,779	1,015,781
Total OPEB Liability, Ending	<u>\$ 605,276</u>	<u>\$ 735,882</u>	<u>\$ 849,983</u>	<u>\$ 825,933</u>	<u>\$ 718,040</u>	<u>\$ 659,440</u>	<u>\$ 657,779</u>
Covered-Employee Payroll	<u>\$ 5,797,498</u>	<u>\$ 5,717,336</u>	<u>\$ 5,519,490</u>	<u>\$ 4,966,551</u>	<u>\$ 4,838,723</u>	<u>\$ 4,477,282</u>	<u>\$ 4,347,926</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	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, 2024**

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, 2024**

	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	\$ 1,411,916	\$ 84,983	\$ 56,443	\$ 359,428	\$ 35,804	\$ 211,796	\$ 24,345	\$ 2,184,715
Due from Other Governments	255,730	-	-	-	-	-	-	255,730
Total Assets	<u>1,667,646</u>	<u>84,983</u>	<u>56,443</u>	<u>359,428</u>	<u>35,804</u>	<u>211,796</u>	<u>24,345</u>	<u>2,440,445</u>
Liabilities and Fund Balances								
Liabilities								
Accounts Payable and Accrued Liabilities	42,652	69,927	1,196	-	-	6,149	-	119,924
Total Liabilities	<u>42,652</u>	<u>69,927</u>	<u>1,196</u>	<u>-</u>	<u>-</u>	<u>6,149</u>	<u>-</u>	<u>119,924</u>
Fund Balances								
Restricted:								
Transportation	1,624,994	-	-	-	-	-	-	1,624,994
Law Enforcement	-	15,056	55,247	-	35,804	-	-	106,107
Building Department	-	-	-	-	-	205,647	-	205,647
Committed:								
Cemetery Care and Maintenance	-	-	-	359,428	-	-	-	359,428
Transportation	-	-	-	-	-	-	24,345	24,345
Total Fund Balances	<u>1,624,994</u>	<u>15,056</u>	<u>55,247</u>	<u>359,428</u>	<u>35,804</u>	<u>205,647</u>	<u>24,345</u>	<u>2,320,521</u>
Total Liabilities and Fund Balances	<u>\$ 1,667,646</u>	<u>\$ 84,983</u>	<u>\$ 56,443</u>	<u>\$ 359,428</u>	<u>\$ 35,804</u>	<u>\$ 211,796</u>	<u>\$ 24,345</u>	<u>\$ 2,440,445</u>

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, 2024

	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	\$ 1,146,782	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,146,782
Charges and Services	-	-	-	18,430	-	280	-	18,710
Fines and Forfeitures	-	-	8,038	-	2,490	-	-	10,528
Investment Income (Loss)	-	-	2,696	-	-	9,759	1,053	13,508
Permits, Fees, and Assessments	-	-	-	-	-	152,684	-	152,684
Total Revenues	<u>1,146,782</u>	<u>-</u>	<u>10,734</u>	<u>18,430</u>	<u>2,490</u>	<u>162,723</u>	<u>1,053</u>	<u>1,342,212</u>
Expenditures								
Current:								
General Government	-	-	-	-	-	88,194	-	88,194
Public Safety	-	-	17,150	-	1,284	-	-	18,434
Capital Outlay	1,171,842	-	-	-	-	-	-	1,171,842
Total Expenditures	<u>(1,171,842)</u>	<u>-</u>	<u>(17,150)</u>	<u>-</u>	<u>(1,284)</u>	<u>(88,194)</u>	<u>-</u>	<u>(1,278,470)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25,060)</u>	<u>-</u>	<u>(6,416)</u>	<u>18,430</u>	<u>1,206</u>	<u>74,529</u>	<u>1,053</u>	<u>63,742</u>
Other Financing Sources (Uses)								
Transfers (out)	-	-	-	-	-	(92,300)	-	(92,300)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,300)</u>	<u>-</u>	<u>(92,300)</u>
Change in Fund Balances	<u>(25,060)</u>	<u>-</u>	<u>(6,416)</u>	<u>18,430</u>	<u>1,206</u>	<u>(17,771)</u>	<u>1,053</u>	<u>(28,558)</u>
Fund Balances, Beginning of Year	<u>1,650,054</u>	<u>15,056</u>	<u>61,663</u>	<u>340,998</u>	<u>34,598</u>	<u>223,418</u>	<u>23,292</u>	<u>2,349,079</u>
Fund Balances, End of Year	<u>\$ 1,624,994</u>	<u>\$ 15,056</u>	<u>\$ 55,247</u>	<u>\$ 359,428</u>	<u>\$ 35,804</u>	<u>\$ 205,647</u>	<u>\$ 24,345</u>	<u>\$ 2,320,521</u>

OTHER REPORTS

**TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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	\$ 661,897
Passed Through Florida Department of Financial Services: COVID-19 Town of Orange Park - Community Center Rehabilitation	21.027	23.s.aa.900.029	4,812
Total U.S. Department of Treasury			<u>666,709</u>
U.S. Department of Housing and Urban Development			
Passed Through Florida Department of Economic Activity: Community Development Block Grant Disaster Recovery Voluntary Home Buyout Program	14.218	10093	189
Total U.S. Department of Housing and Urban Development			<u>189</u>
Federal Emergency Management Agency			
Passed Through Florida Division of Emergency Management: Town of Orange Park Soil Stabilization	97.039	FEMA-DR-4337-FL	44,222
Town of Orange Park Lift Station, Generator Project	97.039	FEMA-DR-4337-FL	175,873
Total U.S. Department of Treasury			<u>220,095</u>
Total Federal Expenditures			<u>\$ 886,993</u>

TOWN OF ORANGE PARK, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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 10% 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 (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, 2024. 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, 2024.

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.

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**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 2024-001 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 20, 2025
Gainesville, Florida

**TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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 did not report any significant deficiencies or material weaknesses 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*.
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 \$750,000 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 and State Projects

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

There were no prior year findings required to be reported in accordance with the Uniform Guidance.

**TOWN OF ORANGE PARK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

2024-001 – 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 5 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—The Town was unaware of this requirement applied to CSLRF funding under the revenue replacement method.

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, 2024, 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 20, 2025.

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.

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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***

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 20, 2025
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, 2024. 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, 2024.

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 20, 2025
Gainesville, Florida

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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, 2024, and have issued our report thereon dated June 20, 2025.

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 20, 2025, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

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

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Town Council and Town Manager
Town of Orange Park, Florida

MANAGEMENT LETTER

one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and 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 did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and 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 20, 2025
Gainesville, Florida



June 20, 2025

Purvis Gray & Company, CPA
222 NE 1st Street
Gainesville, FL 32606

Thank you for the opportunity to respond to the Town of Orange Park, Florida Schedule of Findings and Questioned Costs – Federal Awards for the Year Ended September 30, 2024. We are pleased to present the Town’s response to this letter.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

2024-001 – 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 5 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—The Town was unaware of this requirement applied to CSLRF funding under the revenue replacement method.

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 is now duly aware of its responsibilities pertaining to this program and will comply with the program requirements for suspension and debarment including evaluation and documentation for program expenditures.

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