CITY OF AUBURNDALE, FLORIDA

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

Fiscal year ended September 30, 2025

City of Auburndale, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2025

Prepared by:

Department of Finance

City of Auburndale, Florida

TABLE OF CONTENTS

City of Auburndale, Florida

TABLE OF CONTENTS

City of Auburndale, Florida

TABLE OF CONTENTS

Other Reports

Principal City Officials

Mayor
Dorothea Taylor Bogert
Term Expiration: December 2025

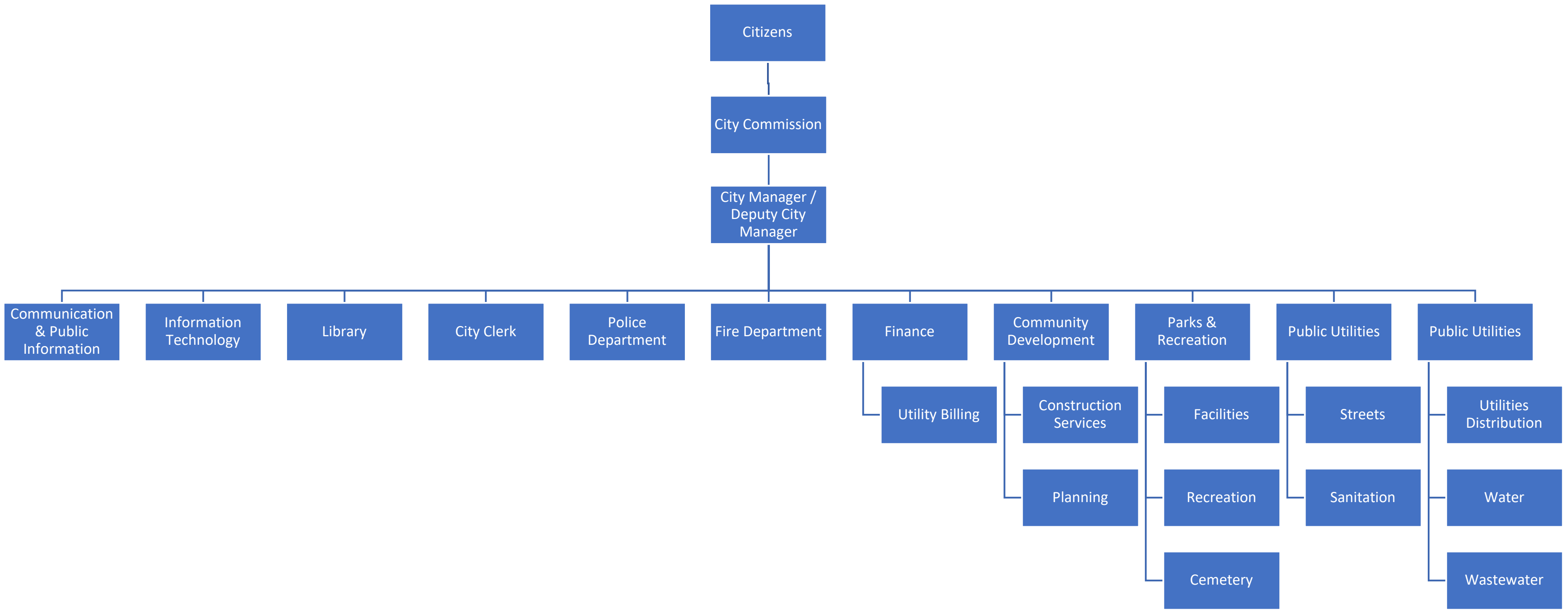
Commissioner
William E. Sterling
Term Expiration: December 2025

Commissioner
Keith A. Cowie
Term Expiration: December 2025

Commissioner
Alex Cam
Term Expiration: December 2027

Commissioner
Jordan Helms
Term Expiration: December 2027

City of Auburndale, Florida
Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Auburndale
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

City of Auburndale
Auburndale, Florida 33823

Finance Department P. O. Box 186
Phone (863) 968-5133

March 5, 2026

To the Honorable Mayor, Members of the City Commission and Citizens of the CITY OF AUBURNDALE:

We are pleased to present the seventh Annual Comprehensive Financial Report (ACFR) of the City of Auburndale, Florida. State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. Internal accounting controls for the City have been designed to provide reasonable assurance regarding the safeguarding of the City's assets against loss. As the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City has contracted with Brynjulfson CPA, P.A., to conduct the audit. The independent auditor concluded there was reasonable basis for rendering an unmodified or "clean" opinion on the City of Auburndale's financial statements for the year ended September 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis or MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

<u>Government Profile</u>

The City of Auburndale was incorporated in 1911 through a Special Act of the Legislature. The City is located in Polk County and encompasses approximately 26 square miles. The University of Florida Bureau of Economic and Business Research estimates the 2025 population at 21,677. The City shares common boundaries with Lakeland, Lake Alfred, Polk City, and Winter Haven.

The City of Auburndale is empowered to levy a property tax on real property located within its boundaries. It also is empowered by State Statute to extend its corporate limits by annexation, which it has done when deemed appropriate by the City Commission.

The Charter of the City of Auburndale provides for a “commission-manager” form of government. The City Commission is a legislative body, with the power to enact ordinances and adopt resolutions. The City Commission consists of five Commissioners, who are elected on a non-partisan basis, at large by the voters for four-year staggered terms in November in the odd numbered years. A Mayor and Vice Mayor are elected by the Commission at the first meeting in December for the year. The Mayor and Commissioners hire the City Manager and City Attorney. The City Manager is the chief executive officer and head of the administrative branch of the City. The City Manager oversees the day-to-day operations of the City and hiring of the department heads for the various City departments.

The City of Auburndale provides a full range of services, including police and fire protection; refuse collection; street maintenance; parks and recreation; construction services; library services; financial services; administrative services; and water and sewer services. The City also has an active Community Redevelopment Agency, which was created in 1992. The City currently has 213 budgeted full-time employees.

Since 2005, the City of Auburndale has operated with a two-year budget process. As part of the process, two separate twelve-month budgets are prepared and approved by the City Commission. The level of budgetary control is set at the fund level. On or before October 1 of each year, after conducting public hearings on the two-year budget proposals submitted by the City Manager, the City Commission adopts a final budget for the succeeding fiscal years. Under State law, appropriation for each fiscal year cannot exceed the amount to be received from revenues and appropriated fund balances. The biennial budgets serve as the foundation for the City of Auburndale’s financial planning and control. The budgets are prepared and balanced for the six Funds: General Fund, General Fund Impact Fees Fund, Community Redevelopment Fund, Water and Sewer Connection Fees Fund, Water and Sewer Fund and Custodial Fund. The budget details the departments (example: police) and functions (example: personnel) for all the Funds.

<u>Factors Affecting Financial Conditions</u>

The information presented in the financials statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

<u>Local Economy</u>

The City of Auburndale is a desirable location to Live, Work & Play. The City is located 50 miles northeast of Tampa and 50 miles southwest of Orlando. The leading indicators of growth, such as requests for building permits, site plan approvals for new developments and redevelopment, and requests for land use and zoning changes, have remained strong. Major industries located within the government’s boundaries or in close proximity include the Coca-Cola Corporation, Amazon, Medline, Saddle Creek Corporation, Duke Energy, Camp Margaritaville RV Resort, SunTrax and Florida Division of Emergency Management (FDEM).

Advanced Air Mobility (AAM) research and development is the next phase to establish SunTrax as Florida’s premier testing hub for air and ground transportation innovation, featuring dedicated airspace, intelligent transportation systems and collaborative research facilities to advance eVTOL development, aerial highway operations, and workforce training for the future of AAM.

Florida Division of Emergency Management celebrated the opening of Florida’s Central Operations and Coordination Office, a critical investment in the state’s ability to prepare for, respond to, and recover from disasters. The building will serve as a major hub for disaster logistics and coordination ensuring lifesaving supplies such as food, water, flood prevention resources and generators can be staged and deployed quickly after a disaster to communities in need.

The Polk County school district and Florida Polytechnic University provide a significant economic presence, employing many teachers, professionals, and support staff. Florida Polytechnic University is the only public university dedicated to science, technology, engineering and mathematics (STEM). The University is located just beyond the City limits of Auburndale and within the Central Florida Innovation District. There are four schools located within the City limits and four schools just outside the City with an Auburndale address.

For Polk County and the area cities including Auburndale, the unemployment rate rose from 4.4% in September 2024, to 5.2% in September 2025. The national unemployment rate as of September 2025 was 4.4%. Based on the economic forecasts for years 2025 to 2036, the unemployment rate is anticipated to move to a high of 4.4% in year 2026 before coming down to 4.3% in year 2034.

Over the past ten plus years, the City has experienced a period of significant economic growth and investment, as shown in our continued growth of utility billing customers and Building Permits issued. The City works hard in the area of planning and growth management through our Community Development Department. We have approximately 4,000 single-family residential lots and 1,100,000+ sq ft of commercial space in some stage of development, from zoning approval to under construction. The Utility Billing revenues for calendar year 2025 are $9,041,327 for water charges and $9,315,685 for sewer charges. Compared to the prior year, the revenue for water charges increased by 4.8% and the revenue for sewer charges increased by 0.4%.

The City of Auburndale's tax base has been strong and increased by 16.3% in 2024 and 10.8% in 2025 due to growth in property values and new development. Auburndale has historically levied a low property tax and is the lowest in Polk County. For FY 2025, the millage tax remained at 4.2515. The proposed tax levy will generate $11,640,000, an increase of $1,130,000 over the prior year budget. The significant increase in ad valorem proceeds is result of 6.5% growth in new taxable value from new construction and the overall increase in property values. Due to their facility size and infrastructure, the Coca Cola Corporation and Duke Energy account for 15.8% of the City's property taxes for the current year. The ad valorem property taxes received from Coca Cola are remitted to the City's Community Redevelopment Agency Fund to help provide for redevelopment with the Community Redevelopment Agency district.

The Amazon Fulfillment Center is the third highest valued property in the City of Auburndale including both the real estate and tangible property values. Bel Lakeland LLC owns the land and building and Amazon owns the tangible property on the parcel.

2025 TOP 10 COMBINED: TAXPAYERS	JUST VALUE	ASSESSED
COCA COLA	241,432,148	241,279,799
DUKE ENERGY	185,336,376	185,336,376
BEL LAKELAND LLC	92,158,440	89,175,405
MRE PROPCO LP	71,251,352	68,945,040
SADDLE CREEK CORPORATION	70,485,328	64,248,750
PR ARC BORROWER 1 LLC	55,254,237	55,254,237
TAMPA ELECTRIC	116,388,574	116,266,124
GROVES AT LAKE JULIANA LLC	46,692,312	46,692,312
BGO PACE LOGISTICS LLC	41,130,915	41,130,915
AMAZON	37,141,025	37,141,025

Charges for services related to governmental funds have remained relatively constant over the past few years with collections around $4 million. The charges for service fees include facility rentals, field rentals, library services, sanitation charges, stormwater fees, and cemetery fees. The charges for service are adjusted based upon review of the collections for the City and charges from area cities.

Long-term Financial Planning and Major Initiatives

The Five-Year Capital Improvement Plan or CIP is used to provide for future community needs and determine how resources will be used to meet those needs. The CIP serves as the City's planning document to ensure that the facilities, equipment and infrastructure are well maintained and operating in peak condition. The CIP gives the City of Auburndale the ability to plan for its capital needs and allocate short-term and long-term resources appropriately. As part of this process, the government identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly. All projects in the first two years of the CIP are incorporated into the proposed Biennial Budget. Projects planned over the next five-year period within the IT, Community Redevelopment Agency, Police, Fire, Public Works, Public Utilities, and Parks and Recreation Departments are projected to cost $180,336,935. In our Biennial Budget preparation, we integrate the Five-Year Capital Improvement Plan and adopt this as part of the Ordinance for the budget.

The Water and Sewer Fund provides operating income of $10,057,434 that results in a primary Net Revenue Bond Coverage of 3.92. The City is required to maintain net revenues to cover 1.05 times the bond service requirement per City Resolution No. 95-10. In the past, the City has consulted with Raftelis Financial Consultants, Inc. for our rate study and most recently for a revenue sufficiency study. From the September 2023 rate study, a rate adjustment for water of 1.5% for water and 0.5% for sewer in FY 2025 through FY 2028 was approved by the City Commission with Ordinance No. 1764.

The City of Auburndale receives Community Development Block Grant funds annually through a Cooperative Agreement with Polk County for a share of the federal funds they receive from the Department of Housing and Urban Development. The City plans to continue construction of a parking lot adjacent to the Community Center Gym and future improvements to Earl Wright Park. The Budget provided $39,999 for FY 2025.

The Polk Regional Water Cooperative was formed in 2016 to address the individual and regional future water needs of the 17 municipalities in Polk County. The current Budget allocates Auburndale's committed cost share for conservation programs, administrative cost, and Phases 1 costs for engineering and testing of wells. Auburndale is one of seven participating members that elected to utilize the State Revolving Loan Fund to fund their cost share of Phase 1. The Biennial Budget provides for $650,104 in FY 2025 and $630,629 in FY 2026 for costs associated with alternative water.

Relevant Financial Policies

A significant measure of the City's financial strength is the level of its fund balances. Per financial policies, and for the long-term health of the City's General Fund, certain reserves are committed within the fund balance and provide resources for specific purposes such as budget stabilization and disaster recovery, among others. The City amended the Fund Balance Policy regarding the General Fund Unassigned Fund Balance to 25%, with Resolution No. 2019-10 (total expenditures less capital outlay and certain debt service expenditures that are secured by reimbursements from Polk County). In accordance with the City's Fund Balance Policy, City Staff will allocate the necessary contributions to the Emergency Reserve

Restricted Account. Expenditure of the Emergency Reserve amount can only be approved by the City Commission as an emergency expenditure.

The unassigned fund balance in the General Fund is $24,612,904, which is 91% of total general fund expenditures, excluding capital outlay and debt service. The prior year unassigned fund balance was 87%. The General Fund Five-Year Capital Improvements Plan (CIP) for FY2025/2026 to FY2029/2030 is $49,781,000.

<u>Awards and Acknowledgements</u>

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Auburndale for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2024. This was our seventh year to receive this prestigious award. In order to receive the award, a governmental agency must provide an easily readable and efficiently organized ACFR, which satisfies both generally accepted accounting principles and the legal requirements.

With the completion of this document for FY 2025, the City of Auburndale will again apply for the GFOA Certificate of Achievement for Excellence in Financial Reporting.

The preparation of this report would not have been possible without efficient and dedicated staff of the Finance Department. We wish to thank all City Departments for their assistance in providing the data necessary to prepare the statistical portion of the report and for their budgetary oversight for their various departments. We would also like to thank the Mayor and the Commission for their support for maintaining the highest standards of professionalism in the management of the City of Auburndale finances. Our appreciation must also be expressed for the City Auditors, Mike Brynjulfson of Brynjulfson CPA, P.A., whose attention to detail and accounting professionalism enhances the quality of the City's ACFR product.

Respectfully submitted,

Amy C. Palmer, Interim City Manager

Christopher S. Reeder, Finance Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Commission
City of Auburndale, Florida

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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Brynjulfson CPA, P.A. **www.myfloridacpas.com**

Auditor's Responsibilities for the Audit of the Financial Statements *(concluded)*

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as provided in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board that considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining fund financial statements 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 combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Other Information *(concluded)*

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control over financial reporting and compliance.

Other Reporting Required by Chapter 10.550, Rules of the Auditor General

In accordance with *Chapter 10.550, Rules of the Auditor General,* we have also issued our report dated March 5, 2026, on our examination of compliance with requirements of Section 218.415, *Florida Statutes*. The purpose of that report is to describe the scope of our examination and the issuance of an opinion on the City's compliance with requirements of Section 218.415, *Florida Statutes*.

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
March 5, 2026

The City of Auburndale's Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of the City's financial activities. The analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify the changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues of concern.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources on September 30, 2025 by $178,442,671 (net position) compared to $162,700,346 at the end of the prior year. The unrestricted net position, which represents the amounts available to meet the City's ongoing obligations to citizens and creditors, was $32,173,151 compared to $22,585,228 in the prior year.
- The City's total net position increased by $27,548,047 compared to an increase of $26,901,961 in the prior year. The governmental activities' net position increased by 15% and the business-type activities increased by 6%.
- As of September 30, 2025, the City's governmental funds reported combined ending fund balances of $38,804,248 a decrease of $7,060,034 in comparison with the prior year ending balance of $45,864,282.
- As of September 30, 2025, the City' general fund reported unassigned fund balance of $24,612,904 or 91% of general fund expenses for the year ended September 30, 2025, excluding capital outlay expenditures. As of the end of the prior year, the City' general fund reported unassigned fund balance of $21,311,951 or 87% of general fund expenses for the year ended September 30, 2024, excluding capital outlay expenditures.
- The City's total net long-term debt decreased by approximately $3,747,000 or 6% during the fiscal year.

UNDERSTANDING THE BASIC FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components:

1. Government-wide financial statements.
2. Fund financial statements.
3. Notes to the financial statements.

The basic financial statements present two different views of the City through the presentation of governmental-wide financial statements and fund financial statements. In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the City of Auburndale.

Government-wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. Both statements represent an overview of the City as a whole, separating its operations between governmental and business-type activities.

The governmental activities of the City include general government, public works administration, police and fire departments, streets, sanitation, library, building and zoning, community redevelopment and parks and recreation.

The business-type activities of the City consist of the public utilities system (water and sewer utilities).

Fiduciary funds, such as pension trust funds, are excluded from the government-wide financial statements as they represent money and funds legally set aside for use by the employee groups they benefit. Florida law requires municipalities to fund pension plans on an actuarially sound basis; therefore, it is important for the user to study the fund financial statements as well as the notes to the financial statements.

The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the residual measure reported as net position. The focus of the statement of net position (the "unrestricted net position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increase or decrease in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City'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 for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

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

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statement. 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 the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains three separate governmental funds – the general fund, the community redevelopment agency special revenue fund and the impact fee special revenue fund. Information is presented separately for each fund in the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and change in fund balances.

In September, following two public hearings the City adopts an annual appropriated budget each year. Budgetary comparison schedules have been provided to demonstrate compliance with the budget and can be located by referencing the table of contents of this report.

The basic governmental funds financial statements can be located by referencing the table of contents of this report. The governmental fund presentation is a sources and uses of liquid resources basis (current financial resources measurement focus and modified accrual basis of accounting). This is the manner in which the budget is typically developed. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance for each fund.

Proprietary Funds - The City maintains only one of the two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The City uses an enterprise fund to account for its public utilities system. Internal Service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City does not utilize internal service funds. The basic proprietary fund financial statements can be located by referencing the table of contents of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government–wide financial statement because the resources of those funds are not available to support the City's own programs. While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be located by referencing the table of contents of this report. The City has three defined benefit pension plans established for the exclusive benefit of its employees and beneficiaries as well as one custodial fund to account for certain fees collected on behalf of other governments.

Notes to Financial Statements - The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – This report also presents certain required supplementary information related to the City's employee pension plans and other postemployment benefits (OPEB) obligations as well as budgetary comparison schedules for the general fund, community redevelopment agency special revenue fund and the impact fee special revenue fund. Required supplementary information can be located by referencing the table of contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table reflects the condensed statement of net position for the current year, as compared to the prior year. For more detailed information see the statement of net position which can be located by referencing the table of contents of this report.

Statement of Net Position (Summary)
as of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Current and other assets	$ 44,729,527	$ 48,130,859	$ 46,812,663	$ 43,740,822	$ 91,542,190	$ 91,871,681
Capital assets	91,903,126	77,731,021	85,461,149	85,809,719	177,364,275	163,540,740
Total assets	136,632,653	125,861,880	132,273,812	129,550,541	268,906,465	255,412,421
Deferred outflows	4,538,820	7,519,634	1,219,647	1,639,341	5,758,467	9,158,975
Current liabilities	6,167,916	2,644,946	5,591,393	6,154,499	11,759,309	8,799,445
Non-current liabilities	48,678,649	55,675,850	28,886,514	31,224,214	77,565,163	86,900,064
Total liabilities	54,846,565	58,320,796	34,477,907	37,378,713	89,324,472	95,699,509
Deferred inflows	5,884,914	5,129,195	1,012,875	1,042,346	6,897,789	6,171,541
Net position:						
Net investment in capital assets	60,692,765	56,793,590	58,278,794	56,836,865	118,971,559	113,630,455
Restricted	10,218,194	8,517,899	17,079,767	17,966,764	27,297,961	26,484,663
Unrestricted	9,529,035	4,620,034	22,644,116	17,965,194	32,173,151	22,585,228
Total net position	$ 80,439,994	$ 69,931,523	$ 98,002,677	$ 92,768,823	$ 178,442,671	$ 162,700,346

By far the largest portion of the City's net position, $118,971,559, reflect its investment in capital assets (land, buildings, improvements, infrastructure, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its 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.

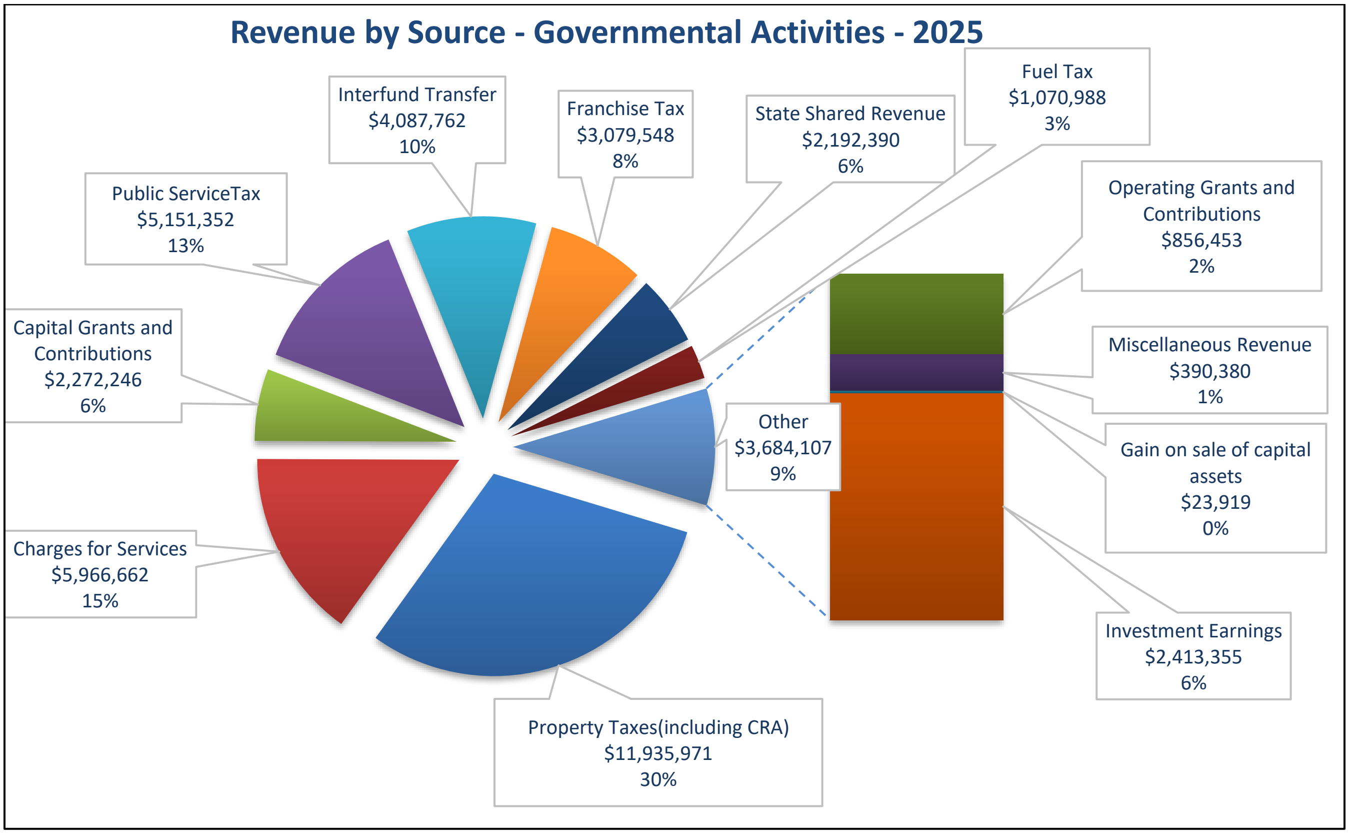
An additional portion of the City's net position, $27,297,961 represents resources that are subject to restrictions on how they may be used.

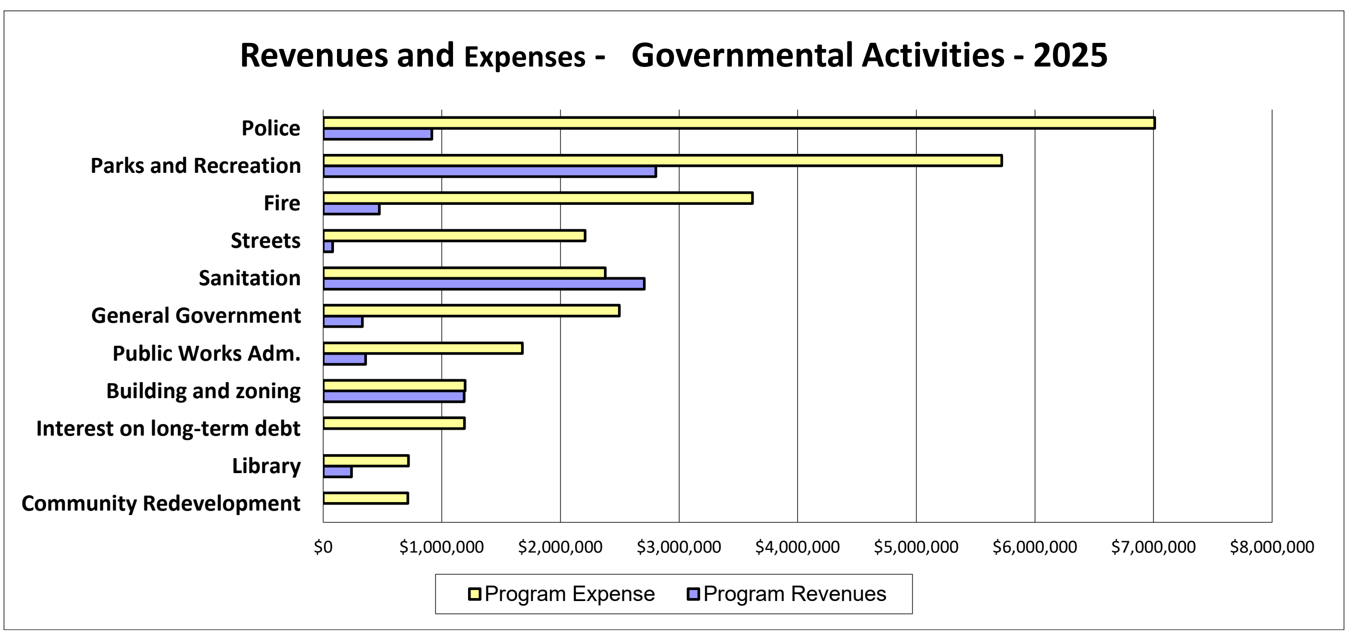
Statement of Activities – While net position of the City represents the difference between 1) assets and deferred outflows of resources and 2) liabilities and deferred inflows of resources, the statement of activities reports the changes in net position during the fiscal year using the economic resources measurement focus and accrual basis of accounting. The following table reflects the condensed statement of activities for the current year. For more detailed information see the statement of activities which can be located by referencing the table of contents of this report.

Statement of Activities (Summary)
For the year ended September 30,

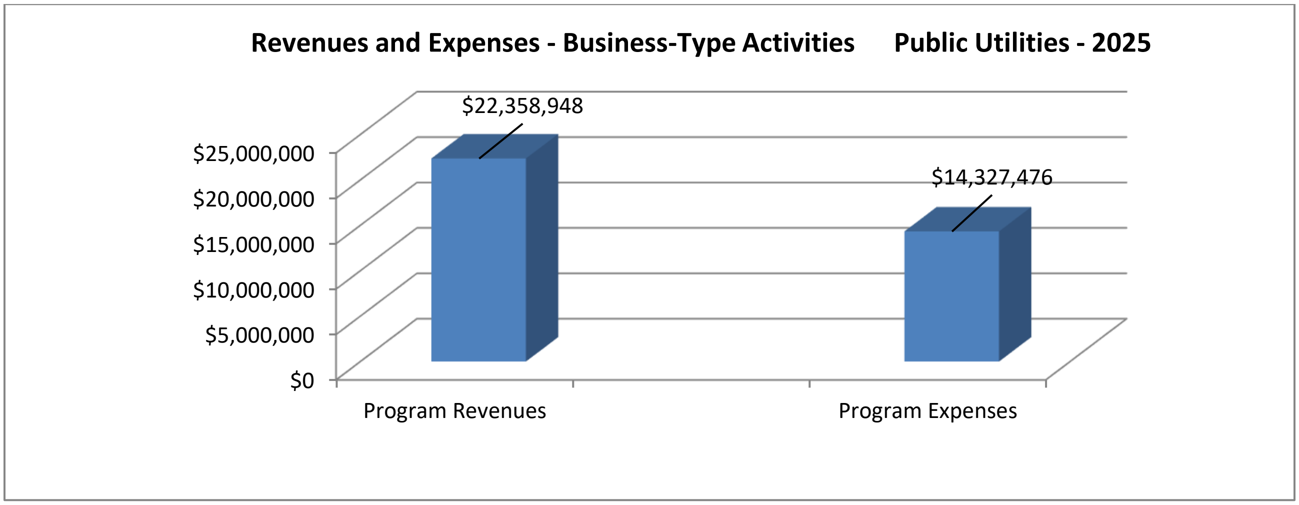
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Revenues:						
Program Revenues:						
Charges for services	$ 5,966,662	$ 5,778,903	$ 19,215,698	$ 18,720,571	$ 25,182,360	$ 24,499,474
Operating grants/contrib.	856,453	691,387	-	-	856,453	691,387
Capital grants/contrib.	2,272,246	2,480,649	3,143,250	16,265,278	5,415,496	18,745,927
General revenues:						
Property taxes	11,935,971	10,474,964	-	-	11,935,971	10,474,964
Other taxes	9,301,888	7,953,814	-	-	9,301,888	7,953,814
State shared revenue	2,192,390	2,059,363	-	-	2,192,390	2,059,363
Other	2,827,654	1,939,338	1,290,144	1,957,142	4,117,798	3,896,480
Total revenues	35,353,264	31,378,418	23,649,092	36,942,991	59,002,356	68,321,409
Expenses:						
Governmental activities:						
General government	2,497,148	1,872,656	-	-	2,497,148	1,872,656
Library	719,495	650,135	-	-	719,495	650,135
Police	7,009,237	6,960,552	-	-	7,009,237	6,960,552
Fire	3,618,957	3,738,629	-	-	3,618,957	3,738,629
Building and zoning	1,196,869	957,156	-	-	1,196,869	957,156
Public works administration	1,680,180	1,825,755	-	-	1,680,180	1,825,755
Sanitation	2,377,210	2,064,447	-	-	2,377,210	2,064,447
Streets	2,207,183	2,346,882	-	-	2,207,183	2,346,882
Parks and recreation	5,721,154	5,692,467	-	-	5,721,154	5,692,467
Community redevelopment	714,342	534,311	-	-	714,342	534,311
Interest on long-term debt	1,190,780	960,804	-	-	1,190,780	960,804
Business-type activities:						
Public utilities	-	-	14,327,476	13,815,654	14,327,476	13,815,654
Total expenses	28,932,555	27,603,794	14,327,476	13,815,654	43,260,031	41,419,448
Increase (decrease) in net position before transfers	6,420,709	3,774,624	9,321,616	23,127,337	15,742,325	26,901,961
Transfers in (out)	4,087,762	4,004,705	(4,087,762)	(4,004,705)	-	-
Change in Net Position	10,508,471	7,779,329	5,233,854	19,122,632	15,742,325	26,901,961
Net position - Beginning	69,931,523	62,152,194	92,768,823	73,646,191	162,700,346	135,798,385
Net position - Ending	$ 80,439,994	$ 69,931,523	$ 98,002,677	$ 92,768,823	$ 178,442,671	$ 162,700,346

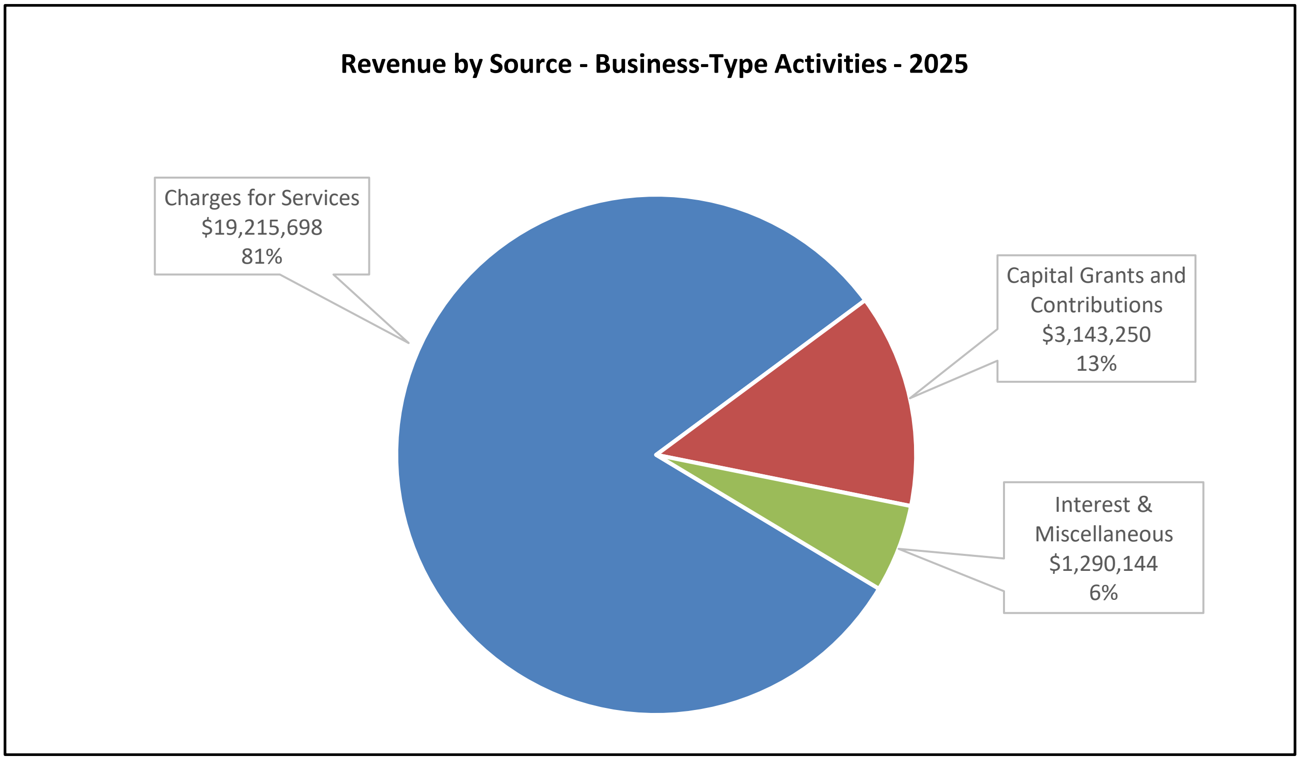
Governmental Activities - Governmental activities' operations increased the City's net position by $10,508,471 for the current year. Approximately 86% or $26,257,903 of the governmental activities' operations are funded by general revenue sources and transfers that are not attributable to any one particular activity. The City is dependent upon property taxes and taxes on utilities, both through franchise and through direct taxation of those utilities.





Business-type activities - Business-type activities' operations increased the City's net position by $5,233,854.





The governmental activities change in net position was $10,508,471 for 2025 compared to $7,779,329 for the prior year, mainly due to:

- Total revenue increased by $3,974,846 or 13% mainly due to:
    - Property tax revenue increased by approximately $1,461,000 or 14%. The City's millage rate was unchanged in 2025 at 4.2515 so the increased property tax revenue was due to increased values of property within the City.
    - Franchise, public service and fuel taxes and state shared revenues increased by approximately $1,349,000 or 17% mainly due to increased economic activity within the City.
    - Investment earnings increased by approximately $681,000 or 39%, primarily due to a higher level of surplus funds invested in the Local Government Investment Pool utilized by the City, including an increased allocation to the enhanced cash fund, which generally yields higher returns than the daily liquidity pool historically utilized by the City.
- Total expenses increased by $1,328,761 or 5% mainly due to:
    - Payroll and payroll related tax expenses increased by approximately $930,000 or 7% due to hiring additional employees and wage rate increases for existing employees.
    - Repair and maintenance expenses increased by approximately $600,000 or 33% due to a myriad of changes across all functions.
    - The factors discussed above drove the overall increase in governmental activities expenses; however, this increase was partially offset by net decreases across a wide range of expense categories within the governmental activities.

The business-type activities change in net position was an increase of $5,233,854 compared to an increase of $19,122,632 in the prior year, mainly due to:

- Total revenue decreased by approximately $13,300,000 or 36%, due mainly to:
    - The business-type activities reported decreased capital grants and contributions of approximately $13,100,000 or 81% due to the following:
        - Decreased water and sewer connection fee revenue of approximately $7,353,000 due to increased construction within the City as well as a major customer purchasing expanded water-use capacity.
        - Grant revenue decreased by approximately $5,000,000 reflecting significantly lower ARPA State and Local Fiscal Recovery Funds recognized in the current year compared to the prior year.
        - Donated water and sewer infrastructure decreased by approximately $780,000 or 70%, reflecting the timing and progression of residential development projects within the City during the year.

- Total expenses increased by $511,822, or 4 percent, primarily due to general increases across a broad range of expense categories, including an increase of approximately $375,500 related to charges from the Polk Regional Water Cooperative.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of September 30, 2025, the City's governmental funds reported combined ending fund balances of $38,804,248. Of this total, the unassigned fund balance amount is $24,612,904 and is the amount available for spending at the City's discretion. The remainder of fund balance, $14,191,344, is restricted or nonspendable as indicated and not available for general spending because of restrictions placed on the use of fund balance or fund balances that have already been spent. The combined total fund balance in fiscal year 2024 was $45,864,282.

The general fund is the chief operating fund of the City. The general fund's unassigned fund balance has increased $3,300,953 or 15% in fiscal year 2025. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. During the current fiscal year, the assigned and unassigned fund balance of the City's general fund was 91% of the current year expenditures, excluding capital outlay, compared to 87% in the prior year. Capital outlay was removed from the calculation because the amount was significant (41% of total expenditures in 2025 and 28% in 2024).

- Revenue increased by approximately $3,547,065 or 13% mainly due to the following:
    - Tax revenue increased by approximately $2,700,000 (17%). The causes of these increases were discussed in the governmental activities section and include increased gross taxable values within the City, increased franchise, public service and fuel taxes and state shared revenues due to increased economic activity.
    - Investment income increased by approximately $485,000 (29%) due to additional surplus funds invested in the Local Government Investment Pool, with a greater portion allocated to the enhanced cash fund, which provides higher returns than the daily liquidity pool.
    - Charges for services revenue increased by approximately $332,000, or 7 percent, primarily due to higher stormwater fee revenue resulting from a rate increase implemented during the current year.
- Expenditures increased by approximately $11,674,034 or 34% mainly due to the following:
    - Capital outlay expenditures increased by approximately $9,052,000 or 95% due mainly to construction of the new civic center facility. The construction of the new civic center facility is being funded primarily through a $18,994,000 issuance of debt reported as an other financing source in 2024.

- Debt service expenditures increased by approximately $870,705, or 34 percent, primarily due to debt issued in 2024, with a full year of related debt service reflected in 2025.
- Payroll and payroll related expenditures increased by approximately $930,000 or 7% due to hiring additional employees and wage rate increases for existing employees.

The Community Redevelopment Agency (CRA) was created with Ordinance No. 772, in June of 1992. The CRA Board was restructured to include the City Commission and two City residents, with Ordinance No. 1117, in July of 2003. An amendment to the redevelopment plan extended the time certain for completing all redevelopment financed by increment revenue for 30 years from the date of Resolution No. 2005-11 (adopted May 2, 2005). In November of each year, the CRA entertains public comment on new projects to be included in the Board's adopted capital improvements program.

- The CRA receives property tax increment funds from the County and City, totaling $2,235,124 in 2025 compared to $2,145,574 in the prior year. Total fund balance at year end equals $4,274,632, an increase of $1,701,025 during the current fiscal year.
- The major CRA capital projects this year was streetscape and sidewalk improvements and repairs in the CRA district totaling approximately $168,000 and the purchase of land totaling $25,700. The CRA also reimbursed the City approximately $203,000 for labor costs, made $50,000 in redevelopment incentive grants and paid general municipal impact fees for new construction in the CRA district of $20,709. The CRA reported total expenditures of $643,488 during the current year compared to $1,052,478 in the prior year.
- During 2024 the CRA purchased property from the City's general fund for $3,500,000 of which $307,525 was reported as capital outlay and the remaining $3,192,475 is reported as a transfer. According to GASB Cod. Sec. S20, when capital assets are transferred within the same financial reporting entity, the receiving entity should record the assets at the transferor's carrying amount. Since GASB Cod. Sec. 1400 requires capital assets to be reported at historical cost, this intra-entity transfer does not alter the original cost. The carrying value of the assets sold were $307,525 at the time of the sale and the remainder of the sale price is recognized as a transfer to the general fund.

The impact fee special revenue fund balance increased by $804,594 due to revenue of $804,594 with no expenditures in 2025. Revenue is comprised mainly of impact fees which decreased by approximately $159,000 (19%) during 2025 because of decreased construction related activity within the City.

Enterprise Fund - The City's enterprise fund provided operating income of $5,847,146 that resulted in a primary net revenue bond coverage of 4.10. Last year the operating income was $6,297,865 with net revenue bond coverage of 4.54. City Resolution Number 2016-07 dated August 15, 2016, requires the City to maintain net revenue sufficient to cover 1.20 times the bond service requirement. The principal and interest amounts paid during the year, as used in the debt service coverage calculation, totaled $2,560,906 in the current year and $2,564,100 in the prior year.

The City provides water and sewer service to the residents within the City limits and serves residents in surrounding communities within Polk County. During FY 2025, the City served an average of 15,750 (up from 15,388 in 2024) water customers and 11,837 (up from 11,555 in 2024) sewer customers and has experienced continued customer growth. The Water and Sewer System includes seven deep production wells, three water production/treatment facilities, two wastewater treatment facilities, and a network of piping ranging in size from 2 inches to 18 inches in diameter.

The City has a potable water consumptive use permit (Permit Number 7119 issued August 1, 2014 and expires April 3, 2034) with the Southwest Florida Water Management District to withdraw up to 8,162,000 gallons per day (average daily use) and an average annual withdrawal of approximately 6,500,000 gallons per day. The City also participates in the Polk Regional Water Cooperative pursuant to an Interlocal Agreement established in 2016. The City may participate in future water supplies and related projects with the Polk County Water Cooperative .

The City's two water reclamation facilities are permitted by the Florida Department of Environmental Protection ("FDEP"). The two facilities are:

- Allred Wastewater Treatment Plant (Facility ID: FL0021466)
- Regional Wastewater Treatment Facility (Facility ID: FLA016559)
- The Allred and Regional facilities have a permitted capacity of 1.400 and 2.670 MGD, respectively.

For fiscal year 2025, major additions to depreciable capital assets for the enterprise fund were as follows:

- New water meter installations - $300,384;
- Gapway Road Water Line Extension - $1,752,078;
- Berkley Road Water Treatment Plant Expansion - $4,479,169;
- Equipment totaling approximately $150,488.

Major water and wastewater projects under construction for fiscal year 2025 include:

- Pace Road Regional Lift Station - $4,575,278
- Pace Road Northern Force Main - $671,358
- Southern Force Main Re-route - $157,660
- Gapway Road Force Main - $1,841,252

Fiduciary Funds - The General Employee Pension Fund funding requirement was $1,245,967 for the current year. This represents a $8,757 decrease over prior year funding of $1,237,210. The General Employee Pension Board hired an independent actuary to prepare the valuations beginning in 2008 and hired a pension attorney in 2009. Pension Plan assets are managed by the General Employee Pension Board of Trustees with the assistance of an investment advisor. The Defined Benefit Plan has a blended multiplier of 2.75% for all years prior to October 1, 2003 and 2.5% for all years after October 1, 2003. Employees under the Defined Benefit Plan contribute 2% of salary. The participant data as of September 30, 2025 shows 115 total members, 92 inactive plan members or beneficiaries currently receiving benefits, 9 inactive plan members entitled to but not yet receiving benefits, and 14 active plan members.

Effective October 1, 2006, the City implemented a Defined Contribution Plan for all new hires and froze the current enrollment into the General Employee Defined Benefit Plan. The City now has a 401A Plan administered through Mission Square Retirement and contributes 8% to the employees' account. The employees contribute 2% of their salary and have a five-year vesting period for the Plan. For fiscal year 2024-25, the total cost of the 401A Plan was $515,275 compared to $447,180 in the prior year.

The Fire Pension Fund is funded by State contributions, employee contributions, return on investments, and a City contribution to make the funds actuarially sound. The City and State contributed $534,311 for the current fiscal year and $540,704 for the prior fiscal year. Plan members contribute 9.1% of salary and the plan provides for eligible retirement with 25 years of service regardless of age, provides an additional supplemental benefit for every year of service for future retirees, and a benefit multiplier of 3.75%.

The supplemental benefit is subject to adjustment based upon the actual state funding received. Normal retirement is age 55 with 10 years of service. The Plan is administered by the Firefighter Pension Board. Per the Firefighter Pension Actuarial Report as of October 2024, the participant data is: 51 participants, 18 inactive plan members or beneficiaries currently receiving benefits, 10 inactive plan members entitled to but not yet receiving benefits, and 23 active plan members.

The Police Pension Fund is funded by State contributions, employee contributions, return on investments, and a City contribution to make the funds actuarially sound. The City and State contributed $829,763 for the current fiscal year and $731,018 for the prior year. Ordinance No. 1421 increased the employee contribution to 5.6% of salary and Ordinance No. 1256 modified the Plan benefits, which provides for eligible retirement with 20 years of service regardless of age and provides an additional supplemental benefit for every year of service for future retirees. The supplemental benefit is subject to adjustment based upon the actual state funding received. Normal retirement is age 55 with 10 years of service. The Plan is administered by the Police Pension Board and the current pension multiplier for the Police Pension is 3.50%. Per the Police Officer Actuarial Report as of October 2024, the participant data is: 98 participants, 31 inactive plan members or beneficiaries currently receiving benefits, 29 inactive plan members entitled to but not yet receiving benefits, and 38 active plan members.

Note 7 of the notes to the financial statements will provide more information regarding the City's three pension trust funds.

ANALYSIS OF SIGNIFICANT BUDGET VARIANCES

Budgetary comparison schedules for all major governmental funds can be found in the required supplementary information section of these financial statements and can be found by referencing the tables of contents of this report. This discussion is limited to the budgetary variances of only the general fund. For the general fund, actual resources were $546,466 more than the final budgeted amounts and actual charges to appropriations were less than the final budgeted amounts by $83,562 for an overall unfavorable budget variance of $630,028.

The City Commission approved Ordinance 1840 on December 1, 2025, that amended the budget for the fiscal year ended September 30, 2025. The budget was amended to reflect adjustments necessary due to variances between the original projections and the actual financial results.

During the year, the general fund's budget was amended to increase budgeted resources (inflows) by $7,068,000 or a 16% increase. This increase was mainly due to the following:

The significant increases/decreases in budgeted resources (inflows) was mainly due to the following items:

- Tax resources – increased by $1,305,000 for customer growth related to electrical and communication services
- Licenses and permits resources – increased by $312,000 for increased building permits issued.
- Intergovernmental resources – increased by $649,000 for Hurricane Ian FEMA reimbursement and CDBG funding.
- Charges for services – increased by $346,000 for increased field rental activity at Lake Myrtle Sports Park.
- Investment income – increased by $1,918,000 for increased cash on hand and a higher interest yield.
- Loan proceeds – decreased by $8,775,000 for debt issued in the prior year.
- Prior year surplus appropriated for 2025 increased by $11,140,000 for the use of prior year debt financing to complete Lake Ariana Park renovations.
- Other budgetary resources (other revenue and insurance recoveries) – increased by $173,000.

Budgeted charges to appropriations were increased by $7,068,000 or 16%. The significant increases/decreases in budgeted charges to appropriations (outflows) were mainly due to the following items:

- General government – increased by $248,000 related to Information Technology software subscriptions and Finance ERP implementation.
- Public safety – increased by $232,000 for higher repair of equipment/vehicle costs and consulting fees for GIS support.
- Culture/recreation outflows – increased by $354,000 for increased field activities, higher repair of equipment/vehicle costs and higher costs for agricultural/horticultural products and services.
- Capital outlay outflows – increased by $4,965,000 for additional street repaving and Lake Ariana Park Renovations.
- Budgeted carryover reserve – increased by $1,395,000 for planning purposes in future years.
- Other budgetary outflows (transportation and physical environment) – decreased by $126,000.

General Fund Final Budget to Actual Comparison:

Significant differences between actual charges to appropriations and the final budgeted amounts:

- Public safety charges to appropriations totaled $9,857,302 which was $491,638 (5%) more than the final budgeted amount of $9,365,664 as a result of consulting services for permitting software implementation and GIS consultant.
- Physical environment charges to appropriations totaled $3,076,053 which was $403,851 (15%) more than the final budgeted amount of $2,672,202 as a result of increased landfill expenses from Hurricane Milton and unplanned contract labor costs for staffing shortages.
- Capital outlay charges to appropriations totaled $18,548,528 which was $1,505,194 (8%) less than the final budgeted amount of $20,053,722 delays sourcing materials for new amenities at Lake Myrtle Sports Park.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025 amounts to $177,364,000 (net of accumulated depreciation). The capital assets increased from $163,541,000 in 2024, an increase of $13,823,000. This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles, and equipment, as shown in more detail at Note 5 of the notes to financial statements.

Capital Assets Activity
(net of accumulated depreciation)
as of September 30,

	Governmental Activities (*)		Business-type Activities (*)		Total Primary Government (*)	
	2025	2024	2025	2024	2025	2024
Land	$ 9,274	$ 9,182	$ 16,983	$ 16,357	$ 26,257	$ 25,540
Buildings and improvements	37,198	38,120	-	-	37,198	38,120
Equipment	6,408	6,230	1,582	1,787	7,990	8,017
Subscription assets	334	508	-	-	334	508
Infrastructure	13,176	14,181	-	-	13,176	14,181
Utility plant	-	-	58,617	55,097	58,617	55,097
Construction in progress	25,513	9,511	8,280	12,569	33,792	22,080
Total	$ 91,903	$ 77,731	$ 85,461	$ 85,810	$ 177,364	$ 163,541

Long-term Debt - At the end of the current fiscal year, the governmental activities had total bonds and notes payable outstanding of $33,406,000 compared to $35,484,000 in the prior year, a net 6% decrease of $2,078,000. At the end of the current fiscal year, the business-type activities had total bonds and notes payable outstanding of $28,061,000 compared to $29,730,000 in the prior year, a 6% decrease of $1,669,000.

Outstanding Debt

as of September 30,

	Governmental Activities (*)		Business-type Activities (*)		Total Primary Government (*)	
	2025	2024	2025	2024	2025	2024
Bonds and notes payable	$ 33,406	$ 35,484	$ 28,061	$ 29,730	$ 61,467	$ 65,214
Total	$ 33,406	$ 35,484	$ 28,061	$ 29,730	$ 61,467	$ 65,214

The governmental and business-type activities' long-term debt balances as well as additional information about the City's long-term debt can be found in Note 6 of the notes to financial statement section of this report.

CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

The City of Auburndale, Florida is located in Polk County. It encompasses approximately 26 square miles or 16,848 acres. The City was incorporated in 1911 and has a 2025 estimated population of 21,677 according to the Bureau of Economic and Business Research University of Florida. Through planned growth, Auburndale has attracted many major enterprises. Principal industries within the Utility Service area include: container manufacturers, plastic pipe manufacturing, breweries, food and consumer goods distribution centers, farm machinery, and many other industries and businesses.

The City is governed by a five-member City Commission who are elected at large to serve staggered four-year terms. The Mayor and Vice Mayor are elected by the members of the City Commission and serve a one-year term at which time a new Mayor and Vice Mayor are elected. For the FY 2025, members of the Commission were as follows:

Name	*Position*	*Term Expires*
Dorothea Taylor Bogert	Mayor	December 2025
Alex Cam	Vice Mayor	December 2027
William Sterling	Commissioner	December 2025
Keith Cowie	Commissioner	December 2025
Jordan Helms	Commissioner	December 2027

Administration of the operations of the City is carried out by a City Manager who is an employee of the City and appointed by the Commissioners. The present Interim City Manager is Amy C. Palmer, appointed Interim City Manager in October 2025. For Fiscal Year 2025, there were 213 budgeted full-time employees.

The City is a desirable location to Live, Work and Play. The "leading indicators" of growth, such as requests for building permits, site plan approvals for new developments and redevelopment, and requests for land use and zoning changes, have all been very strong, indicating the outlook for continued growth is favorable. The City issued 2,054 permits and conducted 8,713 building inspections in FY 2025. These figures represented a decrease of 1.8% and 9.9%, respectively, when compared to the prior 3-year average. The City's Community Development Department has received many compliments from the business community for their business-friendly working relationship with contractors.

The City is focused on managing the tremendous growth happening in and around the City. The City's utilities department in 2022, engaged Chastain Skillman to conduct an evaluation of the Regional Wastewater Service Area. The results of the evaluation were used to develop the Capital Improvement Projects in 5-year increments for a 20-year horizon. Several major projects were identified including the Northern Force Main, Gapway Force Main, Southern Force Main Re-route, Pace Rd Master Liftstation, Hickory Rd Sprayfield and expansion of the Regional Wastewater Treatment Plant. The design, engineering and construction of these projects will extend through 2029 and provide ample wastewater collection, processing and discharge capacity to support the City's continued growth.

In the conduct of municipal government, various lawsuits, commitments, and contingencies will arise. However, the City has no known current lawsuits that are considered to pose any significant loss to the City.

The City continues to annex property to improve the tax base. As a policy, the City does not provide utility service without the property owner signing an annexation agreement. The annexation agreement provides that the property will be annexed whenever the property does become contiguous with the City limits. For the current fiscal year, the City annexed 96 acres.

The City has a vibrant Parks and Recreation Department with over 25 different facilities. Our Parks and Recreation facilities are suited to the citizen's interests including premier athletic fields and courts, parks and picnic areas, historic museums and landmarks, lakefront areas, and children-friendly playgrounds. The partnerships at the Lake Myrtle Sports Complex with Polk County Board of County Commissioners, Polk County Tourism and Sports Marketing, Florida Youth Soccer, Publix and Orlando Health have worked well over the years. The Lake Myrtle Sports Complex plays host to the Florida High School Athletic Association ("FHSAA") soccer state championships in 2024 – 2026 and continues to host the RussMatt Collegiate Tournament in February and March of each year along with many other sporting events at the complex.

The City completed construction in November 2025 at Lake Ariana Park. The Park encompasses 7 acres and include a Civic Center, the larger banquet rooms named Richard Hamann Hall, after Auburndale's longest serving Commissioner, park pavilions, a Great Lawn, new playground equipment, new dock, new boat ramp and a boathouse. The Civic Center will add to the City's rental facilities and provide a grand amenity for its guests on the shores of Lake Ariana.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Auburndale's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the City of Auburndale, Finance Department, P. O. Box 186, Auburndale, FL 33823, call 863-968-5133, or email finance@auburndalefl.com.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in cash and investments	$ 28,266,251	$ 24,816,063	$ 53,082,314
Receivables, current:			
Customer accounts, net	389,607	2,224,170	2,613,777
Franchise and utility service taxes	1,303,362	-	1,303,362
Intergovernmental	457,952	51,064	509,016
Inventory	23,461	-	23,461
Prepaid expenses	160,891	50,160	211,051
Restricted assets:			
Equity in cash and investments	14,128,003	19,671,206	33,799,209
Capital assets:			
Non-depreciable	34,786,754	25,262,285	60,049,039
Depreciable, net	57,116,372	60,198,864	117,315,236
TOTAL ASSETS	136,632,653	132,273,812	268,906,465
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	3,003,329	282,492	3,285,821
Deferred outflows related to OPEB	1,529,686	298,731	1,828,417
Deferred outflows - loss on refunding	5,805	638,424	644,229
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,538,820	1,219,647	5,758,467
LIABILITIES			
Accounts payable	1,087,632	638,160	1,725,792
Construction costs payable	1,374,439	576,009	1,950,448
Accrued payroll	544,537	160,391	704,928
Due to other governments	5,533	-	5,533
Unearned revenue	2,727,863	-	2,727,863
Accrued interest payable	426,622	302,467	729,089
Deposits	1,290	2,288,972	2,290,262
Long-term obligations:			
Due within one year	2,244,185	1,625,394	3,869,579
Due in more than one year	46,434,464	28,886,514	75,320,978
TOTAL LIABILITIES	54,846,565	34,477,907	89,324,472
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,479,197	347,775	2,826,972
Deferred inflows related to OPEB	3,405,717	665,100	4,070,817
TOTAL DEFERRED INFLOWS OF RESOURCES	5,884,914	1,012,875	6,897,789
NET POSITION			
Net investment in capital assets	60,692,765	58,278,794	118,971,559
Restricted for:			
Debt retirement	212,500	1,512,500	1,725,000
Community redevelopment	4,274,632	-	4,274,632
Recreation improvements	1,883,860	-	1,883,860
Fire rescue and safety improvements	2,585,798	-	2,585,798
Law enforcement	479,971	-	479,971
Stormwater improvements	254,232	-	254,232
Building code enforcement	527,201	-	527,201
Water and sewer improvements	-	15,567,267	15,567,267
Unrestricted	9,529,035	22,644,116	32,173,151
TOTAL NET POSITION	$ 80,439,994	$ 98,002,677	$ 178,442,671

CITY OF AUBURNDALE, FLORIDA
Statement of Activities
For the year ended September 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grant and Contributions**	**Capital Grant and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	$ 2,497,148	$ 105,490	$ -	$ 224,130	$ (2,167,528)	$ -	$ (2,167,528)
Library	719,495	6,307	232,801	-	(480,387)	-	(480,387)
Police	7,009,237	325,934	398,048	193,158	(6,092,097)	-	(6,092,097)
Fire	3,618,957	-	181,604	290,981	(3,146,372)	-	(3,146,372)
Building and zoning	1,196,869	1,189,698	-	-	(7,171)	-	(7,171)
Public works administration	1,680,180	357,747	-	-	(1,322,433)	-	(1,322,433)
Sanitation	2,377,210	2,707,418	-	-	330,208	-	330,208
Streets	2,207,183	78,707	-	-	(2,128,476)	-	(2,128,476)
Parks and recreation	5,721,154	1,195,361	44,000	1,563,977	(2,917,816)	-	(2,917,816)
Community redevelopment	714,342	-	-	-	(714,342)	-	(714,342)
Interest on long-term debt	1,190,780	-	-	-	(1,190,780)	-	(1,190,780)
Total governmental activities	28,932,555	5,966,662	856,453	2,272,246	(19,837,194)	-	(19,837,194)
Business-type activities							
Water and wastewater utility	14,327,476	19,215,698	-	3,143,250	-	8,031,472	8,031,472
Total business-type activities	14,327,476	19,215,698	-	3,143,250	-	8,031,472	8,031,472
TOTAL PRIMARY GOVERNMENT	$ 43,260,031	$ 25,182,360	$ 856,453	$ 5,415,496	(19,837,194)	8,031,472	(11,805,722)

	Governmental Activities	Business-Type Activities	Total
GENERAL REVENUES			
Taxes:			
Property taxes, levied for general purposes	9,700,847	-	9,700,847
Property taxes, levied for community redevelopment	2,235,124	-	2,235,124
Franchise taxes	3,079,548	-	3,079,548
Public service taxes	5,151,352	-	5,151,352
Fuel taxes levied for transportation purposes	1,070,988	-	1,070,988
State shared revenue	2,192,390	-	2,192,390
Investment earnings	2,413,355	1,281,944	3,695,299
Miscellaneous	390,380	-	390,380
Gain on disposal of capital assets	23,919	8,200	32,119
TRANSFERS	4,087,762	(4,087,762)	-
Total general revenues and transfers	30,345,665	(2,797,618)	27,548,047
CHANGE IN NET POSITION	10,508,471	5,233,854	15,742,325
NET POSITION, beginning of year	69,931,523	92,768,823	162,700,346
NET POSITION, end of year	$ 80,439,994	$ 98,002,677	$ 178,442,671

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDA
Balance Sheet – Governmental Funds
September 30, 2025

	General Fund	Community Redevelopment Agency	Impact Fee Special Revenue Fund	Total
ASSETS				
Equity in cash and investments	$ 28,266,251	$ 4,321,754	$ 4,946,752	$ 37,534,757
Receivables, current:				
Customer accounts, net	389,607	-	-	389,607
Franchise and utility service taxes	1,303,362	-	-	1,303,362
Intergovernmental	457,952	-	-	457,952
Inventory	23,461	-	-	23,461
Prepaid expenditures	87,002	-	-	87,002
Restricted assets:				
Equity in cash and investments	4,859,497	-	-	4,859,497
Total assets	$ 35,387,132	$ 4,321,754	$ 4,946,752	$ 44,655,638
LIABILITIES				
Accounts payable	1,040,510	47,122	-	1,087,632
Construction costs payable	1,374,439	-	-	1,374,439
Accrued wages	544,537	-	-	544,537
Due to other governments	5,533	-	-	5,533
Deposits	1,290	-	-	1,290
Unearned revenue	2,727,863	-	-	2,727,863
Total liabilities	5,694,172	47,122	-	5,741,294
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	110,096	-	-	110,096
FUND BALANCE				
Nonspendable:				
Inventory	23,461	-	-	23,461
Prepaid expenditures	87,002	-	-	87,002
Restricted for:				
Bond retirement	225,523	-	-	225,523
Recreation improvements	-	-	1,883,860	1,883,860
Fire rescue and safety improvements	-	-	2,585,798	2,585,798
Law enforcement	2,877	-	477,094	479,971
Stormwater improvements	254,232	-	-	254,232
Community redevelopment	-	4,274,632	-	4,274,632
Facility construction (unspent bond proceeds)	3,849,664	-	-	3,849,664
Building code enforcement	527,201	-	-	527,201
Unassigned	24,612,904	-	-	24,612,904
Total fund balances	29,582,864	4,274,632	4,946,752	38,804,248
Total liabilities and fund balances	$ 35,387,132	$ 4,321,754	$ 4,946,752	$ 44,655,638

The accompanying notes are an integral part of these financial statements

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

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	38,804,248
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		91,903,126
Prepaid bond insurance is a long-term assets that is not available to pay for current period expenditures and, therefore, is not reported in the funds.		73,889
Revenues not received within the "availability" period are deferred at the fund level and recognized in the statement of activities		110,096
Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and, therefore, are not reported in the governmental funds.		4,538,820
Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and, therefore, are not reported in the governmental funds.		(5,884,914)
Interest payable on long-term debt does not require current financial resources and therefore, is not reported as a liability in governmental funds.		(426,622)
Long-term liabilities, including bonds and notes payable, compensated absences, subscriptions payable, other postemployment benefit obligations and net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(48,678,649)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	80,439,994

The accompanying notes are an integral part of these financial statements

	General Fund	Community Redevelopment Agency	Impact Fee Special Revenue Fund	Total
REVENUES:				
Taxes	$ 18,849,285	$ 2,235,124	$ -	$ 21,084,409
Licenses and permits	871,117	-	686,365	1,557,482
Intergovernmental revenue	4,400,190	-	-	4,400,190
Charges for services	4,846,700	-	-	4,846,700
Fines and forfeitures	141,825	-	-	141,825
Investment income	2,185,737	109,389	118,229	2,413,355
Other	457,796	-	-	457,796
Total revenues	31,752,650	2,344,513	804,594	34,901,757
EXPENDITURES:				
Current:				
General government	2,432,178	-	-	2,432,178
Public safety	11,392,243	-	-	11,392,243
Physical environment	3,940,750	-	-	3,940,750
Economic environment	-	345,713	-	345,713
Transportation	984,547	-	-	984,547
Culture/recreation	4,921,570	-	-	4,921,570
Capital outlay	18,548,528	297,775	-	18,846,303
Debt service	3,414,168	-	-	3,414,168
Total expenditures	45,633,984	643,488	-	46,277,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,881,334)	1,701,025	804,594	(11,375,715)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	4,087,762	-	-	4,087,762
Sale of general capital assets	47,065	-	-	47,065
Insurance recoveries	180,854	-	-	180,854
TOTAL OTHER FINANCING SOURCES (USES)	4,315,681	-	-	4,315,681
NET CHANGE IN FUND BALANCE	(9,565,653)	1,701,025	804,594	(7,060,034)
FUND BALANCE, beginning of year	39,148,517	2,573,607	4,142,158	45,864,282
FUND BALANCE, end of year	$ 29,582,864	$ 4,274,632	$ 4,946,752	$ 38,804,248

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDA
Reconciliation of The Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities
For the year ended September 30, 2025

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	(7,060,034)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense.		
This is the amount of capital assets recorded in the current period.		18,410,509
This is the amount of depreciation recorded in the current period.		(4,202,895)
This is the book value of dispositions recorded in the current period.		(35,509)
Revenue not received within the "availability" period are not reported as revenues at the fund level and are recognized as revenue in the statement of activities.		
This represents the change caused by the "availability" criterion.		110,096
Long-term obligations including bonds and notes payable, subscription liabilities and compensated absences are reported as liabilities in the government-wide statement of net position but are not reported as liabilities in the governmental funds because they do not require the use of current financial resources:		
This is the repayment of long term debt principal reported as expenditures in governmental funds.		2,068,590
This is the repayment of subscription liability principal in the current year.		122,659
This is the change in accrued interest payable on long-term obligations.		31,663
This amount represents amortization of bond discounts and premiums.		9,237
This is the change in accrued compensated absences during the year.		(110,073)
This is the change in the deferred outflows related to a loss on refunding.		(2,734)
Governmental funds report the effect of prepaid bond insurance when the debt is first issued, whereas these amounts are reported as a prepaid asset on the statement of net position and amortized in the statement of activities:		
This is the bond insurance costs amortized in the statements of activities in the current year.		(6,027)
Other postemployment benefit (OPEB) expense is reported in the statement of activities which differs from OPEB expenditures as reported in the governmental funds:		
This amount represents the change in deferred inflows related to OPEB.		1,470,111
This amount represents the change in deferred outflows related to OPEB.		183,596
This amount represents the change in the total OPEB liability.		(1,435,702)
Pension expense is reported in the statement of activities which differs from pension expenditures as reported in the governmental finds:		
This amount represents the change in deferred inflows related to pensions.		(2,225,830)
This amount represents the change in deferred outflows related to pensions.		(3,161,676)
This amount represents the change in the net pension liability.		6,342,490
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	10,508,471

	Enterprise Fund
ASSETS	
Current assets:	
Equity in cash and investments	$ 24,816,063
Receivables:	
Customers, net	2,224,170
Intergovernmental	51,064
Unamortized bond insurance	50,160
Total current assets	27,141,457
Noncurrent assets:	
Restricted assets:	
Equity in cash and investments	19,671,206
Capital assets:	
Non-depreciable	25,262,285
Depreciable, net	60,198,864
Total noncurrent assets	105,132,355
Total assets	132,273,812
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	282,492
Deferred outflows of resources related to OPEB	298,731
Deferred outflows - refunding loss	638,424
Total deferred outflows of resources	1,219,647

Continued...

	Enterprise Fund
LIABILITIES	
Current liabilities:	
Accounts payable	$ 638,160
Construction costs payable	576,009
Accrued wages	160,391
Compensated absences, current portion	23,298
Post employment obligation payable, current portion	87,096
Bonds and notes payable, current	1,515,000
Total current liabilities	2,999,954
Noncurrent liabilities:	
Liabilities payable from restricted assets:	
Customer deposits	2,288,972
Interest payable	302,467
Compensated absences, noncurrent portion	212,072
Post employment obligation payable, noncurrent portion	1,737,779
Net pension liability	390,936
Bonds and notes payable, noncurrent portion	26,545,727
Total noncurrent liabilities	31,477,953
Total liabilities	34,477,907
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	347,775
Deferred inflows related to OPEB	665,100
Total deferred inflows of resources	1,012,875
NET POSITION	
Net investment in capital assets	58,278,794
Restricted for:	
Debt retirement	1,512,500
Sewer improvements	7,461,618
Water improvements	8,105,649
Unrestricted	22,644,116
Total net position	$ 98,002,677

The accompanying notes are an integral part of these financial statements

	Enterprise Fund
OPERATING REVENUES:	
Charges for services	$ 19,215,698
Total operating revenues	19,215,698
OPERATING EXPENSES:	
Personnel services	1,763,010
Operating expenses	8,238,427
Depreciation	3,367,115
Total operating expenses	13,368,552
OPERATING INCOME	5,847,146
NONOPERATING REVENUE (EXPENSE)	
Investment revenue	1,281,944
Interest expense	(943,149)
Gain on sale of property	8,200
Other nonoperating revenue	(15,775)
Total nonoperating revenues (expense)	331,220
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	6,178,366
CAPITAL CONTRIBUTIONS	
Capital grants and contributions	990,985
Impact fees	2,152,265
Total capital contributions	3,143,250
TRANSFERS OUT	(4,087,762)
CHANGE IN NET POSITION	5,233,854
NET POSITION, beginning of year	92,768,823
NET POSITION, end of year	$ 98,002,677

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	$ 19,160,110
Payments to suppliers	(8,097,736)
Payments for salaries and benefits	(2,168,094)
Net cash flows from operating activities	8,894,280
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers to other funds	(4,087,762)
Net cash flows from noncapital financing activities	(4,087,762)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets, net of related payables	(3,205,834)
Proceeds from sale of capital assets	(7,575)
Principal paid on long-term debt	(1,685,225)
Interest paid on borrowings	(877,027)
Impact fees received	2,168,040
Capital grants received, net of change in related receivable	350,573
Net cash flows from capital and related financing activities	(3,257,048)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on invested funds	1,281,944
Net cash flows from investing activities	1,281,944
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,831,414
CASH AND CASH EQUIVALENTS, beginning of year	41,655,855
CASH AND CASH EQUIVALENTS, end of year	$ 44,487,269
As shown in the Accompanying Financial Statements	
Equity in cash and investments	$ 24,816,063
Restricted equity in cash and investments	19,671,206
Total cash and cash equivalents	$ 44,487,269
Noncash financing and investing activities:	
Joint venture loan guarantee	$ 15,775
Payment of capital purchased on account	$ (187,289)

Continued...

	Enterprise Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ 5,847,146
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation expense	3,367,115
(Increase) decrease in accounts receivable	(195,807)
Increase (decrease) in customer deposits	140,219
Increase (decrease) in accounts payable	140,691
Increase (decrease) in accrued wages and compensated absences	52,695
(Increase) decrease in deferred outflows related to pensions	348,645
Increase (decrease) in net pension liability	(900,138)
Increase (decrease) in deferred inflows related to pensions	347,775
(Increase) decrease in deferred outflows related to OPEB	(10,966)
Increase (decrease) in deferred inflows related to OPEB	134,151
Increase (decrease) in total OPEB liability	(377,246)
Net cash flows from operating activities	$ 8,894,280

	Pension Trust Funds	Custodial Fund
ASSETS		
Cash and cash equivalents	$ -	$ 112,802
Receivables:		
Contributions receivable:		
City	462,021	-
Plan members	13,764	-
Accrued income	37,292	-
Total receivables	513,077	-
Investments, at fair value:		
Short-term money market funds	987,222	-
U.S. Government obligations	695,799	-
Mortgage/asset backed securities	3,035,761	-
Fixed income mutual funds	6,933,197	-
Corporate and foreign bonds	1,666,414	-
Equity securities	3,570,290	-
Equity mutual funds	40,541,811	-
Real estate investment fund	4,571,906	-
Total investments	62,002,400	-
Total assets	62,515,477	112,802
LIABILITIES		
Accounts payable	20,816	-
Benefits payable	21,546	-
Due to other governments	-	112,802
Total Liabilities	42,362	112,802
NET POSITION		
Restricted for pension benefits	$ 62,473,115	$ -

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDA
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the year ended September 30, 2025

	Pension Trust Funds	Custodial Fund
ADDITIONS		
Contributions:		
City	$ 2,117,423	$ -
Plan members	348,688	-
State of Florida	492,618	-
Fees collected on behalf of other governments	-	2,696,953
Total contributions	2,958,729	2,696,953
Investment income	6,652,516	-
Less investment expenses:		
Performance evaluation	74,250	-
Custodial fees	28,402	-
Investment management fees	57,020	-
Total investment expenses	159,672	-
Net investment income	6,492,844	-
Total additions	9,451,573	2,696,953
DEDUCTIONS		
Administrative expenses:		
Legal	12,364	-
Administrator fee	55,200	-
Actuarial	80,655	-
Insurance, supplies and other	12,413	-
Audit	18,546	-
Total administrative expenses	179,178	-
Remittance of fees to other governments	-	2,696,953
Project expenses	-	-
Payments to retirees and participants	3,821,802	-
Total deductions	4,000,980	2,696,953
CHANGE IN NET POSITION	5,450,593	-
NET POSITION, beginning of year	57,022,522	-
NET POSITION, end of year	$ 62,473,115	$ -

The accompanying notes are an integral part of these financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local governments through its statements (GASBS) and Interpretations (GASBI). The more significant accounting policies established by GAAP and used by the City are discussed below.

A. REPORTING ENTITY

The City of Auburndale, Florida (the "City") is a municipal corporation governed by a board of five elected commissioners and was established in 1911 by a special act of the Florida legislature, laws of the State of Florida Chapter 8324. The City was subsequently reincorporated by a special act in 1925, Chapter 10301. The City operates under a Commission-Manager form of government and provides services as authorized by its Charter: public safety (law enforcement, fire control, protective inspections and code enforcement), transportation (streets maintenance), culture/recreation (library services, special events, special facilities and parks & recreation), community development, community redevelopment, stormwater management, sanitation, public improvements, planning and zoning and general administrative services. The City also provides water and sewer utility services.

The accompanying financial statements present the City's primary government and component units based on the financial benefit/burden criteria in GASB Cod. Sec. 1200. Certain component units, although legally separate, are presented in the financial statements as "blended" components. Blending refers to the fact that the component unit's funds and account groups are combined with those of the primary government for financial reporting purposes. The City has one blended component unit, the Auburndale Community Redevelopment Agency (the "CRA") which was created by City Ordinance No. 772 pursuant to Florida Statutes chapter 163. The CRA is presented in the financial statements of the City as a special revenue fund.

These financial statements include the accounts and transactions of the following entities, which do not satisfy the definition of component units because they are not legally separate from the City:

- Auburndale Municipal Firefighters' Pension Trust Fund established pursuant to Florida Statute chapter 175 and Ordinance No. 799 and most recently restated by Ordinance No. 1654.
- Auburndale Municipal Police Officers' Pension Trust Fund established pursuant to Florida Statute chapter 185 and Ordinance No. 823 and most recently restated by Ordinance No. 1653.
- Restated Defined Benefit Retirement Income Plan for Employees of the City of Auburndale, Florida, restated by Ordinance No. 1640.

B. BASIS OF PRESENTATION

The basic financial statements consist of the government-wide financial statements and fund financial statements.

Government-wide Financial Statements - The required government-wide financial statements are the Statement of Net Position and the Statement of Activities, which report information on all of the nonfiduciary activities of the City. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of interfund services provided and used which are not eliminated in the process of consolidation because elimination of these charges would distort the direct costs reported for the various functions concerned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

The City's fiduciary funds are also excluded from the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to fund activities or obligations of the government. *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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment, including depreciation. The City does not allocate the interest expense of governmental fund debt or indirect costs such as finance, personnel, legal, etc. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements - The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues and expenditures/expenses. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Cod. Sec 2200 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Each major fund is presented in a separate column and all non-major funds are aggregated and presented in a single column. The City's fiduciary funds are presented in the fund financial statements by type (pension trust funds and a custodial fund) but as noted above are not included in the government-wide statements.

Funds are classified into three categories: governmental, proprietary and fiduciary. The funds used by the City are as follows:

The City reports the following major governmental funds:

- **General Fund** – The General Revenue Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Most of the essential governmental services such as public safety, public works, sanitation, street construction and maintenance, culture and recreation, and general administration are provided by the general fund.
- **Auburndale Community Redevelopment Agency (the "CRA")** The CRA was created by City Ordinance No. 772 pursuant to Florida Statutes chapter 163. Due to its profile in the community and to comply with the audit requirements of Section 163.387(8), Florida Statutes, the City electively added the CRA as a major fund. The CRA has the power to levy taxes or appropriate funds to preserve and enhance the designated CRA district which includes the downtown Auburndale area. The CRA receives the incremental ad valorem taxes generated in future years by the increase in property values in the redevelopment area. The CRA's property taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. The CRA's Board members consist of the City Commission and two appointed citizens.
- **Impact Fee Special Revenue Fund** – In response to the requirements of Section 163.31801, Florida Statutes, this fund was created to account for the financial transactions of the City impact fees other than water and sewer impact fees, which are accounted for in the enterprise fund. This fund does not meet the major fund criteria set forth in GASB Cod. Sec 2200 but management has elected to report the impact fee special revenue fund as a major fund to improve transparency and to demonstrate compliance with Section 163.31801, Florida Statutes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

The City reports the following major proprietary fund:

- **Enterprise Fund** – The Enterprise Fund accounts for the activities associated with providing potable water and sewer collection, treatment and disposal services to area residents and businesses.

In addition, the City reports the fiduciary funds:

- **Pension Trust Funds** - The City's employee benefit plans are comprised of three Pension Trust Funds which accumulate resources to provide retirement benefits to City employees. The three pension trust funds are the Auburndale Police Officers' Pension Trust Fund, Auburndale Firefighters' Pension Trust Fund, and the Restated Defined Benefit Retirement Income Plan for Employees of the City of Auburndale, Florida hereafter referred to as the General Employees' Pension Trust Fund.

- **Custodial Fund** – The custodial fund is to account for amounts collected on behalf of other governments mainly impact fees collected on behalf of Polk County, Florida (the "County"). These funds are collected on behalf of the County as new construction takes place within the City and remitted to the County monthly.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements, the proprietary fund financial statements and the fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses 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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering contracts giving the City the right to use leased or subscription assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases or subscriptions are reported as other financing sources.

Property taxes, franchise and public service taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Imposed nonexchange resources (property taxes, fines) are reported as deferred inflows if received before the tax is levied or before the date when use is first permitted. Government mandated nonexchange transactions and voluntary nonexchange transactions are reported as liabilities until the eligibility requirements (excluding time requirements) are met and as deferred inflows if received before time requirements are met and all other eligibility requirements have been satisfied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

Proprietary fund operating revenues generally result from producing or providing potable water and wastewater collection, treatment and disposal services to area residents. Operating expenses for these operations include all costs related to providing the service or product. These costs include billing and collection, personnel and purchased services, repairs and maintenance, depreciation, materials and supplies, and other expenses directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

CASH AND INVESTMENTS – Cash and investments are reported in the financial statements as "Equity in cash and investments" under the City's "pooling" concept (See Note 4). The City's governmental funds and the proprietary fund deposits monies into the equity in cash and investment pool. Investment earnings are distributed in accordance with the participating funds relative percentage of investments. The proprietary fund uses this pool as a demand deposit account, and accordingly, all amounts in the pool are considered cash and cash equivalents for purposes of the statement of cash flows.

- **Equity in Cash and Investments** – The City maintains an accounting system which centralizes the investment function of all funds. Each fund's "share" of these pooled cash and investments are included in equity in cash and investments on the accompanying balance sheets/statements of net position.
- **Restricted Equity in Cash and Investments** – Represents equity in pooled cash and investments and separately identified cash or investments that are legally restricted to specific uses by external parties or enabling legislation. The City generally uses restricted resources first when an expenditure/expense is incurred for which both restricted and unrestricted resources are available.

RECEIVABLES – In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include grants, and sales, utility and franchise taxes. Receivables for business-type activities represent grants and unpaid bills for utility services. Allowances for uncollectible accounts receivable are based upon historical trends. Receivables are reported net of allowances for uncollectible accounts receivable where applicable. At year end this allowance amounted to $4,000 in the business-type activities.

INTERFUND BALANCES – Transactions between funds that result in amounts owed are referred to as either "due from/to other funds" for current interfund loans or "advances from/to other funds" for noncurrent interfund loans. Amounts receivable from, or payable to, other funds are reflected in the account of the fund until liquidated. Any remaining balance are reported in the government-wide statements as "internal balances".

INVENTORY – Inventories of expendable supplies are recorded at year-end, if material. These inventories are reported at cost on a first-in, first-out basis. They are recorded as expenditures at the time individual inventory items are used.

PREPAID ITEMS – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The costs of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

CAPITAL ASSETS - In the government-wide financial statements capital assets include land, buildings, improvements, utility plant, infrastructure and furniture and equipment. Capital assets are defined by City ordinance as furniture or equipment with an individual cost of $5,000 or land, buildings and improvements, utility plant, infrastructure and intangible assets having an initial cost of $25,000 and an estimated useful life more than one year. Such assets are recorded at historical cost, if purchased, and at acquisition value at date of gift, if donated**.** Major additions (defined above) are capitalized while maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Depreciation expense is recorded as an expense of each applicable governmental function in the statement of activities, with accumulated depreciation netted with capital assets in the statement of net position. Capital asset depreciation is recognized using the straight-line method over the estimated useful lives as follows:

Asset Type	Years
Buildings and improvements	10-40
Utility system	15-35
Machinery and equipment	3-20
Infrastructure:	
Streets	80
Road resurfacing	10-15
Sidewalks	40
Drainage	50

INTEREST COSTS - Interest costs incurred before the end of a construction period is a financing activity separate from the related capital asset and interest costs incurred before the end of the construction period are recognized as an expense in the period in which the cost is incurred. These interest costs are not capitalized as part of the historical cost of the capital asset.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net assets that applies to a future period(s) and will *not* be recognized as an outflow of resources (expense/expenditure) until that time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

The City has three items that qualifies for reporting as deferred outflows of resources as follows:

> *Deferred outflows related to pensions* - The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Cod. Sec. P20 and will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.
>
> *Deferred outflows related to Other Postemployment Benefits (OPEB)* – The deferred outflows related to OPEB are an aggregate of items calculated in accordance with GASB Cod. Sec. P52 and will be recognized in OPEB expense in future periods.
>
> *Deferred outflows – loss of refunding* - This item is a deferred charge on refunding that results from the difference in the carrying value of a refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applied to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The City has two items that qualify for reporting as deferred inflows of resources as follows:

> *Deferred inflows related to pensions* - The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Cod. Sec. P20 and will be recognized as a reduction to pension expense in future reporting years.
>
> *Deferred inflows related to OPEB* – The deferred inflows related to OPEB are an aggregate of items related to OPEB as calculated in accordance with GASB Cod. Sec. P52 and will be recognized as a reduction to OPEB expense in future reporting years.

LONG-TERM OBLIGATIONS - In the government-wide financial statements and proprietary 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Debt issuance costs are reported as an expense in the period incurred. Bond premiums and discounts are reported, net of amortization, in the related debt balances shown in the financial statements. For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is the shorter. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements; rather the debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

COMPENSATED ABSENCES – The City personnel policy provides for the payment of accrued vacation and sick pay upon separation of its employees. The liability for these compensated absences is recorded as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured because of employee resignations, terminations or retirements. The City accounts for leave taken on a last-in-first-used basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

INTERFUND TRANSFERS – Permanent reallocation of resources between the funds of the City are classified as interfund transfers. Transfers between governmental funds or between proprietary funds are netted as part of the reconciliation to the government-wide financial statement presentation.

CONNECTION FEES AND CAPACITY FEES – Water connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities and are recorded as operating revenue when received. Capacity fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as capital contributions when received. Prepaid impact fees received, which reserve capacity in the City's future water facilities, are reported as capital contributions when the requirements of the Developer agreements are met by the City.

ON-BEHALF PAYMENTS FOR FRINGE BENEFITS - The City receives on-behalf payments from the State of Florida to be used for Municipal Police Officers' Pension Plan and Municipal Firefighters' Pension Plan contributions which totaled $316,450 and $176,168 respectively, for the fiscal year ended September 30, 2025. Such payments are recorded as intergovernmental revenue and public safety expenses/expenditures in the government-wide and general fund financial statements but are not budgeted and therefore are not included in the general fund budgetary basis financial statements.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) - The City recognizes a subscription liability and an intangible right-to-use asset (subscription asset) in the government-wide financial statements when the initial, individual value of the subscription asset is deemed material to the financial statements.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at the commencement of the subscription term and any capitalizable implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for the subscription liability calculation.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments that are fixed in substance, any contract incentives receivable from the vendor and any other payments associated with the contract that are reasonably certain of being required based on an assessment of all relevant factors.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term obligations on the statement of net position.

EQUITY CLASSIFICATIONS -

Government-wide Statements - The difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

	Governmental Activities	Business-type Activities
Capital assets, net	$ 91,903,126	$ 85,461,149
Deferred outflows - loss on refunding	5,805	638,424
Less:		
Construction costs payable	(1,374,439)	(576,009)
Long-term debt related to capital assets	(33,691,391)	(27,244,770)
Reduced by unspent debt proceeds	3,849,664	-
Net investments in capital assets	$ 60,692,765	$ 58,278,794

Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions.

Unrestricted net position - Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

Fund Statements - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. Spendable resources are to be shown as restricted, committed, assigned and unassigned as considered appropriate in the City's circumstances. The following classifications describe the relative strength of the spending constraints:

Nonspendable — amounts that cannot be spent either because they are in nonspendable form (such as inventory) or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed — amounts constrained to specific purposes by formal action (ordinance) of the City using its highest level of decision-making authority (the City Commission). To be reported as committed, amounts cannot be used for any other purpose unless the City Commission takes the same highest-level action (ordinance) to remove or change the constraint.

Assigned — amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Commission or through the City Commission delegating this responsibility to the City Manager through the budgetary process. The City Commission has not established a formal policy regarding authorization to assign fund balance amounts for a specific purpose.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Unassigned — This classification is used for (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed or assigned.

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

The City Commission has established the targeted minimum reserve balance in the City's general fund unassigned fund balance equal to 25% of the general fund's subsequent fiscal year budgeted operating expenditures. For purposes of this calculation, the subsequent fiscal year budgeted operating expenditures do not include capital outlay expenditures, funding of reserves nor the debt service expenditures for the Capital Improvement Series 2015 note; and the Non-advalorem Bond, Series 2021 because the debt service for these debt issues are reimbursed through an agreement with Polk County, Florida.

If, at the end of any fiscal year, the actual amount of "unassigned fund balance" falls below the targeted levels set forth herein, a plan shall be established to achieve the target by adding a designated amount to the budget to cover the deficiency over a period not to exceed five (5) fiscal years. In the event that the "unassigned fund balance" exceeds the amounts set forth herein, the excess may be utilized for any lawful purpose. Appropriation of the minimum reserve balances, once met, shall require the approval of the City Commission by inclusion in the approved annual budget. Compliance with the provisions of the minimum fund balance policy shall be reviewed as a part of the annual budget adoption process and the amounts of non-spendable, restricted, committed, assigned and unassigned fund balance shall be determined during this process. Any changes to the targeted amounts established herein must be approved by the City Commission.

USE OF ESTIMATES – The preparation of the basic financial statements in conformity with generally accepted accounting principles, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the basic financial statements. Actual results could differ from estimates.

NOTE 2 - PROPERTY TAX CALENDAR

Under Florida Law, the assessment of all properties and the collection of all county, municipal, special districts and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The tax levy of the City is established by the City Council prior to October 1 of each year and the Polk County Property Appraiser incorporates the millages into the total tax levy, which includes the municipalities, the County, independent districts and the Polk County School Board tax requirements. State statutes permit cities to levy property taxes at a rate of up to 10 mills. The City's millage rate in effect for the fiscal year ended September 30, 2025 was 4.2515.

All taxes are due and payable on November 1 of each year and unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment as follows: 4% in of November, 3% in December, 2% in January, 1% in February. The taxes paid in March are without discount. Delinquent taxes on real and personal property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property.

NOTE 3 - BUDGETARY LAW AND PRACTICE

The budget is adopted by Ordinance on a City-wide basis for all City funds on or before October 1 of each year as required by State Statute. City Ordinance establishes the legal level of budgetary control at the individual fund level. Expenditures may not exceed appropriations at this level. Budgets for all funds are adopted on the modified accrual basis which differs from the basis used for financial reporting purposes in the enterprise fund. The budgetary comparison schedule for the General Fund, the CRA and the Impact Fee Special Revenue Fund, all major governmental funds, are reported as required supplementary information and can be found by referencing the table of contents of this report.

NOTE 4 – CASH AND INVESTMENTS

A common cash and investment pool is maintained for use by all governmental and proprietary funds. The "Equity in cash and investments" on the city-wide financial statements consists of each funds' claim on the pooled cash and investments and defined as resources that can be liquidated without a significant delay or penalty. Cash and investments segregated as required by bond covenants or enabling legislation are classified as "restricted assets". Investment earnings are allocated to the individual funds monthly based on the funds' weighted average monthly cash and investment balance. The City does not have a formal investment policy and are therefore required to adhere to Section 218.415 (17), Florida Statutes which allows the City to invest surplus funds in the following investments: Local Government Surplus Funds Trust Fund, money market funds with the highest credit quality rating, time deposits or savings accounts in qualified public depositories, direct obligations of the U.S. Treasury or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969.

The City's defined benefit pension trust funds are authorized by City Ordinances to invest in a variety of deposits and investments subject to certain limitations.

Deposits and investments as of September 30, 2025 (excluding deposits and investments held in the City's fiduciary funds):

City-wide Cash and Investments	
Cash on hand	$ 3,200
Cash deposits in financial institutions:	
Insured or fully collateralized bank deposits	14,366,657
FL SAFE Daily Liquidity Fund	47,455,738
FL SAFE Enhanced Cash Fund	25,055,928
Total cash and investments	$ 86,881,523

The City's Finance Director serves as a member of FL SAFE's Board of Trustees. Management believes the investment terms are consistent with those available to other participating governments.

Custodial Credit Risk-Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's cash deposits may not be returned to the City.

NOTE 4 – CASH AND INVESTMENTS (cont…)

The City's deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per financial institution. All deposits are held in *qualified public* depositories. These depositories participate in a shared risk collateral pool overseen by the State of Florida and established by Florida Statute. The State of Florida collateral pool is a multiple financial institution pool which provides for additional amounts to be assessed to the members of the pool if the value of the pool's collateral is inadequate to cover a loss. The amounts covered by the pool are considered *insured* for financial reporting disclosure requirements. Because of this arrangement, management believes the City's deposits are not exposed to custodial credit risk.

Custodial credit risk – Investments

Custodial credit risk for investments is the risk that, in the event of a failure by the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City has no formal policy regarding custodial credit risk. The City's investments in the FL SAFE Stable NAV fund are investments in external investment pools and are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

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Interest rate and credit risk

Interest rate risk exists when there is a possibility that change in interest rates could adversely affect an investment's fair value. Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfil its obligations. Information related to interest rate and credit risk for the City's fixed income investments on September 30, 2025 is summarized below:

Investment Type	S&P Rating	Fair Value	Weighted Average Duration (WAD) / Weighted Average Maturity (WAM)
Primary government			
FL SAFE Daily Liquidity Fund	AAAm	$ 47,455,738	WAM 38 days
FL SAFE Enhanced Cash Fund	AAAf/S1	25,055,928	WAD 1.01 years
		$ 72,511,666	
General Employees' Pension Trust Fund:			
Short-term money market	AAAm	526,924	WAM 0.00 years
U.S. Government obligations	AA+	695,799	WAM 2.76 years
Mortgage/asset backed securities	Not Rated	3,035,761	WAM 22.91 years
Corporate and foreign bonds	BBB+ to AA+	1,666,414	WAM 4.96 years
		$ 5,924,898	
Police Officers' Pension Trust Fund:			
Short-term money market	AAAm	$ 239,225	WAD 0.00
Fixed income mutual funds:			
Baird Aggregate Bond Fund	Not Rated	2,204,336	WAD 6.04
Dodge & Cox Income Fund	Not Rated	2,419,672	WAD 6.10
		4,624,008	
		$ 4,863,233	
Firefighters' Pension Trust Fund:			
Short-term money market	AAAm	$ 221,073	WAD 0.00
Fixed income mutual funds:			
Baird Aggregate Bond Fund	Not Rated	1,156,487	WAD 6.04
Dodge & Cox Income Fund	Not Rated	1,152,702	WAD 6.10
		2,309,189	
		$ 2,530,262	

Investments – Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

At the end of the fiscal year, neither the City nor the pension trust funds had investments classified as Level 3 assets in its portfolio.

NOTE 4 – CASH AND INVESTMENTS (cont…)

The City (excluding pension trust fund investments) had the following recurring fair value measurements as of September 30, 2025:

- FL SAFE Daily Liquidity Fund (formerly the Stable NAV fund) investments of $47,455,738 are valued using amortized cost.
- FL SAFE Enhanced Cash Fund investments of $25,055,928 are managed by external investment managers and are valued based on the NAV reported by the fund administrators and as a result, are not categorized within the fair value hierarchy. Redemptions from this fund are permitted on a daily basis, with a 1:00 p.m. Eastern Time notice requirement for same-day transactions. As of September 30, 2025, there were no lock-up periods or withdrawal restrictions.

The City's Pension Trust Funds have the following recurring fair value measurements as of September 30, 2025:

General Employees' Pension Trust Fund:

	September 30, 2025	Level 1	Level 2	Level 3
Investments at fair value				
U.S. Government obligations	$ 695,799	$ 191,448	$ 504,351	$ -
Mortgage/asset backed securities	3,035,761	-	3,035,761	-
Corporate and foreign bonds	1,666,414	-	1,666,414	-
Equity mutual funds	21,378,927	21,378,927	-	-
Total investments by fair value level	26,776,901	$ 21,570,375	$ 5,206,526	$ -
Investments measured at amortized cost				
Short-term money market	526,924			
Investments measured at net asset value (NAV)				
Real estate investment fund	2,147,901			
Total investments	$ 29,451,726			

The General Employees' Pension Trust Fund owns shares in a real estate investment fund which is a pooled investment fund that is a broadly diversified core real estate fund that reports its value at net asset value (NAV) per share. Redemption requests of units in the real estate investment fund may be made at any time and are effective at the end of the calendar quarter in which the request is received by the investment fund. The units that are subject to a redemption notice may be redeemed in installments as funds become available for such purpose and the redemption price will be the value per unit at such time the payment is made. The real estate investment fund is not required to liquidate or encumber assets or defer investments to make redemptions. On September 18, 2025, based on the number of redemption request received, the real estate investment fund determined that it was in the best interest of the investors of the fund to limit the amount of initial payments on redemption requests and to make payments, as cash becomes available, on a pro rata basis as provided under the terms of the investment agreement.

All investments of the real estate investment fund are appraised by independent third-party property appraisers who hold the MAI designation, each quarter, commencing the quarter after the investment is made. The MAI designation has long been recognized as a mark of excellence in the field of real estate valuation services and is awarded by the Appraisal Institute which is a global professional association of real estate appraisers.

NOTE 4 – CASH AND INVESTMENTS (cont…)

Police Officers' Pension Trust Fund:

	September 30, 2025	Level 1	Level 2	Level 3
Investments at fair value				
Fixed income mutual funds	$ 4,624,008	$ 4,624,008	$ -	$ -
Equity securities	2,244,484	2,244,484	-	-
Equity mutual funds	12,294,220	12,294,220	-	-
Total investments at fair value	19,162,712	$ 19,162,712	$ -	$ -
Investments measured at amortized cost				
Short-term money market	239,225			
Investments measured at net asset value (NAV)				
Real estate investment fund	1,529,628			
Total investments	$ 20,931,565			

Firefighters' Pension Trust Fund:

	September 30, 2025	Level 1	Level 2	Level 3
Investments at fair value				
Fixed income mutual funds	$ 2,309,189	$ 2,309,189	$ -	$ -
Equity securities	1,325,806	1,325,806	-	-
Equity mutual funds	6,868,664	6,868,664	-	-
Total investments at fair value	10,503,659	$ 10,503,659	$ -	$ -
Investments measured at amortized cost				
Short-term money market	221,073			
Investments measured at net asset value (NAV)				
Real estate investment fund	894,377			
Total investments	$ 11,619,109			

Debt and equity securities classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Police Officers' and Firefighters' Pension Trust Fund owns shares in a pooled real estate investment fund that reports its value at net asset value (NAV) per share and is invested in a diversified real estate investment portfolio consisting primarily of high quality, well leased real estate properties in multifamily, industrial, office, retail, and hotel sectors.

Redemption requests of units in the real estate investment fund may be made at any time and are effective the next business day. The fund manager maintains a contractual ability to limit withdrawals. As of September 30, 2025, there was a withdrawal limitation in effect that delays payment of withdrawal requests and provides payment on a pro rata basis as cash becomes available for distribution and determined by the fund manager.

NOTE 4 – CASH AND INVESTMENTS (concluded)

All investments of the real estate investment fund are appraised by independent third-party property appraisers who hold the MAI designation, each quarter, commencing the quarter after the investment is made.

Concentration of Credit Risk

Concentration of credit risk is defined as when five percent or more of the total investments are invested with one issuer. Investments issued or explicitly guaranteed by the United States government and investments in mutual funds or pools are excluded. There were no concentrations to disclose for the year ended September 30, 2025.

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NOTE 5 - CAPITAL ASSETS

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

	Balance October 1, 2024	Transfers	Increases	Decreases	Balance September 30, 2025
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 7,874,960	$ -	$ 91,713	$ -	$ 7,966,673
Infrastructure - land	1,307,379	-	-	-	1,307,379
Construction in process	9,510,967	(685,800)	16,687,535	-	25,512,702
Total capital assets, not being depreciated	18,693,306	(685,800)	16,779,248	-	34,786,754
Capital assets, being depreciated:					
Buildings and improvements	56,545,755	552,515	-	-	57,098,270
Equipment	16,516,304	22,923	1,631,261	(190,541)	17,979,947
Subscription assets	626,054	-	-	-	626,054
Infrastructure:					
Road network	23,957,888	110,362	-	-	24,068,250
Sidewalks	653,711	-	-	-	653,711
Stormwater drainage	1,119,147	-	-	-	1,119,147
Total capital assets, being depreciated	99,418,859	685,800	1,631,261	(190,541)	101,545,379
Less accumulated depreciation for:					
Buildings and improvements	(18,426,050)	-	(1,473,790)	-	(19,899,840)
Equipment	(10,286,607)	-	(1,440,138)	155,032	(11,571,713)
Subscription assets	(118,453)	-	(173,561)	-	(292,014)
Infrastructure:					
Road network	(11,045,193)	-	(1,077,322)	-	(12,122,515)
Sidewalks	(192,031)	-	(16,061)	-	(208,092)
Stormwater drainage	(312,810)	-	(22,023)	-	(334,833)
Total accumulated depreciation	(40,381,144)	-	(4,202,895)	155,032	(44,429,007)
Total capital assets being depreciated, net	59,037,715	685,800	(2,571,634)	(35,509)	57,116,372
Governmental activities capital assets, net	$ 77,731,021	$ -	$ 14,207,614	$ (35,509)	$ 91,903,126
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 16,357,169	$ -	$ 625,551	$ -	$ 16,982,720
Construction-in-progress	12,568,690	(6,231,247)	1,942,122	-	8,279,565
Total capital assets, not being depreciated	28,925,859	(6,231,247)	2,567,673	-	25,262,285
Capital assets, being depreciated:					
Utility plant	112,730,353	6,231,247	300,384	-	119,261,984
Equipment	4,561,445	-	150,488	(54,581)	4,657,352
Total capital assets, being depreciated	117,291,798	6,231,247	450,872	(54,581)	123,919,336
Less accumulated depreciation for:					
Utility plant	(57,633,794)	-	(3,011,562)	-	(60,645,356)
Equipment	(2,774,144)	-	(355,553)	54,581	(3,075,116)
Total accumulated depreciation	(60,407,938)	-	(3,367,115)	54,581	(63,720,472)
Total capital assets being depreciated, net	56,883,860	6,231,247	(2,916,243)	-	60,198,864
Business-type activities capital assets, net	$ 85,809,719	$ -	$ (348,570)	$ -	$ 85,461,149

Depreciation expense and accumulated depreciation in the above tables of Note 5 include amortization expense and accumulated amortization of the subscription assets of the governmental activities.

NOTE 5 - CAPITAL ASSETS (concluded)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:		
General government	$	163,158
Library		20,975
Police		476,836
Fire		350,845
Community redevelopment		5,176
Building and zoning		57,194
Public works		25,331
Sanitation		297,362
Streets		1,254,229
Parks and recreation		1,551,789
Total depreciation expense - governmental activities	$	4,202,895

Business-type Activities:		
Water and wastewater system	$	3,367,115
Total depreciation expense - business-type activities	$	3,367,115

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NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2025:

	Balance October 1, 2024	Increases	Decreases	Balance September 30, 2025	Amounts Due within One Year
Governmental Activities:					
Long-term liabilities:					
Long-term debt:					
Bonds and notes payable:					
Direct borrowings or placements:					
Capital improvement, Series 2015	$ 3,045,000	$ -	$ (210,000)	$ 2,835,000	$ 220,000
FMLC Revenue Bonds, Series 2019B	8,000,000	-	(170,000)	7,830,000	175,000
Non-advalorem Revenue Bond, Series 2021	2,843,459	-	(336,120)	2,507,339	341,465
FMLC Revenue Bonds, Series 2024B	17,515,000	-	(510,000)	17,005,000	555,000
Fleet purchase loan - 2021	77,141	-	(41,362)	35,779	35,779
Fleet purchase loan - 2020	46,184	-	(46,184)	-	-
Premiums (discounts), net	1,978,824	-	(159,924)	1,818,900	-
Subtotal	33,505,608	-	(1,473,590)	32,032,018	1,327,244
Other bonds and notes payable:					
Public improvements, Series 2016	1,950,000	-	(595,000)	1,355,000	255,000
Premiums (discounts), net	28,221	-	(9,237)	18,984	-
Subtotal	1,978,221	-	(604,237)	1,373,984	255,000
Total long-term debt	35,483,829	-	(2,077,827)	33,406,002	1,582,244
Other liabilities:					
Subscription liability	408,048	-	(122,659)	285,389	125,948
Other postemployment benefits	7,908,772	1,435,702	-	9,344,474	416,949
Net pension liability	10,781,358	-	(6,342,490)	4,438,868	-
Compensated absences	1,093,843	110,073	-	1,203,916	119,044
Total other liabilities	20,192,021	1,545,775	(6,465,149)	15,272,647	661,941
Total long-term liabilities	$ 55,675,850	$ 1,545,775	$ (8,542,976)	48,678,649	$ 2,244,185
Less amounts due in one year				(2,244,185)	
Net long-term liabilities in excess of one year				$ 46,434,464	
Business-type Activities:					
Long-term liabilities:					
Long-term debt:					
Bonds and notes payable:					
Water and sewer, Series 2006	$ 2,185,000	$ -	$ (1,065,000)	$ 1,120,000	$ 1,120,000
Water and sewer, Series 2016	26,185,000	-	(555,000)	25,630,000	395,000
Premiums (discounts), net	559,995	-	(65,225)	494,770	-
Subtotal	28,929,995	-	(1,685,225)	27,244,770	1,515,000
Other long-term debt:					
Joint venture loan guarantee	800,182	15,775	-	815,957	-
Total long-term debt	29,730,177	15,775	(1,685,225)	28,060,727	1,515,000
Other liabilities:					
Other postemployment benefits	1,690,724	134,151	-	1,824,875	87,096
Net pension liability	1,291,074	-	(900,138)	390,936	-
Compensated absences	245,647	-	(10,277)	235,370	23,298
Total other liabilities	3,227,445	134,151	(910,415)	2,451,181	110,394
Total long-term liabilities	$ 32,957,622	$ 149,926	$ (2,595,640)	30,511,908	$ 1,625,394
Less amounts due in one year				(1,625,394)	
Net long-term liabilities in excess of one year				$ 28,886,514	

<u>NOTE 6 - LONG-TERM OBLIGATIONS</u> (cont…)

<u>Notes to Long-Term Obligations Table</u>

Long term liabilities, including accumulated compensated absences, subscriptions payable and pension/OPEB liabilities, are typically liquidated by the individual fund to which the liability is directly associated, in the governmental funds, such long-term obligations have been liquidated by the general fund.

Changes in accumulated compensated absences in the long-term obligations schedule are reported as a net amount as opposed to showing separate increases and decreases.

Interest Included as Direct Expense:

None of the interest on governmental activities long-term debt has been included in the direct expenses of any of the various programs.

Governmental Activities:

Capital Improvement Revenue Note, Series 2015 - These notes were issued August 25, 2015 in the amount of $4,500,000 to fund new baseball fields at Lake Myrtle Sports Complex and are repayable from non-ad valorem revenues and mature serially on December 1 of each year through December 2035 with interest at 3.345% payable semiannually on June 1 and December 1. The County will pay the City annually such amounts of its tourist tax receipts to pay the principal and interest on these bonds as they become due. In the event of default, the lender has the right to take whatever legal actions necessary to collect the amounts due and may declare the entire principal and interest due and payable together with all accrued and unpaid interest. If any amount due is not paid by the 10th day following a scheduled payment date, the City is obligated to pay a 5% late fee of the past due amount and the interest rate on the amounts then due will increase to 18%.

Public Improvements Revenue Bonds, Series 2016 - These bonds were issued October 13, 2016 in the amount of $5,720,000 to refund the Public Improvements Series 2006 and 2009B bonds. The Series 2006 bonds were originally issued to refund the Series 1999 bonds which were used to fund the construction of new police and fire facilities. The Series 2009B bonds were used to fund the Lake Myrtle Sports Complex expansion. The new bonds mature serially on December 1 of each year through December 1, 2029 with interest payable semi-annually on June 1 and December 1 at rates ranging from 1.07% to 2.57%. In the event of default, the lender has the right to take whatever legal actions necessary, including the appointment of a receiver, to collect the amounts due.

FMLC Revenue Bonds, Series 2019B - These bonds were issued on October 7, 2019 with a face amount of $8,600,000 plus an issuance premium of $840,267. The proceeds were used to finance the acquisition, construction and/or equipping of capital improvements of the governmental activities. The bonds mature serially on December 1 of each year through December 1, 2049 with interest payable semi-annually on June 1 and December 1 at rates ranging from 3.00% to 5.00%. In the event of default, the lender has the right to take whatever legal actions necessary, including the appointment of a receiver, to collect the amounts due.

FMLC Revenue Bonds, Series 2024B - These bonds were issued on May 23, 2024 with a face amount of $17,515,000 plus an issuance premium of $1,479,629. The proceeds were used to finance the acquisition, construction and/or equipping of capital improvements of the governmental activities. The bonds mature serially on December 1 of each year through December 1, 2043 with interest payable semi-annually on June 1 and December 1 at rates ranging from 2.98% to 4.10%. In the event of default, the lender has the right to take whatever legal actions necessary, including the appointment of a receiver, to collect the amounts due.

NOTE 6 - LONG-TERM OBLIGATIONS (cont…)

Non-advalorem Revenue Bond, Series 2021 – This bond was issued October 7, 2021 in the amount of $3,500,000. The proceeds were used to finance the acquisition, expansion, design, construction and/or equipping of capital improvements of the governmental activities, including the construction of a stadium and related support facilities at lake Myrtle Park. The bond bears interest at 1.59% and interest is payable semi-annually on December 1 and June 1 of each year with principal due each December 1 till maturity on December 1, 2031. Pursuant to an interlocal agreements the County will pay the City annually such amounts of its tourist tax receipts to pay the principal and interest on these bonds as they become due. In the event of default, the lender has the right to take whatever legal actions necessary, including the appointment of a receiver, to collect the amounts due.

Fleet Purchase Loan – 2020 – The City financed the purchase of eight vehicles with Enterprise FM Trust (lender) in the original amount of $218,890. The terms of the note required monthly payments of principal and interest in the amount of $4,183 and matured on May 1, 2025. The loan bore interest at an average interest rate of 8.53%. In the event of default, the lender hds the right to take whatever legal actions necessary to collect the amounts due and could have forcibly repossessed the vehicles securing the note.

Fleet Purchase Loan – 2021 – The City financed the purchase of eight vehicles with Enterprise FM Trust (lender) in the original amount of $208,054. The terms of the note require monthly payments of principal and interest in the amount of $3,725 and matures on March 1, 2026. The loan bears an average interest rate of 6.27%. In the event of default, the lender has the right to take whatever legal actions necessary to collect the amounts due and may forcibly repossess the vehicles securing the note.

Business-Type Activities:

None of the long-term debt of the business-type activities arose through direct borrowings or placements.

Water and Sewer Revenue Bonds - The water and sewer revenue certificates series 2006 and 2016 are secured by the net revenues of the water and sewer system and require the maintenance of a debt service sinking account, the 2006 Series requires a renewal and replacement reserve of $250,000.

Water and Sewer Revenue Bonds Series 2006 - These bonds were issued December 1, 2006 in the amount of $13,725,000 to refund the 1995 Series bonds, the proceeds of which were used to fund water and sewer system improvements. The 2006 bonds mature serially on December 1 of each year through December 2025, with interest ranging from 5.25% to 5.375% payable semiannually on June 1 and December 1 of each year. In the event of default, the lender has the right to take whatever legal actions necessary, including the appointment of a receiver, to collect the amounts due.

Water and Sewer Revenue Bonds Series 2016 - These bonds were issued September 29, 2016 in the amount of $29,695,000 to advance refund the Water and Sewer Series 2007 and 2009 bonds and the existing revolving line of credit and to provide additional funds for improvements to the water and sewer systems. The debt refunded with the 2016 bonds were originally used for the construction of additions, extensions and improvements of the water and sewer system. The bonds mature serially on December 1 of each year through December 1, 2046 with interest payable semi-annually on June 1 and December 1 at rates ranging from 2% to 4%. In the event of default, the lender has the right to take whatever legal actions necessary to collect the amounts due.

NOTE 6 - LONG-TERM OBLIGATIONS (cont…)

Joint Venture Loan Guarantee – The City has entered into an agreement with the Florida Department of Environmental Protection to guarantee to pay the principal and interest of their proportional share of the State Revolving Fund (SRF) loan funds borrowed by the Polk Regional Water Cooperative to fund the projects of the combined projects implementation agreement. The SRF loan bears interest at 1.89% and principal and interest are due semiannually beginning on August 15, 2027 for a ten-year term to maturity on February 15, 2037. As of September 30, 2025, $10,617,972 of SRF funds have been drawn by the PRWC. The City's proportionate share of this liability totaled $815,957 as of September 30, 2025 and has been recorded as a City liability in the business-type/enterprise fund. See Note 15 for more information on the Polk Regional Water Cooperative.

Maturities: Annual requirements to repay all long-term bonds and notes payable as of September 30, 2025, are as follows:

	Governmental Activities					
	Direct borrowings and direct placements		Other bonds and notes payable		Total	
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 1,327,244	$ 1,221,611	$ 255,000	$ 36,519	$ 1,582,244	$ 1,258,130
2027	1,336,894	1,166,529	265,000	31,153	1,601,894	1,197,682
2028	1,387,410	1,113,444	270,000	25,469	1,657,410	1,138,913
2029	1,448,013	1,058,560	280,000	17,000	1,728,013	1,075,560
2030	1,503,705	1,001,127	285,000	5,700	1,788,705	1,006,827
2031-2035	7,289,852	4,089,767	-	-	7,289,852	4,089,767
2036-2040	6,880,000	2,516,693	-	-	6,880,000	2,516,693
2041-2045	6,820,000	931,600	-	-	6,820,000	931,600
2046-2050	2,220,000	170,250	-	-	2,220,000	170,250
Unamortized bond premium (discount)	1,818,900	-	18,984	-	1,837,884	-
Total	$ 32,032,018	$ 13,269,581	$ 1,373,984	$ 115,841	$ 33,406,002	$ 13,385,422

	Business-type Activities					
	Bonds and notes payable		Joint venture loan guarantee		Total	
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 1,515,000	$ 874,050	$ -	$ -	$ 1,515,000	$ 874,050
2027	1,570,000	824,019	37,242	7,741	1,607,242	831,760
2028	1,600,000	790,338	75,548	14,419	1,675,548	804,757
2029	1,650,000	740,338	76,988	12,979	1,726,988	753,317
2030	1,720,000	672,938	407,525	42,310	2,127,525	715,248
2031-2035	9,665,000	2,265,763	218,654	6,263	9,883,654	2,272,026
2036-2040	7,085,000	659,863	-	-	7,085,000	659,863
2041-2045	1,345,000	200,525	-	-	1,345,000	200,525
2046-2050	600,000	18,906	-	-	600,000	18,906
Unamortized bond premium (discount)	494,770	-	-	-	494,770	-
Total	$ 27,244,770	$ 7,046,740	$ 815,957	$ 83,712	$ 28,060,727	$ 7,130,452

NOTE 6 - LONG-TERM OBLIGATIONS (concluded)

Pledged Revenues:

The City has pledged certain future revenues, net of operation and maintenance expenses, for payment of debt. The following table provides a summary of the pledged revenues for the City's outstanding debt issues for which specific revenues have been pledged:

Pledged Revenue	Revenue Pledged Through	Total Principal and Interest Outstanding	Current Year Principal and Interest Paid	Current Year Net Revenue	Percentage of Net Revenues to Principal and Interest Paid
Water and sewer revenue	12/1/2046	$ 33,796,740	$ 2,562,252	$ 10,496,205	410%

NOTE 7 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA)

The City is party to several SBITAs for subscription terms ranging from three to six years that conveys the right to the City to use certain information technology software. As of September 30, 2025, the subscription liability was $285,389. The City is required to make annual principal and interest payments on the various SBITAs. The SBITAs did not contain an explicit interest rate so the City used the Federal Reserve bank prime loan rate as an estimate of their incremental borrowing rate at the date each SBITA was signed. The value of the subscription asset and accumulated amortization can be found in Note 5 and activity related to the subscription liability can be found in Note 6.

The future principal and interest lease payments as of September 30, 2025, were as follows:

	Governmental Activities	
Fiscal Year Ending	Principal	Interest
2026	$ 125,948	$ 19,341
2027	75,122	10,884
2028	71,236	5,289
2029	13,083	200
Total	$ 285,389	$ 35,714

NOTE 8 – PENSION TRUST FUNDS

Plan Descriptions - The City of Auburndale contributes to three single-employer defined benefit pension plans: the General Employees' Pension Trust Fund, the Municipal Police Officers' Pension Trust Fund, and the Municipal Firefighters' Pension Trust Fund. Each plan provides retirement and disability benefits to plan members and beneficiaries. The plans are established by City Ordinance and the benefits and contribution requirements can be amended by the City Commission through ordinance. All three plans are administered by separate boards of trustees who are either appointed by the City Commission or elected by the plan members. It is the City's policy to annually fund the annual required contribution amount for each plan. Contributions are also provided to the Firefighters' and Police Officers' plans by the State of Florida from a tax collected on insurance premiums. Each plan issues a publicly available financial report that includes financial statements and required supplementary information (RSI) for that plan.

NOTE 8 – PENSION TRUST FUNDS (cont…)

Those reports may be obtained by contacting the City of Auburndale Finance Department, P.O. Box 186, Auburndale, FL 33823. It is the policy of the City to fund pension costs for defined benefit plans on an actuarial basis, which includes amortization of prior service costs, and to fund defined contribution plans as pension costs accrue.

In the government-wide and proprietary statement of net position, liabilities are recognized for the City's share of each defined benefit pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's sponsored single employer plans and additions to/deductions from the City's sponsored single employer plans have been determined on the same basis as they are reported by the City's sponsored single employer plans. For this purpose, defined benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided - The City's pension plans provide retirement and disability benefits. Benefits for all members vest after 10 years of service. Retirement benefits for general employee members are calculated at a blended rate of 2.5% for service after October 1, 2003 and 2.75% for service prior to October 1, 2003 of average compensation multiplied by years of creditable service. Normal retirement is the earlier of age 55 with 10 years of service or age 52 with 25 years of service. The Plan is closed for employees hired on or after October 1, 2006. Benefits for police officers are 3.50% and firefighters are 3.75% of average final compensation multiplied by years of creditable service. Normal retirement is the earlier of age 55 with 10 years of service or attainment of 20 years of service for police officers or 25 years of service for firefighters.

Contributions - It is the City's policy to annually fund the actuarially determined required contributions representing the difference between the actuarially determined amount and the contributions of plan members.

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire-Fighters' Pension Trust Fund
Contribution rates:			
City	119.8%	27.5%	30.6%
Plan members	2.0%	5.6%	9.1%
Actuarially determined contribution	$ 1,245,967	$ 829,766	$ 534,305
Contributions made	$ 1,245,967	$ 829,763	$ 534,311

Plan Membership - Participant data for the City pension plans as of the October 1, 2024 actuarial valuation date was as follows:

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire-Fighters' Pension Trust Fund
Inactive plan members or beneficiaries currently receiving benefits	92	31	18
Inactive plan members entitled to but not yet receiving benefits	9	29	10
Active plan members	14	38	23
Total	115	98	51

NOTE 8 – PENSION TRUST FUNDS (cont…)

Net Pension Liability – The City's net pension liability was measured as of September 30, 2024 for all three pension trust funds. The net pension liability as measured on September 30, 2024 is used for the City's reporting period ending September 30, 2025. The components of the changes in the net pension liability for all three plans are shown below.

General Employees' Pension Trust Fund:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Reporting period ending 9/30/2024	$ 29,094,249	$ 23,399,799	$ 5,694,450
Changes for the year:			
Service cost	82,254	-	82,254
Interest	2,035,807	-	2,035,807
Difference between actual and expected experience	(90,973)	-	(90,973)
Change in assumptions	267,103	-	267,103
Contributions - City	-	1,237,210	(1,237,210)
Contributions - employee	-	21,529	(21,529)
Net investment income	-	5,071,931	(5,071,931)
Benefit payments, including refunds of employee contributions	(2,192,790)	(2,192,794)	4
Administrative expense	-	(66,299)	66,299
Net changes	101,401	4,071,577	(3,970,176)
Reporting period ending 9/30/2025	$ 29,195,650	$ 27,471,376	$ 1,724,274

Police Officers' Pension Trust Fund:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Reporting period ending 9/30/2024	$ 18,765,434	$ 15,491,760	$ 3,273,674
Changes for the year:			
Service cost	488,234	-	488,234
Interest	1,363,402	-	1,363,402
Difference between actual and expected experience	660,068	-	660,068
Contributions - City	-	449,760	(449,760)
Contributions - State	-	281,258	(281,258)
Contributions - employee	-	155,654	(155,654)
Net investment income	-	3,561,359	(3,561,359)
Benefit payments, including refunds of employee contributions	(896,238)	(896,238)	-
Administrative expense	-	(57,906)	57,906
Net changes	1,615,466	3,493,887	(1,878,421)
Reporting period ending 9/30/2025	$ 20,380,900	$ 18,985,647	$ 1,395,253

NOTE 8 – PENSION TRUST FUNDS (cont…)

Firefighters' Pension Trust Fund:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Reporting period ending 9/30/2024	$ 11,718,692	$ 8,614,384	$ 3,104,308
Changes for the year:			
Service cost	276,181	-	276,181
Interest	846,460	-	846,460
Difference between actual and expected experience	73,553	-	73,553
Contributions - City	-	391,129	(391,129)
Contributions - State	-	149,575	(149,575)
Contributions - employee	-	142,754	(142,754)
Net investment income	-	1,962,524	(1,962,524)
Benefit payments, including refunds of employee contributions	(639,110)	(639,110)	-
Administrative expense	-	(55,757)	55,757
Net changes	557,084	1,951,115	(1,394,031)
Reporting period ending 9/30/2025	$ 12,275,776	$ 10,565,499	$ 1,710,277

Actuarial Assumptions - The actuarial valuation date and significant actuarial assumptions used to measure the total pension liability were as follows:

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire-Fighters' Pension Trust Fund
Actuarial valuation date	October 1, 2023 updated to September 30, 2024	October 1, 2023 updated to September 30, 2024	October 1, 2023 updated to September 30, 2024
Inflation	2.50%	2.50%	2.50%
Projected salary increases	3.5% to 5.0%	Service based	Service based
Investment rate of return	7.25%	7.25%	7.25%
Discount rate	7.25%	7.25%	7.25%
Date of actuarial experience study	August 20, 2014	July 22, 2022	July 22, 2022

Mortality Rates were based on The Society of Actuaries' Retirement Plans Experience Committee (RPEC) Pub-2010 Public Retirement Plans Mortality Tables Report. All rates are projected generationally with Mortality Improvement Scale MP-2018.

NOTE 8 – PENSION TRUST FUNDS (cont…)

Long-term Expected Rate of Return on Pension Plan Investments - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2025, are summarized in the following table:

	Long-term Expected Real Rates of Return		
Asset Class	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire-Fighters' Pension Trust Fund
Domestic Equity	7.50%	7.50%	7.50%
International Equity	8.50%	8.50%	8.50%
Fixed Income - Core	2.50%	2.50%	2.50%
Fixed Income - Non-core	2.50%	2.50%	2.50%
Real estate	4.50%	4.50%	4.50%
Alternative	5.73%	5.73%	5.73%
	Target Asset Allocations		
Domestic Equity	45.00%	45.00%	45.00%
International Equity	15.00%	15.00%	15.00%
Fixed Income - Core	15.00%	15.00%	15.00%
Fixed Income - Non-core	10.00%	10.00%	10.00%
Real estate	10.00%	10.00%	10.00%
Alternative	5.00%	5.00%	5.00%

Discount Rate – The discount rate used to measure the total pension liability as of the measurement date of September 30, 2025 was 7.25% for the Police Officers' Pension and Firefighters' Pension and 7.15% for the General Employees' Pension. The total pension liability as of the City's reporting date of September 30, 2025 was measured as of September 30, 2024, which is the measurement date for financial reporting purposes. 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 City contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plans' 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.

The discount rate used to measure the total pension liability as of the financial reporting date of September 30, 2025 was 7.25% for the Police Officers' Pension and Firefighters' Pension and 7.15% for the General Employees' Pension.

NOTE 8 – PENSION TRUST FUNDS (cont…)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pension - For the year ended September 30, 2025, the City recognized total pension expense of $1,451,362 comprised of a pension expense of $347,448 for the General Employees' Pension, $677,855 for the Police Officers' Pension and $426,059 for the Firefighters' Pension. On September 30, 2025, deferred outflows of resources and deferred inflows of resources related to pensions, combined and individually for all three plans, was as follows:

Combined All Pension Trust Funds:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 605,143	$ 91,065
Change in assumptions	70,615	-
Net difference between projected and actual earnings on Plan investments	-	2,735,907
City contributions subsequent to the measurement date	2,610,063	-
Total	$ 3,285,821	$ 2,826,972

General Employees' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on Plan investments	$ -	$ 1,533,910
City contributions subsequent to the measurement date	1,245,967	-
Total	$ 1,245,967	$ 1,533,910

Police Officers' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 495,051	$ 91,065
Change in assumptions	-	-
Net difference between projected and actual earnings on Plan investments	-	809,381
City contributions subsequent to the measurement date	829,766	-
Total	$ 1,324,817	$ 900,446

NOTE 8 – PENSION TRUST FUNDS (cont…)

Firefighters' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 110,092	$ -
Change in assumptions	70,615	-
Net difference between projected and actual earnings on Plan investments	-	392,616
City contributions subsequent to the measurement date	534,330	-
Total	$ 715,037	$ 392,616

Amounts reported as deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2024 will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Remaining amounts reported as deferred inflows and outflows of resources will be recognized in pension expense in the years and amounts shown below:

Year ended September 30,	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
2026	$ (291,802)	$ 62,695	$ 111,848	$ (117,259)
2027	295,067	412,414	228,634	936,115
2028	(854,833)	(391,173)	(284,741)	(1,530,747)
2029	(682,342)	(489,331)	(267,650)	(1,439,323)
	$ (1,533,910)	$ (405,395)	$ (211,909)	$ (2,151,214)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City as of the measurement date (September 30, 2024), calculated using the current discount rates discussed above for each plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate used by each plan.

	Current Discount Rate	**Net Pension Liability at Measurement Date**		
		1% Decrease	Current Discount	1% Increase
General Employees'	7.15%	$ 4,659,303	$ 1,724,274	$ (759,994)
Police Officers'	7.25%	$ 3,974,304	$ 1,395,253	$ (734,593)
Firefighters'	7.25%	$ 3,295,050	$ 1,710,277	$ 395,232
City's Net Pension Liability		$ 11,928,657	$ 4,829,804	$ (1,099,355)

NOTE 8 – PENSION TRUST FUNDS (concluded)

The following presents the net pension liability (asset) of the City as of the financial reporting date (September 30, 2025, calculated using the current discount rates discussed above for each plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate used by each plan.

	Current Discount Rate	**Net Pension Liability at Financial Reporting Date**		
		1% Decrease	Current Discount	1% Increase
General Employees'	7.15%	$ 2,537,102	$ (349,942)	$ (2,799,625)
Police Officers'	7.25%	$ 3,454,941	$ 681,233	$ (1,607,730)
Firefighters'	7.25%	$ 3,287,657	$ 1,551,169	$ 113,128
City's Net Pension Liability		$ 9,279,700	$ 1,882,460	$ (4,294,227)
Change in City's net pension liability between measurement date and reporting date		$ (2,648,957)	$ (2,947,344)	$ (3,194,872)

The City's net pension liability decreased by $2,947,344 between the City's measurement date of September 30, 2024 and the financial reporting date of September 30, 2025 due mainly to greater than expected returns on plan investments during the year ended September 30, 2025.

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NOTE 9 - OTHER POST EMPLOYMENT BENEFITS PLAN

The City follows GASB Cod. Sec. P52 for certain other postemployment benefits (OPEB) provided by the City.

Plan Description – The City of Auburndale's Retiree Health Care Plan (OPEB Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The OPEB Plan, which is administered by the City, allows employees who retire and meet retirement eligibility required under one of the City's retirement plans to continue medical and life insurance coverage as a participant in the City's insurance plans. For purposes of applying GASB Cod. Sec. P52.101, the Plan does not meet the requirements for an other postemployment benefits plan administered through a trust.

Benefits Provided – The City contributes 100% of the active premiums up to age 65 then 100% of the Medicare Advantage premium and health reimbursement account fee for retirees participating in the City's group insurance plans who were hired prior to October 1, 1996 and for retirees hired after October 1, 1996 who retire with at least 20 years of service. Retirees may elect to opt out of the City's group health insurance plan if there is no health network available to them or they have alternative health insurance. These retirees who opt out receive a cash reimbursement of $200 per month instead.

Employees retiring with less than 20 years of service at retirement can continue their coverage and their spouses' coverage under the City's group policy at the active employee rates but must pay 100% of the cost of the insurance. A City-provided implicit subsidy for the health plan will still exist for these participants.

Funding Policy – The City has not advance-funded or established a funding methodology for the annual OPEB costs or the OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis.

Participant data as of the most recent actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	70
Inactive employees entitled to but not yet receiving benefits	-
Active employees	176
Total	246

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS PLAN (cont…)

Total OPEB liability – The City's total OPEB liability was measured as of September 30, 2024 and is applicable to the City's fiscal year ending September 30, 2025.

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of September 30, 2023, updated to September 30, 2024, using the following actuarial assumptions:

Inflation Rate	2.50%
Salary Increase Rate	Varies by Age/ Years of Service
Discount Rate	4.06%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	51

Mortality Rates – Active Lives: For female lives (non-special risk), the headcount-weighted PubG-2010 female employee table was used. For male lives, the headcount-weighted PubG-2010 male below-median income employee table, set back one year, was used. For special risk female lives, the headcount-weighted PubS-2010 female employee table, set forward one year, was used. For special risk male lives, the headcount-weighted PubS-2010 male below-median income employee table, set forward one year, was used.

Mortality Rates – Inactive Healthy Lives: For female (non-special risk) lives, the headcount-weighted PubG-2010 female below-median income healthy retiree table was used. For male (non-special risk) lives, the headcount-weighted PubG-2010 male below-median income healthy retiree table, set back one year, was used. For special risk female lives, the headcount-weighted PubS-2010 female healthy retiree table, set forward one year, was used. For special risk male lives, the headcount-weighted PubS-2010 male below-median income healthy retiree table, set forward one year, was used.

Mortality Rates – Disabled Lives: For female (non-special risk) lives, the headcount-weighted PubG-2010 female disabled retiree table, set forward three years was used. For male (non-special risk) lives, the headcount-weighted PubG-2010 male disabled retiree table, set forward three years, was used. For special risk female lives, an 80/20 blend between the headcount-weighted PubS-2010 and PubG-2010 female disabled retiree tables were used. For special risk male lives, an 80/20 blend between the headcount-weighted PubS-2010 and PubG-2010 male disabled tables were used.

Discount Rate – Given the City's decision not to fund the OPEB Plan, all future benefit payments were discounted using a high-quality municipal bond rate of 4.06%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS PLAN (cont…)

Changes in the Total OPEB Liability:

	Total OPEB Liability
Reporting period ending September 30, 2024	$ 9,599,496
Changes for the year:	
Service cost	548,804
Interest	482,307
Changes of assumptions	1,034,001
Benefit payments	(495,259)
Net changes	1,569,853
Reporting period ending September 30, 2025	$ 11,169,349

Sensitivity of the Total OPEB Liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City'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 discount rate:

	1% Decrease (3.06%)	Discount Rate (4.06%)	1% Increase (5.06%)
Total other postemployment benefits liability	$ 12,669,445	$ 11,169,349	$ 9,913,115

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease (3.00% to 6.00%)	Discount Rate (4.00% to 7.00%)	1% Increase (5.00% to 8.00%)
Total other postemployment benefits liability	$ 9,976,882	$ 11,169,349	$ 12,576,300

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS PLAN (concluded)

OPEB expense and deferred outflows and inflows of resources related to OPEB – For the year ended September 30, 2025, the City recognized OPEB expense of $60,961. On September 30, 2025, deferred outflows of resources and deferred inflows of resources related to OPEB were as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 516,018
Change in assumptions	1,295,390	3,554,799
City contributions subsequent to the measurement date	533,027	-
Total	$ 1,828,417	$ 4,070,817

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

Year ending September 30,	Amount
2026	$ (744,571)
2027	(1,178,289)
2028	(815,481)
2029	(209,417)
2030	172,331
	$ (2,775,427)

NOTE 10 – OTHER EMPLOYEE BENEFIT PLANS

Effective October 1, 2006, the City closed its defined benefit general employee pension plan for employees not already participating in that plan and instituted a defined contribution 401(a) money purchase plan for employees hired on or after October 1, 2006, whereby the City contributes 8% of gross pay with the employee contributing 2%. The total cost of this plan to the City was $515,275 for the year ended September 30, 2025 which included approximately $94,165 of forfeitures used to offset City cash contributions to the plan.

The City offers its employees a deferred compensation plan created pursuant to Internal Revenue Code Section 457. The Plan is available to all employees and permits them to defer a portion of their salary until future years. The assets are held in trust for each participant who is free to direct their investments to a variety of mutual fund offerings. Participation in the plan is optional.

The City has a cafeteria and flexpay plan whereby employees can elect to receive a cash subsidy or use it to pay for dependent health, dental and life insurance premiums with before tax dollars. The City's subsidy is fixed at $97.60 per month per employee and the total cost for the year was approximately $218,000.

NOTE 11 – INTERFUND TRANSACTIONS

The composition of interfund transfers for the year ended September 30, 2025, is as follows:

Receiving Fund	Paying Fund	Amount
General Fund	Enterprise Fund	$ 4,087,762

The transfer from the enterprise fund to the general fund is an annual budgetary subsidy.

NOTE 12 - MAJOR CUSTOMERS

In the City's enterprise fund (business-type activities), approximately 13% of the City's water and sewer charges for services revenue are represented by sales to one industrial customer. With respect to the ad-valorem (property taxes) taxes the City's largest taxpayer represents 8% of its ad-valorem taxes and the second largest represents 7%.

NOTE 13 - RISK MANAGEMENT AND LITIGATION

During the ordinary course of its operations, the City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees, and natural disasters. The City maintains commercial insurance coverage in amounts management feels is adequate to protect and safeguard the assets of the City. In the opinion of the City's management and legal counsel, legal claims and litigation are not anticipated to have material impact on the financial position of the City. The City's workers compensation coverage is provided through a non-assessable program; in the event the insurance company were declared insolvent, the City would only be responsible for its own claims and not the claims of other insured entities under the program.

The City is contingently liable with respect to lawsuits and other claims which arise in the ordinary course of carrying out its public service. Management believes that any losses not covered by insurance which may ultimately be incurred as a result of the suits and claims will not be material, with the exception of attorney's fees which are not determinable.

The City has elected to reimburse the State directly for its unemployment claims rather than participate in the State insurance fund for this purpose. As a result, the cost for unemployment claims is deducted when paid. Such costs have been insignificant in the past and no provision for potential claims has been made in the financial statements.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grants - The City participates in several programs that are fully or partially funded by grants received from Federal, state, or county agency sources. Expenditures financed by grants are subject to audit by the appropriate grantor government/agency. If expenditures are disallowed due to non-compliance with grant program regulations, the City may be required to reimburse the grantor government/agency. As of September 30, 2025, the City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

Construction Commitments - The City has construction commitments of approximately $2,936,465 as of September 30, 2025 related to water and sewer improvements in the enterprise fund ($2,458,746) and facility construction in the general fund ($477,719).

NOTE 15 – JOINT VENTURE

Background - The Polk Regional Water Cooperative (PRWC) was created on April 1, 2016 by a interlocal agreement between the City of Auburndale, City of Bartow, City of Davenport, City of Eagle Lake, City of Fort Meade, City of Frostproof, City of Haines City, City of Lake Alfred, City of Lakeland, City of Lake Wales, City of Mulberry, Polk City, City of Winter Haven, Town of Dundee, Town of Lake Hamilton and Polk County in accordance with Chapters 163 and 373 of the Florida Statutes. These local government units are collectively considered the Member Governments. The PRWC is a separate legal entity organized under the laws of the State of Florida, and the Member Governments have no equity ownership in the PRWC.

The PRWC is devoted to encouraging the development of fully integrated, robust public water supply systems comprised of diverse sources managed in a manner that take full advantage of Florida’s intense climatic cycles to ensure reliable, sustainable and drought resistant systems which maximize the use of alternative water supplies to the greatest extent practicable. The PRWC will evaluate, plan and implement water projects and coordinate partnerships with other water users.

Membership fees - The terms of the interlocal agreement require each Member Government to contribute their proportionate share of the PRWC’s annual working capital needs which are established annually by a resolution of the PRWC’s Board of Directors. For the year ended September 30, 2025, the total annual working capital needs of the PRWC was $346,516 of which the City’s proportionate share was $28,446.

Combined projects background - The Member Governments, except for the City of Frostproof, entered into a combined projects implementation agreement on March 16, 2017. This agreement established three combined projects to be pursued by the PRWC with an original total estimated cost of $23,000,000. The Southwest Florida Water Management District (SWFWMD) is funding 50% of the total estimated cost and the remainder is funded by the Member Governments based upon their average water use in comparison to the total average water use by all Member Governments.

Combined projects funding –

Project Planning - The PRWC has entered into a state revolving fund (SRF) loan agreement with the State of Florida Department of Environmental Protection (FDEP) to borrow up to $13,624,440, as amended, to assist Member Governments in meeting their local share of the total estimated combined project planning costs. Member Governments can elect to fund their local share of the project costs from their existing funds or participate in the SRF loan agreement. The City has elected to participate in the SRF loan agreement to fund their estimated local share ($1,046,996 as amended) of the project costs and as a result have entered into an agreement with FDEP to guarantee the City’s payment of their share of the SRF loan debt service requirements.

NOTE 15 – JOINT VENTURE (concluded)

The SRF loan bears interest at 1.89% and principal and interest are due semiannually beginning on August 15, 2027 for a ten-year term to maturity on February 15, 2037. This loan is to fund planning, design and test well construction for the combined projects.

As of September 30, 2025, $10,617,972 of SRF funds have been drawn by the PRWC. The City's proportionate share of this liability totaled $815,958 as of September 30, 2025 and has been recorded as a City liability in the business-type/enterprise fund.

Project Construction - During 2022, the City agreed to be a project participant in the following Projects, the Southeast Wellfield, a new lower Floridan aquifer public supply wellfield located in southeast Polk County and the West Polk Lower Aquifer Wellfield, a new lower Floridan aquifer public water supply wellfield located in west Polk County, Florida. Project participants agree to receive potable water from the Projects once completed. The Projects are being funded through the PRWC using a combination of grants and loans and the ultimate debt service and operating costs of the project will be passed through to the Project participants through the water service charges which are determined each year by the PRWC board of directors. The City water charges to the PRWC for the fiscal year ending September 30, 2025 were $587,507.

Contact - Complete financial statements of the PRWC may be obtained from the PRWC's Executive Director at 330 W. Church Street, P.O. Box 9005, Drawer CA01, Bartow, FL 33831-9005.

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Required Supplementary Information

CITY OF AUBURNDALE, FLORIDA
Budgetary Comparison Schedule – General Fund
For the year ended September 30, 2025

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	Original	Final		
RESOURCES:				
Taxes	$ 17,392,810	$ 18,697,810	$ 18,849,285	151,475
Licenses and permits	530,000	842,000	871,117	29,117
Intergovernmental	6,581,975	7,230,975	7,128,053	(102,922)
Charges for services	4,255,761	4,601,761	4,846,700	244,939
Fines and forfeitures	164,000	164,000	141,825	(22,175)
Investment income	300,000	2,218,000	2,185,737	(32,263)
Other	154,400	228,400	457,796	229,396
Other sources - transfers in	4,087,782	4,087,782	4,087,762	(20)
Other sources - insurance recoveries	60,000	159,000	180,854	21,854
Other sources - loan proceeds	8,775,000	-	-	-
Other sources - sale of assets	20,000	20,000	47,065	27,065
Prior year surplus appropriated	990,000	12,130,000	12,130,000	-
Total resources	43,311,728	50,379,728	50,926,194	546,466
CHARGES TO APPROPRIATIONS:				
General government	5,514,220	5,762,220	5,993,091	(230,871)
Public safety	9,133,664	9,365,664	9,857,302	(491,638)
Physical environment	2,713,202	2,672,202	3,076,053	(403,851)
Transportation	852,632	767,632	790,592	(22,960)
Culture/recreation	3,312,628	3,666,628	3,954,250	(287,622)
Capital outlay	15,088,722	20,053,722	18,548,528	1,505,194
Debt service	3,241,066	3,241,066	3,414,168	(173,102)
Contingency	188,412	188,412	-	188,412
Budgeted carryover reserve	3,267,182	4,662,182	4,662,182	-
Total charges to appropriations	43,311,728	50,379,728	50,296,166	83,562
EXCESS (DEFICIENCY) OF RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	$ -	$ -	$ 630,028	$ 630,028

Explanation of differences between budgetary and GAAP basis revenues and expenditures

Sources/inflows of resources	
Total revenue from the budgetary comparison schedule	$ 50,926,194
Differences - budget to GAAP:	
Prior year surplus appropriated as a budgetary resource	(12,130,000)
The following transactions are budgeted as an inflow of budgetary resources but under U.S. GAAP is reported as unearned revenue:	
Unused capital grant reported as unearned revenue	(2,727,863)
Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$ 36,068,331
Uses/outflows of resources	
Total charges to appropriations from the budgetary comparison schedule	$ 50,296,166
Differences - budget to GAAP:	
Year-end surplus of revenues over charges to appropriations are budgetary outflows but are not reported as expenditures for financial reporting purposes.	(4,662,182)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - general fund:	$ 45,633,984

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	Original	Final		
RESOURCES:				
Taxes	$ 2,236,146	$ 2,235,124	$ 2,235,124	$ -
Other	100	109,389	109,389	-
Prior year surplus appropriated	1,300,000	-	-	-
Total resources	3,536,246	2,344,513	2,344,513	-
CHARGES TO APPROPRIATIONS:				
Economic environment	470,246	2,082,733	345,713	1,737,020
Capital outlay	3,066,000	261,780	297,775	(35,995)
Total charges to appropriations	3,536,246	2,344,513	643,488	1,701,025
EXCESS (DEFICIENCY) OF RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	$ -	$ -	$ 1,701,025	$ 1,701,025

CITY OF AUBURNDALE, FLORIDA
Budgetary Comparison Schedule – Impact Fee Special Revenue Fund
For the year ended September 30, 2025

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	Original	Final		
RESOURCES:				
Licenses and permits	$ 695,975	$ 695,975	$ 686,365	$ (9,610)
Investment income	10,100	63,100	118,229	55,129
Prior year surplus appropriated	647,213	213	213	-
Total resources	1,353,288	759,288	804,807	45,519
CHARGES TO APPROPRIATIONS:				
Capital outlay	595,038	38	-	38
Budgeted carryover reserve	758,250	759,250	759,250	-
Total charges to appropriations	1,353,288	759,288	759,250	38
EXCESS (DEFICIENCY) OF RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	$ -	$ -	$ 45,557	$ 45,557

Explanation of differences between budgetary and GAAP basis revenues and expenditures

Sources/inflows of resources	
Total resources from the budgetary comparison schedule	$ 804,807
Differences - budget to GAAP:	
Prior year surplus reappropriated as a budgetary resource	(213)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - impact fee special revenue fund:	$ 804,594
Uses/outflows of resources	
Total charges to appropriations from the budgetary comparison schedule	$ 759,250
Differences - budget to GAAP:	
Year-end surplus of resources over charges to appropriations are budgetary outflows but are not reported as expenditures for financial reporting purposes.	(759,250)
Total expenditures and other financing uses as reported on the statement of revenues, expenditures and changes in fund balances - impact fee special revenue fund:	$ -

CITY OF AUBURNDALE, FLORIDA

Schedule of Changes in Net Pension Liability and Related Ratios - General Employees' Pension Trust Fund

City reporting period date	9/30/2026	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Measurement date	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total pension liability					
Service cost	$ 81,197	$ 82,254	$ 103,758	$ 128,798	$ 141,402
Interest	2,023,376	2,035,807	2,045,330	1,983,224	1,998,938
Change in assumptions	225,364	267,103	-	-	649,657
Difference between expected and actual experience	(127,934)	(90,973)	(263,895)	563,430	(344,594)
Benefit payments, including refunds of of employee contributions	(1,955,789)	(2,192,790)	(1,797,261)	(1,790,307)	(1,670,665)
Employee buy-back	-	-	-	-	-
Net change in total pension liability	246,214	101,401	87,932	885,145	774,738
Total pension liability, beginning	29,195,650	29,094,249	29,006,317	28,121,172	27,346,434
Total pension liability, ending (a)	$ 29,441,864	$ 29,195,650	$ 29,094,249	$ 29,006,317	$ 28,121,172
Plan fiduciary net position					
Contributions - City	$ 1,245,967	$ 1,237,210	$ 1,246,906	$ 1,226,881	$ 1,347,267
Contributions - Employee	20,800	21,529	25,955	28,791	36,963
Net investment income (loss)	3,077,384	5,071,931	2,405,805	(3,881,838)	4,560,418
Benefit payments, including refunds of employee contributions	(1,955,789)	(2,192,794)	(1,797,261)	(1,790,306)	(1,670,666)
Administrative expenses	(67,932)	(66,299)	(62,908)	(60,612)	(80,610)
Net change in plan fiduciary net position	2,320,430	4,071,577	1,818,497	(4,477,084)	4,193,372
Plan fiduciary net position, beginning	27,471,376	23,399,799	21,581,302	26,058,386	21,865,014
Plan fiduciary net position, ending (b)	$ 29,791,806	$ 27,471,376	$ 23,399,799	$ 21,581,302	$ 26,058,386
Net pension liability (asset) (a)-(b)	$ (349,942)	$ 1,724,274	$ 5,694,450	$ 7,425,015	$ 2,062,786
Plan fiduciary net position as a percentage of total pension liability	101.19%	94.09%	80.43%	74.40%	92.66%
Covered payroll	1,039,882	1,076,265	1,297,742	1,439,547	1,848,125
Net pension liability as a percentage of covered payroll	-34%	160%	439%	516%	112%

Continued…

CITY OF AUBURNDALE, FLORIDA

Schedule of Changes in Net Pension Liability and Related Ratios - General Employees' Pension Trust Fund (concluded)

City reporting period date	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Measurement date	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total pension liability					
Service cost	$ 166,571	$ 177,557	$ 185,667	$ 210,799	$ 238,594
Interest	2,001,989	1,944,432	1,892,510	1,858,551	1,608,169
Change in assumptions	(395,826)	-	-	-	2,541,856
Difference between expected and actual experience	(43,999)	436,845	304,208	15,756	508,735
Benefit payments, including refunds of of employee contributions	(1,817,840)	(1,742,995)	(1,620,974)	(1,613,902)	(1,448,376)
Employee buy-back	-	-	-	10,258	-
Net change in total pension liability	(89,105)	815,839	761,411	481,462	3,448,978
Total pension liability, beginning	27,435,539	26,619,700	25,858,289	25,376,827	21,927,849
Total pension liability, ending (a)	$ 27,346,434	$ 27,435,539	$ 26,619,700	$ 25,858,289	$ 25,376,827
Plan fiduciary net position					
Contributions - City	$ 1,433,540	$ 1,681,890	1,505,874	1,272,484	1,226,212
Contributions - Employee	40,894	43,981	45,600	57,581	51,856
Net investment income (loss)	1,724,037	674,844	1,442,390	1,954,145	1,375,125
Benefit payments, including refunds Of employee contributions	(1,817,840)	(1,742,995)	(1,620,974)	(1,613,901)	(1,448,376)
Administrative expenses	(81,541)	(42,122)	(38,278)	(50,958)	(31,618)
Net change in plan fiduciary net position	1,299,090	615,598	1,334,612	1,619,351	1,173,199
Plan fiduciary net position, beginning	20,565,924	19,950,326	18,615,714	16,996,363	15,823,164
Plan fiduciary net position, ending (b)	$ 21,865,014	$ 20,565,924	$ 19,950,326	$ 18,615,714	$ 16,996,363
Net pension liability (asset) (a)-(b)	$ 5,481,420	$ 6,869,615	$ 6,669,374	$ 7,242,575	$ 8,380,464
Plan fiduciary net position as a percentage of total pension liability	79.96%	74.96%	74.95%	71.99%	66.98%
Covered payroll	2,044,692	2,204,313	2,274,734	2,366,172	2,592,799
Net pension liability as a percentage of covered payroll	268%	312%	293%	306%	323%

Changes of Assumptions:

For measurement date September 30, 2025:

- 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, 2024 FRS Valuation report for non-special risk employees.

For measurement date September 30, 2024:

- The assumed investment rate of return was lowered from 7.25% to 7.15%.

For measurement date September 30, 2021:

- The assumed investment rate of return was lowered from 7.50% to 7.25%.

For measurement date September 30, 2020:

- The assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS Valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date September 30, 2016:

- 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.
- The assumed end age for benefit payments paid to Members while employed was increased from age 55 to 59.
- All existing unfunded actuarial accrued liability bases were eliminated, and a new "fresh start" base was established. This will be amortized over 11 years
- 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.

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City reporting period date	9/30/2026	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Measurement date	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total pension liability					
Service cost	$ 531,804	$ 488,234	$ 426,220	$ 429,198	$ 473,059
Interest	1,476,652	1,363,402	1,312,333	1,285,733	1,222,003
Difference between expected and actual experience	214,456	660,068	(182,130)	(158,915)	10,579
Change of assumptions	183,458	-	-	261,338	-
Benefit payments, including refunds of of employee contributions	(1,090,175)	(896,238)	(931,824)	(780,865)	(843,225)
Net change in total pension liability	1,316,195	1,615,466	624,599	1,036,489	862,416
Total pension liability, beginning	20,380,900	18,765,434	18,140,835	17,104,346	16,241,930
Total pension liability, ending (a)	$ 21,697,095	$ 20,380,900	$ 18,765,434	$ 18,140,835	$ 17,104,346
Plan fiduciary net position					
Contributions - City	$ 513,313	$ 449,760	$ 500,432	$ 447,596	$ 485,913
Contributions - State of Florida	316,450	281,258	230,737	198,534	176,628
Contributions - Employee	168,973	155,654	143,114	123,085	120,010
Net investment income (loss)	2,178,554	3,561,359	1,362,824	(2,953,049)	2,835,405
Benefit payments, including refunds of employee contributions	(1,090,176)	(896,238)	(931,824)	(780,864)	(847,634)
Administrative expenses	(56,899)	(57,906)	(56,245)	(62,352)	(50,261)
Net change in plan fiduciary net position	2,030,215	3,493,887	1,249,038	(3,027,050)	2,720,061
Plan fiduciary net position, beginning	18,985,647	15,491,760	14,242,722	17,269,772	14,549,711
Plan fiduciary net position, ending (b)	$ 21,015,862	$ 18,985,647	$ 15,491,760	$ 14,242,722	$ 17,269,772
Net pension liability (asset) (a)-(b)	$ 681,233	$ 1,395,253	$ 3,273,674	$ 3,898,113	$ (165,426)
Plan fiduciary net position as a percentage of total pension liability	96.86%	93.15%	82.55%	78.51%	100.97%
Covered payroll	$ 3,017,332	$ 2,779,514	$ 2,555,611	$ 2,197,631	$ 2,143,026
Net pension liability (asset) as a percentage of covered payroll	22.58%	50.20%	128.10%	177.38%	-7.72%

Continued…

City reporting period date	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Measurement date	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total pension liability					
Service cost	$ 451,284	$ 435,939	$ 448,817	$ 409,945	$ 373,191
Interest	1,151,997	1,122,282	1,089,209	1,036,613	957,531
Change in excess State money	-	-	-	-	(74,166)
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	53,125	(386,108)	(248,431)	106,873	118,563
Change of assumptions	(11,347)	-	-	154,118	184,472
Benefit payments, including refunds of of employee contributions	(623,615)	(958,896)	(712,580)	(485,995)	(814,201)
Net change in total pension liability	1,021,444	213,217	577,015	1,221,554	745,390
Total pension liability, beginning	15,220,486	15,007,269	14,430,254	13,208,700	12,463,310
Total pension liability, ending (a)	$ 16,241,930	$ 15,220,486	$ 15,007,269	$ 14,430,254	$ 13,208,700
Plan fiduciary net position					
Contributions - City	$ 483,764	$ 466,685	$ 497,552	$ 458,328	$ 392,854
Contributions - State of Florida	172,422	163,299	141,490	130,498	189,955
Contributions - Employee	117,777	108,533	99,931	97,557	93,249
Net investment income (loss)	1,293,918	519,046	957,563	1,353,753	707,436
Benefit payments, including refunds of employee contributions	(629,869)	(954,845)	(705,967)	(485,995)	(814,201)
Administrative expenses	(42,181)	(53,400)	(47,583)	(52,823)	(44,593)
Net change in plan fiduciary net position	1,395,831	249,318	942,986	1,501,318	524,700
Plan fiduciary net position, beginning	13,153,880	12,904,562	11,961,576	10,460,258	9,935,558
Plan fiduciary net position, ending (b)	$ 14,549,711	$ 13,153,880	$ 12,904,562	$ 11,961,576	$ 10,460,258
Net pension liability (asset) (a)-(b)	$ 1,692,219	$ 2,066,606	$ 2,102,707	$ 2,468,678	$ 2,748,442
Plan fiduciary net position as a percentage of total pension liability	89.58%	86.42%	85.99%	82.89%	79.19%
Covered payroll	$ 2,103,159	$ 1,938,094	$ 1,785,032	$ 1,742,088	$ 1,665,166
Net pension liability as a percentage of covered payroll	80.46%	106.63%	117.80%	141.71%	165.06%

Changes of benefit terms:

For measurement date September 30, 2016:

- The City and members have mutually consented to allow the City to utilize all of the excess state monies to help pay down the unfunded actuarial liability and to use all future state money to offset their funding requirements.
- Eliminate "imputing" of service for vesting and early retirement for newly hired Police Officers.
- Added provisions for a Partial Lump Sum Optional benefit at retirement.

Changes of Assumptions:

For measurement date September 30, 2025:

- As required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the Milliman's July 1, 2024 FRS valuation report for special risk employees.

For measurement date September 30, 2022:

- The following assumption changes were approved by the Board of Trustees based upon the July 22, 2022 actuarial experience study:
    - The investment return assumption was reduced from 7.50% to 7.25% per year, net of investment related expenses.
    - Salary increases assumption was changed by increasing rate changes prior to completion of 2 years of service and reducing the rate changes for those with 12 or more years of service.
    - Normal retirement rates for members with 25 years of service were increased.
    - Expected disability rates were doubled from the existing assumptions.
    - Member withdrawal rates for members with less than 3 years of service were increased.

For measurement date September 30, 2020:

- The assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS Valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date September 30, 2017:

- The assumed rates of morality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report.
- Reduce the investment return assumption from 7.75% to 7.5% per year, net of investment related expenses.
- Change the assumed rate of individual salary increases from a flat 5.75% per year to an assumption of 8.0% during the first year of employment and 4.75% per year after that.
- Change the expected rates of retirement as outlined in the "Actuarial Assumptions and Methods" section of the 10/1/2017 valuation report.
- Change the expected rates of non-retirement terminations from an age-based table to an assumption of 8.5% per year during the first 7 years and 0.0% for years 8 and 9 and 4% beginning at 10 years of employment.

For measurement date September 30, 2016:

- 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.
- 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.

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CITY OF AUBURNDALE, FLORIDA

Schedule of Changes in Net Pension Liability and Related Ratios - Firefighters' Pension Trust Fund

City reporting period date	9/30/2026	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Measurement date	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total pension liability					
Service cost	$ 307,084	$ 276,181	$ 229,386	$ 247,727	$ 225,636
Interest	884,134	846,460	808,371	789,587	782,967
Change in benefit terms	-	-	-	-	334
Difference between expected and actual experience	254,582	73,553	87,533	44,648	(255,184)
Change of assumptions	270,877	-	-	282,460	-
Benefit payments, including refunds of of employee contributions	(775,837)	(639,110)	(654,313)	(793,601)	(580,906)
Net change in total pension liability	940,840	557,084	470,977	570,821	172,847
Total pension liability, beginning	12,275,776	11,718,692	11,247,715	10,676,894	10,504,047
Total pension liability, ending (a)	$ 13,216,616	$ 12,275,776	$ 11,718,692	$ 11,247,715	$ 10,676,894
Plan fiduciary net position					
Contributions - City	$ 358,143	$ 391,129	$ 305,471	$ 360,761	$ 413,969
Contributions - State of Florida	176,168	149,575	116,854	119,608	113,842
Contributions - Employee	158,915	142,754	122,005	109,284	106,029
Net investment income (loss)	1,236,906	1,962,524	753,463	(1,716,607)	1,621,849
Benefit payments, including refunds of employee contributions	(775,837)	(639,110)	(654,313)	(793,600)	(580,906)
Administrative expenses	(54,347)	(55,757)	(55,784)	(62,973)	(48,619)
Net change in plan fiduciary net position	1,099,948	1,951,115	587,696	(1,983,527)	1,626,164
Plan fiduciary net position, beginning	10,565,499	8,614,384	8,026,688	10,010,215	8,384,051
Plan fiduciary net position, ending (b)	$ 11,665,447	$ 10,565,499	$ 8,614,384	$ 8,026,688	$ 10,010,215
Net pension liability (asset) (a)-(b)	$ 1,551,169	$ 1,710,277	$ 3,104,308	$ 3,221,027	$ 666,679
Plan fiduciary net position as a percentage of total pension liability	88.26%	86.07%	73.51%	71.36%	93.76%
Covered payroll	$ 1,746,095	$ 1,568,726	$ 1,340,714	$ 1,200,923	$ 1,165,145
Net pension liability as a percentage of covered payroll	88.84%	109.02%	231.54%	268.21%	57.22%

Continued…

City reporting period date	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Measurement date	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total pension liability					
Service cost	$ 216,727	$ 203,030	$ 208,114	$ 191,780	$ 183,379
Interest	750,855	730,035	716,994	691,907	660,928
Change in excess State money	-	-	-	-	(43,172)
Change in benefit terms	37,737	(33,320)	(11,615)	-	93,665
Difference between expected and actual experience	323,366	(18,732)	(98,515)	(53,800)	(263,873)
Change of assumptions	(154,022)	-	-	395,976	213,476
Contributions - buyback of service	-	-	33,645	-	-
Benefit payments, including refunds of of employee contributions	(855,113)	(521,211)	(774,695)	(422,298)	(382,852)
Net change in total pension liability	319,550	359,802	73,928	803,565	461,551
Total pension liability, beginning	10,184,497	9,824,695	9,750,767	8,947,202	8,485,651
Total pension liability, ending (a)	$ 10,504,047	$ 10,184,497	$ 9,824,695	$ 9,750,767	$ 8,947,202
Plan fiduciary net position					
Contributions - City	$ 396,388	$ 381,560	$ 357,700	$ 272,798	$ 230,377
Contributions - State of Florida	107,595	100,845	105,668	127,367	127,608
Contributions - Employee	101,917	99,543	125,130	85,805	70,654
Net investment income (loss)	750,447	297,238	547,766	800,753	426,495
Benefit payments, including refunds of employee contributions	(853,824)	(526,992)	(770,203)	(422,298)	(382,852)
Administrative expenses	(45,153)	(56,279)	(57,678)	(48,837)	(56,548)
Net change in plan fiduciary net position	457,370	295,915	308,383	815,588	415,734
Plan fiduciary net position, beginning	7,926,681	7,630,766	7,322,383	6,506,795	6,091,061
Plan fiduciary net position, ending (b)	$ 8,384,051	$ 7,926,681	$ 7,630,766	$ 7,322,383	$ 6,506,795
Net pension liability (asset) (a)-(b)	$ 2,119,996	$ 2,257,816	$ 2,193,929	$ 2,428,384	$ 2,440,407
Plan fiduciary net position as a percentage of total pension liability	79.82%	77.83%	77.67%	75.10%	72.72%
Covered payroll	$ 1,119,962	$ 1,093,883	$ 1,005,135	$ 943,067	$ 834,158
Net pension liability as a percentage of covered payroll	189.29%	206.40%	218.27%	257.50%	292.56%

Changes of benefit terms:

For measurement date September 30, 2019

- As required by Chapter 2019-21, Laws of Florida, granting certain disability benefits to firefighters participating in an employer-sponsored retirement plan. Effective July 1, 2019, the retirement plan must consider the firefighter totally and permanently disabled in the line of duty if he or she meets the retirement plan's definition of totally and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer.

For measurement date September 30, 2016:

- The City and members have mutually consented to allow the City to utilize all of the excess state monies to help pay down the unfunded actuarial liability and to use all future state money to offset their funding requirements.
- Eliminate "imputing" of service for vesting and early retirement for newly hired firefighters.

For measurement date September 30, 2015:

- The total pension liability was calculated using an assumed increase in the benefit accrual rate to 3.75% of average final compensation for all years of service and an increase in the member contribution rate to 9.1% of salary.

Change in supplemental benefit:

	Supplemental Benefit per Month for Each year of Credited Service	
Effective date: October 1,	From	To
2021	$21.96	$22.00
2020	$17.89	$21.96
2019	$20.80	$17.89
2018	$22.00	$20.80
2016	$21.49	$22.00
2015	$16.73	$21.49

Changes of Assumptions:

For measurement date September 30, 2025:

- As required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the Milliman's July 1, 2024 FRS valuation report for special risk employees.

For measurement date September 30, 2022:

- The following assumption changes were approved by the Board of Trustees based upon the July 22, 2022 actuarial experience study:
    - The investment return assumption was reduced from 7.50% to 7.25% per year, net of investment related expenses.
    - Salary increases assumption was changed by increasing rate changes prior to completion of 2 years of service and reducing the rate changes for those with 12 or more years of service.
    - Normal retirement rates for members with 25 years of service were increased.
    - Expected disability rates were doubled from the existing assumptions.
    - Member withdrawal rates for members with less than 3 years of service were increased.

For measurement date September 30, 2020:

- The assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS Valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date September 30, 2017:

- The assumed rates of morality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report.
- Reduce the investment return assumption from 7.75% to 7.5% per year, net of investment related expenses.
- Change the assumed rate of individual salary increases from a flat 5.75% per year to an assumption of 12.0% during the first year of employment and 5.0% per year after that.
- Change the expected rates of retirement as outlined in the "Actuarial Assumptions and Methods" section of the 10/1/2017 valuation report.
- Change the expected rates of non-retirement terminations from an age-based table to an assumption of 15.0% per year during the first 7 years and 0.0% for years 8 and 9, 15% in year 10, and 1.0% beginning at 11 years of employment.

For measurement date September 30, 2016:

- 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.
- 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.

Fiscal year end	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a % of Covered Payroll
September 30, 2025	$ 1,245,967	$ 1,245,967	$ -	$ 1,039,882	119.82%
September 30, 2024	1,237,210	1,237,210	-	1,076,265	114.95%
September 30, 2023	1,246,906	1,246,906	-	1,297,742	96.08%
September 30, 2022	1,226,881	1,226,881	-	1,439,547	85.23%
September 30, 2021	1,347,267	1,347,267	-	1,848,125	72.90%
September 30, 2020	1,433,540	1,433,540	-	2,044,692	70.11%
September 30, 2019	1,681,890	1,681,890	-	2,204,313	76.30%
September 30, 2018	1,505,874	1,505,874	-	2,274,734	66.20%
September 30, 2017	1,280,099	1,272,484	(7,615)	2,366,172	53.78%
September 30, 2016	1,218,615	1,226,212	7,597	2,592,799	47.29%

Notes to the Schedule of Contributions:

Valuation date October 1, 2023

Actuarially determined contribution amounts are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution amounts:

Actuarial cost method:	Entry age normal actuarial cost method
Interest rate:	7.25% per year compounded annually, net of investment related expenses.
Asset valuation method:	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.
Salary increases:	Below age 35: 5.0% per year; age 35 to 44: 4.0% per year; age 45 and up: 3.5% per year.
Mortality basis:	Society of Actuaries' Retirement Plans Experience Committee (RPEC) PUB-2010 Public Retirement Plans Mortality Tables Report with adjustments for mortality improvements based on Mortality Improvement Scale MP-2018.
Retirement age:	Members are assumed to enter DROP at the earlier of (1) Age 55 with 10 years of service or (2) Age 52 with 25 years of service. DROP participants are then assumed to retire at age 59.
Early retirement	None assumed
Disability:	1987 Commissioner's Group Disability Table, 6 month elimination period. All disabilities are assumed service incurred.
Payroll growth:	None
Changes:	None

Termination rate table

Age:	20	30	40	50
% terminating during the year	16.77%	10.70%	6.49%	3.86%

Fiscal year end	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a % of Covered Payroll
September 30, 2025	$ 829,766	$ 829,763	$ (3)	$ 3,017,332	27.50%
September 30, 2024	731,018	731,018	-	2,779,514	26.30%
September 30, 2023	713,015	731,169	18,154	2,555,611	28.61%
September 30, 2022	646,104	646,148	44	2,197,631	29.40%
September 30, 2021	657,909	662,541	4,632	2,143,026	30.92%
September 30, 2020	656,186	656,186	-	2,103,159	31.20%
September 30, 2019	629,881	629,984	103	1,938,094	32.51%
September 30, 2018	639,042	639,042	-	1,785,032	35.80%
September 30, 2017	588,826	588,826	-	1,742,088	33.80%
September 30, 2016	582,809	582,809	-	1,665,166	35.00%

Notes to the Schedule of Contributions:

Valuation date: October 1, 2023

Actuarially determined contribution amounts are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution amounts:

Actuarial cost method:	Entry age actuarial cost method
Interest rate	7.25% per year compounded annually, net of investment related expenses.
Asset valuation method:	All assets are valued at market with an adjustment to uniformly spread actuarial investment gains and losses over a five-year period.
Salary increases:	Assumptions are service based with one year of service or less is assumed at 12%, two to ten years of service is 4.75%, and greater than ten years of service is 4.25%.
Mortality basis:	Society of Actuaries' Retirement Plans Experience Committee (RPEC) PUB-2010 Public Retirement Plans Mortality Tables Report with adjustments for mortality improvements based on Mortality Improvement Scale MP-2018.
Normal retirement:	Retirement probability at age 55+ with more than 10 years of service is assumed at 100%. For ages less than 55 retirement probability is 10% for less than 20 years of service, 50% for greater than 20 and less than 24 years of service and 100% for 25 or more years of service.
Early retirement	Commencing with the earliest Early Retirement Age (50 with 10 years of credited service), Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year.
Disability and Termination:	See table below. It is assumed that 75% of disability retirements are service related.
Payroll growth:	2.09% per year
Changes:	None

Continued….

Disability rate table

Age:	20	30	40	50
% becoming disabled during the year	0.09%	0.12%	0.21%	0.54%

Termination rate table

Years of service:	<2 years	2 to 7	8 to 9	10 to 14	15 or more
% terminating during the year	12.00%	7.00%	7.00%	7.00%	4.00%

Fiscal year end	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a % of Covered Payroll
September 30, 2025	$ 534,305	$ 534,311	$ 6	$ 1,746,095	30.60%
September 30, 2024	530,230	540,704	10,474	1,568,726	34.47%
September 30, 2023	422,325	422,325	-	1,340,714	31.50%
September 30, 2022	480,369	480,369	-	1,200,923	40.00%
September 30, 2021	527,811	527,811	-	1,165,145	45.30%
September 30, 2020	503,983	503,983	-	1,119,962	45.00%
September 30, 2019	482,402	482,405	3	1,093,883	44.10%
September 30, 2018	463,368	463,368	-	1,005,135	46.10%
September 30, 2017	403,633	400,165	(3,468)	943,067	42.43%
September 30, 2016	354,517	357,985	3,468	834,158	42.92%

Notes to Schedule of Contributions:

Valuation date October 1, 2023

Actuarially determined contribution amounts are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution amounts:

Actuarial cost method:	Entry age actuarial cost method
Interest rate	7.25% per year compounded annually, net of investment related expenses.
Asset valuation method:	All assets are valued at market with an adjustment to uniformly spread actuarial investment gains and losses over a five-year period.
Salary increases:	Assumptions are service based with one year of service or less assumed to be 15%, two to eleven years of service is 5%, twelve to sixteen years of service is 4.50% and greater than sixteen years of service is 4.0%.
Mortality basis:	Society of Actuaries' Retirement Plans Experience Committee (RPEC) PUB-2010 Public Retirement Plans Mortality Tables Report with adjustments for mortality improvements based on Mortality Improvement Scale MP-2018.
Retirement age:	Assumed retirement rate for ages less than 55 with up to 25 years of service is 5.0%, regardless of age with 25 years of service is 66.7% and greater than 26 years of service or achieving age 55 is assumed at 100%.
Early retirement	Commencing with the earliest Early Retirement Age (50 with 10 years of credited service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Disability and Termination:	See table below. It is assumed that 90% of disability retirements are service related.
Payroll growth:	1.65% per year
Changes:	None

Continued…

Disability rate table

Age:	20	30	40	50
% becoming disabled during the year	0.06%	0.08%	0.14%	0.36%

Termination rate table

Years of service:	< 3	3 to 7	8 to 9	10	11 or more
% terminating during the year	20.00%	15.00%	0.00%	15.00%	1.00%

Reporting period ending	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Measurement date	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Total OPEB Liability					
Service cost	$ 548,804	$ 559,488	$ 880,997	$ 865,971	$ 607,145
Interest	482,307	555,644	363,526	352,916	470,132
Change in assumptions	1,034,001	(2,044,283)	(3,636,365)	(1,121,290)	2,602,338
Differences between expected and actual experience	-	(246,243)	-	(1,055,577)	-
Benefit payments	(495,259)	(621,421)	(578,067)	(599,249)	(557,443)
Net change in total pension liability	1,569,853	(1,796,815)	(2,969,909)	(1,557,229)	3,122,172
Total OPEB liability, beginning	9,599,496	11,396,311	14,366,220	15,923,449	12,801,277
Total OPEB liability, ending	$ 11,169,349	$ 9,599,496	$ 11,396,311	$ 14,366,220	$ 15,923,449
Covered-employee payroll	$ 10,331,504	$ 9,841,402	$ 8,334,516	$ 8,012,764	$ 7,671,387
Total OPEB liability as a percentage of covered-employee payroll	108.11%	97.54%	136.74%	179.29%	207.57%

Reporting period ending	9/30/2020	9/30/2019	9/30/2018
Measurement date	9/30/2019	9/30/2018	9/30/2017
Total OPEB Liability			
Service cost	$ 607,798	$ 663,734	$ 729,920
Interest	579,749	519,072	453,027
Change in assumptions	1,561,950	(1,081,142)	(1,259,721)
Differences between expected and actual experience	(2,980,389)	-	-
Benefit payments	(454,594)	(418,981)	(385,270)
Net change in total pension liability	(685,486)	(317,317)	(462,044)
Total OPEB liability, beginning	13,486,763	13,804,080	14,266,124
Total OPEB liability, ending	$ 12,801,277	$ 13,486,763	$ 13,804,080
Covered-employee payroll	$ 7,910,302	$ 7,910,302	$ 7,267,326
Total OPEB liability as a percentage of covered-employee payroll	161.83%	170.50%	189.95%

Notes to Schedule:

No assets are being accumulated in a trust to pay for plan benefits.

Additional information will be provided annually until ten years of data is presented.

Continued…

Changes of Assumptions:

The following discount rates are those used for each measurement date:

Measurement Date	Discount Rate
September 30, 2016	3.06%
September 30, 2017	3.64%
September 30, 2018	4.18%
September 30, 2019	3.58%
September 30, 2020	2.14%
September 30, 2021	2.43%
September 30, 2022	4.77%
September 30, 2023	4.87%
September 30, 2024	4.06%

Also, for the September 30, 2021 measurement date, reflected as assumption changes are updated health care costs and premiums, updated health care cost trend rates, and updated mortality rates.

Difference Between Expected and Actual Experience: Difference Between Expected and Actual Experience reflects the impact of changes to the census data from one valuation to the next.

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Other Supplementary Information

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ASSETS				
Receivables:				
Contributions receivable:				
City	$ 311,492	$ 82,035	$ 68,494	$ 462,021
Plan members	1,119	6,681	5,964	13,764
Accrued income	34,785	1,581	926	37,292
Total receivables	347,396	90,297	75,384	513,077
Investments, at fair value:				
Short-term money market funds	526,924	239,225	221,073	987,222
U.S. Government obligations	695,799	-	-	695,799
Mortgage/asset backed securities	3,035,761	-	-	3,035,761
Fixed income mutual funds	-	4,624,008	2,309,189	6,933,197
Corporate and foreign bonds	1,666,414	-	-	1,666,414
Equity securities	-	2,244,484	1,325,806	3,570,290
Equity mutual funds	21,378,927	12,294,220	6,868,664	40,541,811
Real estate investment fund	2,147,901	1,529,628	894,377	4,571,906
Total investments	29,451,726	20,931,565	11,619,109	62,002,400
Total assets	29,799,122	21,021,862	11,694,493	62,515,477
LIABILITIES				
Accounts payable	7,316	6,000	7,500	20,816
Benefits payable	-	-	21,546	21,546
Total Liabilities	7,316	6,000	29,046	42,362
NET POSITION				
Restricted for pension benefits	$ 29,791,806	$ 21,015,862	$ 11,665,447	$ 62,473,115

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ADDITIONS				
Contributions:				
City	$ 1,245,967	$ 513,313	$ 358,143	$ 2,117,423
Plan members	20,800	168,973	158,915	348,688
State of Florida	-	316,450	176,168	492,618
Total contributions	1,266,767	998,736	693,226	2,958,729
Investment income	3,156,742	2,221,316	1,274,458	6,652,516
Less investment expenses:				
Performance evaluation	26,250	24,000	24,000	74,250
Custodial fees	16,402	6,000	6,000	28,402
Investment management fees	36,706	12,762	7,552	57,020
Total investment expenses	79,358	42,762	37,552	159,672
Net investment income	3,077,384	2,178,554	1,236,906	6,492,844
Total additions	4,344,151	3,177,290	1,930,132	9,451,573
DEDUCTIONS				
Administrative expenses:				
Legal	4,362	4,020	3,982	12,364
Administrator fee	19,200	18,000	18,000	55,200
Actuarial	32,591	25,474	22,590	80,655
Insurance, supplies and other	5,453	3,342	3,618	12,413
Audit	6,326	6,063	6,157	18,546
Total administrative expenses	67,932	56,899	54,347	179,178
Payments to retirees and participants	1,955,789	1,090,176	775,837	3,821,802
Total deductions	2,023,721	1,147,075	830,184	4,000,980
CHANGE IN NET POSITION	2,320,430	2,030,215	1,099,948	5,450,593
NET POSITION, beginning of year	27,471,376	18,985,647	10,565,499	57,022,522
NET POSITION, end of year	$ 29,791,806	$ 21,015,862	$ 11,665,447	$ 62,473,115

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Statistical Section

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These debt schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Auburndale, Florida
Schedule of Net Position - By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment										
in capital assets	$ 28,374,983	$ 31,706,373	$ 35,287,042	$ 38,855,834	$ 40,671,611	$ 44,468,109	$ 46,687,748	$ 53,689,964	$ 56,793,590	$ 60,692,765
Restricted	3,968,021	3,695,923	3,057,221	3,433,402	5,604,560	8,017,708	10,775,895	10,764,379	8,517,899	10,218,194
Unrestricted	(7,791,912)	(8,563,251)	(13,560,015)	(14,798,477)	(10,174,850)	(11,104,704)	(5,046,868)	(2,302,149)	4,620,034	9,529,035
Total governmental activities net position	$ 24,551,092	$ 26,839,045	$ 24,784,248	$ 27,490,759	$ 36,101,321	$ 41,381,113	$ 52,416,775	$ 62,152,194	$ 69,931,523	$ 80,439,994
Business-type activities										
Net investment										
in capital assets	$ 18,750,657	$ 17,339,470	$ 19,438,815	$ 19,988,434	$ 24,273,491	$ 32,448,635	$ 36,560,059	$ 47,974,618	$ 56,836,865	$ 58,278,794
Restricted	2,206,195	2,276,178	1,542,587	2,415,948	4,181,913	9,594,107	16,225,977	13,060,166	17,966,764	17,079,767
Unrestricted	1,766,663	3,075,381	2,757,963	2,843,058	5,204,638	4,805,590	9,024,143	12,611,407	17,965,194	22,644,116
Total Business-type activities net position	$ 22,723,515	$ 22,691,029	$ 23,739,365	$ 25,247,440	$ 33,660,042	$ 46,848,332	$ 61,810,179	$ 73,646,191	$ 92,768,823	$ 98,002,677
Primary Government										
Net investment										
in capital assets	$ 47,125,640	$ 49,045,843	$ 54,725,857	$ 58,844,268	$ 64,945,102	$ 76,916,744	$ 83,247,807	$ 101,664,582	$ 113,630,455	$ 118,971,559
Restricted	6,174,216	5,972,101	4,599,808	5,849,350	9,786,473	17,611,815	27,001,872	23,824,545	26,484,663	27,297,961
Unrestricted	(6,025,249)	(5,487,870)	(10,802,052)	(11,955,419)	(4,970,212)	(6,299,114)	3,977,275	10,309,258	22,585,228	32,173,151
Total primary government net position	$ 47,274,607	$ 49,530,074	$ 48,523,613	$ 52,738,199	$ 69,761,363	$ 88,229,445	$ 114,226,954	$ 135,798,385	$ 162,700,346	$ 178,442,671

Sources: Information derived from the annual financial reports for the relevant year.

City of Auburndale, Florida
Schedule of Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
General Government	$ 1,541,300	$ 1,654,061	$ 1,920,291	$ 2,060,531	$ 1,722,641	$ 1,915,917	$ 1,593,164	$ 2,020,313	$ 1,872,656	$ 2,497,148
Library	608,175	758,115	681,785	710,612	674,303	775,900	601,180	648,866	650,135	719,495
Police	4,686,378	4,884,559	5,035,164	5,043,772	5,053,525	5,156,607	4,478,141	6,039,824	6,960,552	7,009,237
Fire	2,510,840	2,617,604	2,493,336	2,455,695	2,686,868	2,834,841	2,443,389	3,175,923	3,738,629	3,618,957
Building and zoning	527,735	614,791	956,803	618,708	680,128	791,222	849,983	829,028	957,156	1,196,869
Public works administration	688,754	1,178,929	1,192,807	1,302,273	1,157,110	1,057,132	968,019	1,444,490	1,825,755	1,680,180
Sanitation	1,442,658	1,656,039	1,657,888	1,703,171	1,791,265	1,956,652	2,042,159	2,464,888	2,064,447	2,377,210
Streets	1,067,386	1,149,651	1,264,885	1,691,530	2,400,421	2,024,185	2,109,371	2,267,353	2,346,882	2,207,183
Parks and recreation	4,173,904	3,799,682	3,698,819	4,102,919	3,821,183	4,434,192	4,202,446	5,001,931	5,692,467	5,721,154
Community redevelopment	85,082	414,115	659,176	488,813	601,281	667,522	578,576	606,676	534,311	714,342
Interest on long term debt	671,365	523,390	390,393	357,066	807,169	572,093	608,519	464,463	960,804	1,190,780
Total governmental activities expenses	18,003,577	19,250,936	19,951,347	20,535,090	21,395,894	22,186,263	20,474,947	24,963,755	27,603,794	28,932,555
Business-type activities:										
Water and wastewater utility	9,322,481	9,814,254	9,645,386	10,420,623	11,465,540	10,573,010	12,040,956	13,258,849	13,815,654	14,327,476
Total business-type activities expenses	9,322,481	9,814,254	9,645,386	10,420,623	11,465,540	10,573,010	12,040,956	13,258,849	13,815,654	14,327,476
Total primary government expenses	$ 27,326,058	$ 29,065,190	$ 29,596,733	$ 30,955,713	$ 32,861,434	$ 32,759,273	$ 32,515,903	$ 38,222,604	$ 41,419,448	$ 43,260,031
Program revenues										
Governmental activities:										
Charges for services	$ 3,369,298	$ 3,450,658	$ 3,257,831	$ 3,736,769	$ 4,652,836	$ 5,398,145	$ 6,531,049	$ 5,462,249	$ 5,778,903	$ 5,966,662
Operating grants and contributions	592,507	550,731	604,693	518,456	634,448	610,244	681,346	694,952	691,387	856,453
Capital grants and contributions	2,603,035	2,825,462	3,172,001	2,344,127	7,505,233	2,773,923	4,120,040	3,166,304	2,480,649	2,272,246
Total governmental activities program rev.	6,564,840	6,826,851	7,034,525	6,599,352	12,792,517	8,782,312	11,332,435	9,323,505	8,950,939	9,095,361
Business-type activities:										
Charges for services	11,652,583	12,105,580	12,145,328	12,914,602	13,419,401	14,498,486	16,067,200	17,649,177	18,720,571	19,215,698
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,711,098	895,699	3,272,941	2,485,137	9,952,744	13,307,787	13,607,420	11,171,241	16,265,278	3,143,250
Total business-type program revenues	13,363,681	13,001,279	15,418,269	15,399,739	23,372,145	27,806,273	29,674,620	28,820,418	34,985,849	22,358,948
Total primary government program revenues	$ 19,928,521	$ 19,828,130	$ 22,452,794	$ 21,999,091	$ 36,164,662	$ 36,588,585	$ 41,007,055	$ 38,143,923	$ 43,936,788	$ 31,454,309
Net(expenses)/revenue										
Governmental activities	(11,438,737)	(12,424,085)	(12,916,822)	(13,935,738)	(8,603,377)	(13,403,951)	(9,142,512)	(15,640,250)	(18,652,855)	(19,837,194)
Business-type activities	4,041,200	3,187,025	5,772,883	4,979,116	11,906,605	17,233,263	17,633,664	15,561,569	21,170,195	8,031,472
Total primary government net expenses	$ (7,397,537)	$ (9,237,060)	$ (7,143,939)	$ (8,956,622)	$ 3,303,228	$ 3,829,312	$ 8,491,152	$ (78,681)	$ 2,517,340	$ (11,805,722)

Continued...

Sources: Information derived from the annual financial reports for the relevant year.

City of Auburndale, Florida
Schedule of
Changes in Net Position (concluded)
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	$ 4,522,527	$ 4,596,725	$ 4,877,421	$ 5,450,729	$ 6,280,184	$ 6,629,676	$ 7,631,333	$ 9,139,878	$ 10,474,964	$ 11,935,971
Franchise Taxes	1,843,023	1,762,003	1,803,030	1,823,489	1,696,413	1,966,799	2,321,830	2,838,366	2,723,290	3,079,548
Public Service Taxes	2,690,549	2,786,025	2,924,035	2,953,465	3,013,081	3,115,652	3,500,447	4,017,191	4,249,705	5,151,352
Fuel Taxes	784,968	819,426	883,025	917,080	867,558	943,555	993,469	955,932	980,819	1,070,988
State shared revenue	1,237,066	1,321,164	1,426,765	1,533,011	1,491,780	1,754,212	2,076,201	2,027,441	2,059,363	2,192,390
Investment earnings	10,591	57,377	119,989	174,235	156,343	9,955	135,857	1,733,342	1,732,307	2,413,355
Miscellaneous	92,172	107,311	409,822	286,538	196,076	216,598	194,970	286,479	177,388	390,380
Gain (loss) on sale of capital assets	-	-	-	6,590	(22,319)	-	-	7,039	29,643	23,919
Interfund transfer	3,645,994	3,262,007	3,616,194	3,497,112	3,534,823	4,047,296	3,324,067	4,370,001	4,004,705	4,087,762
Total governmental activities	14,826,890	14,712,038	16,060,281	16,642,249	17,213,939	18,683,743	20,178,174	25,375,669	26,432,184	30,345,665
Business-type Activities:										
Investment earnings	2,420	42,496	59,964	36,461	35,582	2,323	58,250	644,444	1,957,142	1,281,944
Miscellaneous	8,105	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	21,654	(10,390)	5,238	-	594,000	-	-	8,200
Interfund transfer	(3,645,994)	(3,262,007)	(3,616,194)	(3,497,112)	(3,534,823)	(4,047,296)	(3,324,067)	(4,370,001)	(4,004,705)	(4,087,762)
Total business-type activities	(3,635,469)	(3,219,511)	(3,534,576)	(3,471,041)	(3,494,003)	(4,044,973)	(2,671,817)	(3,725,557)	(2,047,563)	(2,797,618)
Total primary government	$ 11,191,421	$ 11,492,527	$ 12,525,705	$ 13,171,208	$ 13,719,936	$ 14,638,770	$ 17,506,357	$ 21,650,112	$ 24,384,621	$ 27,548,047
Change in Net Position										
Governmental activities	$ 3,388,153	$ 2,287,953	$ 3,143,459	$ 2,706,511	$ 8,610,562	$ 5,279,792	$ 11,035,662	$ 9,735,419	$ 7,779,329	$ 10,508,471
Business-type activities	405,731	(32,486)	2,238,307	1,508,075	8,412,602	13,188,290	14,961,847	11,836,012	19,122,632	5,233,854
Total Primary Government	$ 3,793,884	$ 2,255,467	$ 5,381,766	$ 4,214,586	$ 17,023,164	$ 18,468,082	$ 25,997,509	$ 21,571,431	$ 26,901,961	$ 15,742,325

Sources: Information derived from the annual financial reports for the relevant year.

City of Auburndale, Florida
Schedule of
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Nonspendable	$ 16,360	$ 13,922	$ 17,526	$ 13,398	$ 16,349	$ 17,440	$ 601,910	$ 376,789	$ 410,900	$ 110,463
Restricted	2,747,676	2,456,641	2,639,062	2,985,729	2,243,981	2,703,325	3,125,200	2,546,617	17,425,666	4,859,497
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	4,206,045	4,740,103	5,886,736	5,220,703	6,837,878	8,091,839	11,131,733	15,003,535	21,311,951	24,612,904
Total General Fund	$ 6,970,081	$ 7,210,666	$ 8,543,324	$ 8,219,830	$ 9,098,208	$ 10,812,604	$ 14,858,843	$ 17,926,941	$ 39,148,517	$ 29,582,864

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All other governmental funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	1,413,419	1,382,119	549,417	565,971	3,422,277	5,360,520	7,679,185	8,240,552	6,715,765	9,221,384
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 1,413,419	$ 1,382,119	$ 549,417	$ 565,971	$ 3,422,277	$ 5,360,520	$ 7,679,185	$ 8,240,552	$ 6,715,765	$ 9,221,384

Sources: Information derived from the annual financial reports for the relevant year.

City of Auburndale, Florida
Schedule of Changes in
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 9,724,536	$ 9,873,759	$ 10,379,883	$ 11,040,174	$ 11,761,223	$ 12,540,284	$ 14,303,301	$ 16,836,185	$ 18,307,679	$ 21,084,409
Licenses and Permits	514,573	744,888	611,234	823,050	1,859,640	2,740,558	3,193,386	1,796,152	1,808,370	1,557,482
Intergovernmental	3,065,077	4,045,926	4,893,781	4,195,407	3,689,360	4,448,751	5,624,270	5,475,821	4,433,634	4,400,190
Charges for services	2,796,434	2,713,368	2,761,786	3,055,113	3,271,171	3,618,582	4,403,620	4,028,533	4,514,480	4,846,700
Fines and forfeitures	36,088	40,337	42,761	79,798	119,258	179,049	116,398	138,139	195,007	141,825
Other	446,935	209,951	500,706	494,716	504,762	280,063	484,322	2,081,977	1,969,099	2,871,151
Total revenues	$ 16,583,643	$ 17,628,229	$ 19,190,151	$ 19,688,258	$ 21,205,414	$ 23,807,287	$ 28,125,297	$ 30,356,807	$ 31,228,269	$ 34,901,757
Expenditures										
Current:										
General Government	$ 1,402,263	$ 1,407,077	$ 1,711,181	$ 1,925,685	$ 1,783,812	$ 2,025,493	$ 1,669,358	$ 1,968,420	$ 1,739,751	$ 2,432,178
Public Safety	6,766,450	7,051,203	7,463,716	7,582,252	7,788,688	7,962,724	8,201,051	8,998,666	10,423,914	11,392,243
Physical environment	2,195,151	2,403,018	2,609,696	2,795,480	2,910,151	3,018,036	3,288,065	3,553,343	3,814,652	3,940,750
Economic environment	153,417	156,149	283,216	211,940	223,144	386,946	302,497	302,780	285,808	345,713
Transportation	698,266	756,442	805,145	804,448	831,680	797,793	910,334	1,013,744	1,120,344	984,547
Culture & Recreation	3,388,715	3,426,196	3,184,294	3,582,230	3,532,577	3,964,534	3,879,663	4,519,594	4,821,761	4,921,570
Debt Service:										
Principal retirement	1,185,407	1,003,301	1,493,231	1,538,524	1,594,686	1,890,907	1,965,100	1,455,524	1,830,136	2,200,486
Interest and other fiscal charges	632,416	438,685	393,953	362,714	830,090	582,448	603,344	468,630	713,327	1,213,682
Capital Outlay	6,786,888	3,395,800	4,623,909	4,940,279	11,204,213	3,865,642	7,800,336	9,303,433	10,565,253	18,846,303
Total expenditures	$ 23,208,973	$ 20,037,871	$ 22,568,341	$ 23,743,552	$ 30,699,041	$ 24,494,523	$ 28,619,748	$ 31,584,134	$ 35,314,946	$ 46,277,472
Excess(deficiency) of revenues over(under) expenditures	$ (6,625,330)	$ (2,409,642)	$ (3,378,190)	$ (4,055,294)	$ (9,493,627)	$ (687,236)	$ (494,451)	$ (1,227,327)	$ (4,086,677)	$ (11,375,715)
Other financing sources(uses)										
Transfers in	3,645,994	3,262,007	3,616,194	3,497,112	3,534,823	4,047,296	3,324,067	4,370,001	4,004,705	4,087,762
Sale of Capital Assets	-	-	-	-	-	-	-	-	395,709	47,065
Insurance proceeds	-	-	261,952	63,706	34,331	84,524	35,288	167,589	28,570	180,854
Subscriptions issued	-	-	-	-	-	-	-	-	359,853	-
Proceeds from Borrowing	-	5,959,846	-	187,536	9,659,157	208,055	3,500,000	319,202	18,994,629	-
Payment to refunding bond escrow agent	-	(6,602,926)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	$ 3,645,994	$ 2,618,927	$ 3,878,146	$ 3,748,354	$ 13,228,311	$ 4,339,875	$ 6,859,355	$ 4,856,792	$ 23,783,466	$ 4,315,681
Net change in fund balance	$ (2,979,336)	$ 209,285	$ 499,956	$ (306,940)	$ 3,734,684	$ 3,652,639	$ 6,364,904	$ 3,629,465	$ 19,696,789	$ (7,060,034)
Debt service as percentage of non-capital expenditures	11.7%	9.0%	10.2%	9.9%	15.3%	11.8%	12.1%	8.5%	9.9%	12.3%

Sources: Information derived from the annual financial reports for the relevant year.

City of Auburndale, Florida
Schedule of
Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Fiscal Years

Fiscal Year	Real Property	Assessed Value of Personal Property	Centrally Assessed Property	Taxable Assessed Valuation	Total Direct MillageTax Rate
2025	$ 2,247,312,636	$ 633,226,896	$ 2,570,606	$ 2,696,306,325	4.2515
2024	1,969,904,931	628,874,761	2,447,037	2,410,153,436	4.2515
2023	1,665,407,713	567,970,427	2,448,561	2,108,006,935	4.2515
2022	1,390,820,683	525,059,008	2,436,810	1,918,316,501	4.2515
2021	1,129,516,283	420,362,445	2,247,665	1,552,126,393	4.2515
2020	957,201,379	398,919,640	1,953,976	1,358,074,995	4.2515
2019	862,689,225	430,206,041	1,733,048	1,294,628,314	4.2515
2018	791,277,435	409,583,576	1,774,659	1,202,635,670	4.2515
2017	684,755,661	357,657,670	1,686,747	1,044,100,078	4.2657
2016	579,081,646	380,065,184	1,722,144	960,868,974	4.2657

(1) The State of Florida, by statute, requires property appraisers to assess all property within the State at 100% of market value. Therefore, the assessed valuation and estimated actual value is the same.

Source: Polk County Property Appraiser

Note: Property in the city is assessed each year. Tax rates are per $1,000 of assessed value.

City of Auburndale, Florida
Schedule of
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Auburndale	Polk County (BOCC)	Polk County School Board	Lakes Region Lake Management	Southwest Florida Water Management District	Total	
2025	4.2515	6.6348	5.2900	0.0000	0.1831	16.3594	
2025	4.2515	6.6348	5.2900	0.3253	0.1831	16.6847	**
2024	4.2515	6.6348	5.2960	0.0000	0.1909	16.3732	
2024	4.2515	6.6348	5.2960	0.3486	0.1909	16.7218	**
2023	4.2515	6.6852	5.4080	0.0000	0.2043	16.5490	
2023	4.2515	6.6852	5.4080	0.3691	0.2043	16.9181	**
2022	4.2515	6.692	5.5190	0.0000	0.226	16.6885	
2022	4.2515	6.692	5.5190	0.4100	0.226	17.0985	**
2021	4.2515	6.899	5.8290	0.0000	0.2535	17.2330	
2021	4.2515	6.899	5.8290	0.4100	0.2535	17.6430	**
2020	4.2515	6.899	5.9350	0.0000	0.2669	17.3524	
2020	4.2515	6.899	5.9350	0.4100	0.2669	17.7624	**
2019	4.2515	7.1565	6.0860	0.0000	0.2801	17.7741	
2019	4.2515	7.1565	6.0860	0.4214	0.2801	18.1955	**
2018	4.2515	7.1565	6.2510	0.0000	0.2955	17.9545	
2018	4.2515	7.1565	6.2510	0.4214	0.2955	18.3759	**
2017	4.2657	6.7815	6.5140	0.0000	0.3131	17.8743	
2017	4.2657	6.7815	6.5140	0.4214	0.3131	18.2957	**
2016	4.2657	6.7815	6.7970	0.0000	0.3317	18.1759	
2016	4.2657	6.7815	6.7970	0.4512	0.3317	18.6271	**

** Rate includes property within the Lake Region Lake Management District

Source: www.polkpa.org - Final Millage Rates

City of Auburndale, Florida
Schedule of
Principal Property Tax Payers
September 30, 2025 for the Current Year and Nine Years Prior

	2025			2016	
Taxpayer	**Taxable Assessed Valuation**	**Percentage of Total Taxable Assessed Value**	**Taxpayer**	**Taxable Assessed Valuation**	**Percentage of Total Taxable Assessed Value**
Coca Cola	$ 241,252,381	8.95%	Coca Cola	$ 198,771,399	20.89%
Duke Energy	185,332,932	6.87%	Calpine Construction Finance	104,956,252	11.03%
Bel Lakeland LLC	89,175,405	3.31%	Tampa Electric	21,812,681	2.29%
MRE PropCo LP	68,945,040	2.56%	Florida Brewery Inc	17,301,979	1.82%
Saddle Creek Corporation	64,248,750	2.38%	Sewell Products of Floridad Inc	11,232,896	1.18%
PR ARC Borrower 1 LLC	55,254,237	2.05%	Verizon	10,957,106	1.15%
Tampa Electric	55,034,731	2.04%	Walmart	10,940,920	1.15%
Groves at Lake Juliana LLC	46,692,312	1.73%	Bright House	10,482,277	1.10%
BGO Pace Logistics LLC	41,130,915	1.53%	Buckhead Beef Company	8,968,816	0.94%
Amazon	37,114,541	1.38%	Gulfstream NTRL Gas	8,845,151	0.93%
Total of Top Ten Taxpayers	$ 884,181,244	32.79%	Total of Top Ten Taxpayers	$ 404,269,477	42.48%

* Data not available
Source: Polk County Tax Collector

City of Auburndale, Florida
Schedule of Property Tax Levies and Collections
Last Ten Years

Fiscal Year	Total Tax Levy	Current Tax Collection	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collection	Ratio of Levy to Collections
2025	$ 11,064,952	$ 10,543,678	95.29%	$ 13,611	$ 10,557,289	95.41%
2024	$ 9,497,978	$ 9,124,520	96.07%	$ 14,891	$ 9,139,411	96.22%
2023	$ 8,249,501	$ 7,931,681	96.15%	$ 9,906	$ 7,941,587	96.27%
2022	$ 6,861,946	$ 6,600,290	96.19%	$ 9,188	$ 6,609,478	96.32%
2021	$ 5,868,998	$ 5,649,453	96.26%	$ 4,083	$ 5,653,536	96.33%
2020	$ 5,563,874	$ 5,357,357	96.29%	$ 3,312	$ 5,360,669	96.35%
2019	$ 5,129,641	$ 4,898,261	95.49%	$ 2,370	$ 4,900,631	95.54%
2018	$ 4,461,241	$ 4,268,792	95.69%	$ 11,831	$ 4,280,623	95.95%
2017	$ 4,105,962	$ 3,959,432	96.43%	$ 13,330	$ 3,972,762	96.76%
2016	$ 4,115,978	$ 3,953,435	96.05%	$ 10,565	$ 3,964,000	96.31%

Source: Polk County Property Appraiser

City of Auburndale, Florida
Schedule of
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities		Business - Type Activities					
Fiscal Year	Bonds and Notes Payable	Other Long-Term Debt	Bonds and Notes Payable	Other Long-Term Debt	Total Primary Government	City of Auburndale Personal Income (1)	Percentage of Income	Per Capita (2)
2016	$ 15,963,981	$ -	$ 39,720,079	$ -	$ 55,684,060	$ 518,548,350	10.74%	3,604
2017	14,501,876	-	38,917,766	-	53,419,642	547,373,787	9.76%	3,339
2018	13,008,645	-	37,647,714	-	50,656,359	576,131,898	8.79%	3,118
2019	11,657,657	-	36,325,020	285,790	48,268,467	605,954,566	7.97%	2,919
2020	19,651,806	-	34,959,755	506,406	55,117,967	680,691,200	8.10%	3,220
2021	17,968,953	-	33,542,012	587,383	52,098,348	720,372,684	7.23%	3,150
2022	19,503,853	-	32,066,894	722,730	52,293,477	754,371,019	6.93%	2,996
2023	18,079,716	287,815	30,529,518	692,036	49,589,085	857,410,140	5.78%	2,570
2024	35,483,829	408,048	28,929,995	800,182	65,622,054	*	*	3,251
2025	33,406,002	285,389	27,244,770	815,957	61,752,118	*	*	2,849

Source:
(1) Federal Reserve Bank of St. Louis - Economic Research - Polk County
(2) Population base from University of Florida BEBR
* Information not available

City of Auburndale, Florida
Schedule of
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

General Bonded Debt Outstanding

The City has not had any general bonded debt in the past ten fiscal years.

Source: City of Auburndale Finance Department

City of Auburndale, Florida
Schedule of
Direct and Overlapping Governmental Activities Debt
September 30, 2025

Jurisdiction	Debt Outstanding	Percentage Applicable to Auburndale		Amount Applicable to Auburndale
District School Board of Polk County	$ 325,523,209	3.44%	(1)	$ 11,206,489
Polk County Board of County Commissioners	160,392,660	3.44%	(2)	5,521,691
Total Overlapping Debt				16,728,181
Total Direct Debt				33,691,391
Total Direct and Overlapping Debt				$ 50,419,572

(1) The percentage of overlapping debt applicable is calculated as a ratio of taxable assessed property values in the City of Auburndale to total taxable valuation of property in Polk County, Florida.

Sources:
(1) School Board of Polk County June 30, 2024 Annual Comprehensive Financial Report (latest available)
(2) Polk County, Florida September 30, 2024 Annual Comprehensive Financial Report (latest available)

City of Auburndale, Florida
Schedule of
Legal Debt Margin Information
Last Ten Fiscal Years

The City Charter and Florida State Statute 200.181 does not provide for legal debt limit.

Source: City of Auburndale, Florida finance department

City of Auburndale, Florida
Schedule of
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Water and Sewer Revenue (1)	Less: Water and Sewer Operating Expenses (2)	Net Revenues (3)	Debt Service (4)	Coverage (5)
2016	11,664,917	(4,933,565)	6,731,352	2,659,025	2.53
2017	12,148,076	(5,754,710)	6,393,366	1,839,057	3.48
2018	12,205,292	(5,583,717)	6,621,575	2,571,981	2.57
2019	12,951,063	(5,969,758)	6,981,305	2,577,369	2.71
2020	13,454,983	(6,920,926)	6,534,057	2,570,456	2.54
2021	14,500,809	(6,098,439)	8,402,370	2,548,513	3.30
2022	16,125,450	(7,246,774)	8,878,676	2,566,756	3.46
2023	18,293,621	(9,025,063)	9,268,558	2,566,938	3.61
2024	20,677,713	(9,027,631)	11,650,082	2,564,100	4.54
2025	20,497,642	(10,001,437)	10,496,205	2,562,252	4.10

(1) Gross water and sewer revenues include all money received from rates, fees, rentals or other charges received by the City or accrued to it in the management and operation of the water and sewer system.

(2) Operating expenses include all costs of operating the water and sewer system but does not include depreciation expense, expenses not annually recurring, renewal and replacement reserve payments, the annual bond service requirement or transfers to other funds.

(3) Net revenues is equal to gross revenue less operating expenses.

(4) Principal and interest paid on long-term debt secured by water and sewer revenue.

(5) Net revenues divided by Debt Service

Source: City of Auburndale, Florida finance department

City of Auburndale, Florida
Schedule of
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Pledged Revenue (1)	Debt Service (2)	Coverage (3)
2016	$ 1,453,496	$ 366,380	3.97
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-

(1) Residential and commercial garbage and refuse collection and removal fees.

(2) Principal and interest paid on long-term debt secured by the pledged revenues.

(3) Total Revenues divided by Debt Service.

Source: City of Auburndale, Florida finance department

City of Auburndale, Florida
Schedule of
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income (2)	School Enrollment (3)	Unemployment Rate for Polk County (2)
2025	21,677	*	*	4,120	5.20
2024	20,186	*	*	4,169	4.40
2023	19,298	44,430	857,410,140	4,169	3.90
2022	17,453	43,223	754,371,019	4,133	3.20
2021	16,539	43,556	720,372,684	3,845	4.90
2020	17,120	39,760	680,691,200	3,883	7.80
2019	16,534	36,649	605,954,566	3,801	3.50
2018	16,246	35,463	576,131,898	3,778	3.70
2017	15,999	34,213	547,373,787	4,169	4.10
2016	15,450	33,563	518,548,350	3,639	5.90

* Information not available
(1) University of Florida BEBR
(2) Federal Reserve Bank of St. Louis - Economic Research - Polk County
(3) Polk County School Board

City of Auburndale, Florida
Schedule of Principal Employers
Current Year

Employer [2]	Type of Business	2025 Employees	2025 Rank	2025 Percentage of Total City Employment
Coca-Cola Refreshments	Beverage Manufacturing	750	1	10%
Amazon	Online Fullfillment Center	500	2	6%
Good Shepard Hospice of Mid-Florida, Inc.	Nursing Care Facility	500	3	6%
Medline Industries	Medical Supply Distributor	450	4	6%
Polk County School Board	Public School	385	5	5%
Publix Supermarkets	Retail	360	6	5%
Walmart Supercenter	Retail	350	7	4%
Spectrum	Telecommunications	300	8	4%
Bynum Transport	Transportation	250	9	3%
City of Auburndale	Municipal Government	222	10	3%
		4,067		

Estimated Total City Employment [3] 7,865

(1) Principal employers for nine years ago is not available.
(2) Source: Auburndale Chamber of Commerce and Employer Human Resource Depts
(3) Source: https://data.census.gov/
2022 American Community Survey DP03 data presented
Data for nine years prior to the current year is unavailable

City of Auburndale, Florida

Full Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL FUND										
City Commission	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
City Administration	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0
Information Technology	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	3.0	3.0	3.0	3.0	4.0	3.0	3.0	3.0	3.0	3.0
Library	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Fire	21.0	24.0	22.0	22.0	22.0	21.0	21.5	22.5	23.5	26.5
Police	43.0	43.0	44.0	45.0	47.0	48.0	48.0	49.5	52.5	57.5
Community Development	5.0	5.0	5.0	5.0	6.0	6.5	6.5	7.0	7.0	7.0
Public Works Adm.	2.5	2.5	2.5	2.5	4.0	3.5	3.5	3.5	3.5	4.5
Sanitation	10.5	10.5	10.5	10.5	11.0	10.5	10.5	12.5	16.5	16.5
Street	8.0	8.0	8.0	8.0	8.0	8.0	8.0	10.0	10.0	9.0
Parks & Recreation	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
Cemetery	8.0	8.0	8.0	8.0	8.0	9.0	9.0	10.0	10.0	10.0
Civic Center	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Tennis	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Softball Complex	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lake Myrtle Sports Complex	6.0	6.0	9.0	9.0	9.0	11.0	11.0	13.0	14.0	14.0
Community Gym	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total General Fund	**135.5**	**138.5**	**136.5**	**138.5**	**144.5**	**147.0**	**147.5**	**157.5**	**166.5**	**174.5**
ENTERPRISE FUND										
Public Utilities Admin	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Utility Billing	6.0	6.0	6.0	6.0	6.0	6.5	6.5	7.0	7.5	7.5
Utilities Distribution	10.0	10.0	10.0	10.0	10.0	10.0	10.0	13.0	16.0	18.0
Water Plant	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Allred Wastewater	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.5	7.5
Regional Wastewater	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	6.5	6.5
Total Enterprise Fund	**35.0**	**35.0**	**35.0**	**35.0**	**35.0**	**35.5**	**35.5**	**40.0**	**42.5**	**44.5**
TOTAL STAFF	**170.5**	**173.5**	**171.5**	**173.5**	**179.5**	**182.5**	**183.0**	**197.5**	**209.0**	**219.0**

(1) Source: City of Auburndale payroll

City of Auburndale, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Calls for Service	26,895	27,400	27,050	29,262	25,859	27,577	26,102	29,564	24,300	21,497
Traffic Crashes	800	897	856	892	660	871	848	504	474	546
Traffic Violations	1,247	1,358	1,896	3,662	4,807	4,523	3,622	6,482	5,288	3,438
Code Enforcement Compliance (cases)	179	102	166	178	137	234	314	417	459	322
Fire & Rescue										
Number of Calls	3,223	3,521	3,625	3,765	3,740	4,335	5,223	5,540	5,482	5,314
Building Department										
Permits Issued	1,116	989	1,387	1,276	1,599	1,968	2,529	2,170	1,933	2,054
Inspections	3,530	2,731	3,505	4,436	6,777	9,878	16,515	14,268	12,531	8,713
Business Tax Receipts Issued	699	745	661	551	571	529	493	661	437	516
Parks and Recreation										
Summer Attendees	157	127	150	145	-	101	140	131	139	132
Library Visitations	132,514	113,864	112,238	112,371	103,055	170,146	191,243	203,251	195,577	186,461
Circulation	120,860	113,402	116,924	123,001	119,720	105,944	139,245	131,698	114,650	103,175
Facility Rentals	717	577	622	507	182	289	337	467	500	519
Athletic Facility Rentals	69	64	65	68	52	66	73	75	70	88
Cemetery plots sold	148	149	146	155	224	279	184	245	235	189
Solid Waste										
Refuse collected (Tons)	4,832	5,575	5,579	6,674	7,562	7,165	7,195	8,429	9,857	12,075
Brush collected (Tons)	4,418	5,099	5,028	3,023	3,527	3,016	2,969	2,921	2,126	2,069
Commercial Customers	214	221	229	257	256	256	262	499	494	498
Residential Customers	5,162	5,395	5,551	6,191	6,532	6,795	7,305	7,789	8,670	8,710
Public Works										
Street Resurfacing (Miles)	*	17.20	8.16	20.64	5.70	13.80	-	6.67	-	-
Water										
New Connections	233	113	131	351	623	620	794	842	525	340
Number of Customers	11,573	11,730	12,565	12,150	12,615	13,041	13,624	14,610	15,135	15,475
Wastewater										
New Connections	206	72	93	313	520	555	684	847	388	224
Number of Customers	8,035	8,235	8,336	8,512	9,091	9,484	10,096	10,944	11,392	11,616
Avg Daily Sewage Treatment (MGD)	2.0	1.8	2.0	2.0	2.3	2.2	2.5	2.6	3.1	3.3

* : Information not available

Source - City Departments

Auburndale, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Station	1	1	1	1	1	1	1	1	1	1
Patrol Cars	47	48	49	50	53	50	50	59	65	75
Trailers	5	5	5	5	5	5	5	6	6	6
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Boat	1	1	1	1	1	1	1	1	1	1
Fire Trucks	12	11	11	11	10	10	9	9	9	9
Fire Vehicles, Other	5	5	5	7	7	7	7	7	7	7
Sanitation										
Collection Trucks	3	3	3	5	5	5	5	6	7	8
Streets										
Street Miles	116.75	116.75	118.51	118.51	126.71	126.71	126.71	126.71	132.41	133.70
Traffic Signals	2	2	2	2	2	2	2	2	2	2
Parks and Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Parks Acreage	35	35	35	35	35	35	35	35	35	35
Rental Facilities	8	8	8	8	8	8	8	8	6	6
Playgrounds	6	6	6	6	6	6	6	6	6	6
Boat Ramps	1	1	1	1	1	1	1	2	2	2
Museums	2	2	2	2	2	2	2	2	2	2
Library	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Racquestball Courts	4	4	4	4	2	2	2	2	2	2
Baseball Fields	13	13	13	13	18	18	18	18	18	18
Basketball Courts	4	4	4	4	4	4	4	4	4	4
Softball Fields	7	7	7	7	7	7	7	7	7	7
Soccer Fields	11	11	11	11	11	11	11	11	11	11
Athletic Facility Acreage	182	182	182	182	217	217	217	217	217	217
Cemeteries	3	3	3	3	3	3	3	3	3	3
Cemetery Acreage	39	39	39	39	39	39	39	39	39	39
General Government										
Number of Buildings	4	4	4	4	4	4	4	5	5	5
Water										
Water Treatment Plants	3	3	3	3	3	3	3	3	3	3
Fire Hydrants *	437	442	445	448	508	565	1,203	1,219	1,236	1,286
Water Main Miles	153	159	165	167	170	180	194	201	218	220
Wastewater										
Waste Treatment Plants	2	2	2	2	2	2	2	2	2	2
Lift Stations	73	74	78	79	73	87	92	97	98	111
Sanitary Sewer Miles	57	62	68	70	73	83	96	103	118	121

* Beginning in fiscal 2022, fire hydrants were mapped on GIS and the figure is more accurate than 2021 and before.

Source - City Departments

<u>Other Reports</u>

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

Honorable Mayor and Members of the City Commission
City of Auburndale, 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 City of Auburndale, Florida (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 5, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Compliance and Other Matters

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

Purpose of this Report

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

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
March 5, 2026

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES

Honorable Mayor and Members of the City Commission
City of Auburndale, Florida

We have examined City of Auburndale, Florida's compliance with Section 218.415, Florida Statutes for the year ended September 30, 2025. Management is responsible for City of Auburndale, Florida's compliance with those specified requirements. Our responsibility is to express an opinion on City of Auburndale, Florida'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 required that we plan and perform the examination to obtain reasonable assurance about whether the City of Auburndale, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether City of Auburndale, Florida complied with the specified requirements based on the criteria established in Section 218.415, Florida Statutes. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. Because of inherent limitations in any examination, there is an unavoidable risk that some material noncompliance with the specified requirements may not be detected, even though the examination is properly planned and performed in accordance with attestation standards. 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 meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, City of Auburndale, Florida complied, in all material respects, with the aforementioned requirements of Section 218.415, Florida Statutes for the year ended September 30, 2025.

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
March 5, 2026

MANAGEMENT LETTER

Honorable Mayor and Members of the City Commission
City of Auburndale, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Auburndale, Florida as of and for the year ended September 30, 2025, and have issued our report thereon dated March 5, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued the following reports in connection with our audit.

- Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards.*
- Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance with the requirements of Section 218.415, Florida Statutes in accordance with Chapter 10.550, Rules of the Auditor General.

Disclosures in those reports, which are dated March 5, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or 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. For the legal authority of the City of Auburndale, Florida and each component unit of the reporting entity, see footnote A of the summary of significant accounting policies in the notes to financial statements.

307 Pontotoc Plaza ■ Auburndale, Florida 33823 ■ **Phone** 800.368.3959 ■ **Fax** 863.583.0872

Brynjulfson CPA, P.A. **www.myfloridacpas.com**

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Auburndale, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit of the financial statements of the City of Auburndale, Florida, we determined that the City of Auburndale, Florida did not meet any of the specified 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 City of Auburndale, Florida. It is management's responsibility to monitor the City of Auburndale, Florida’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Programs

In accordance with Section 10.554(1)(i)6.a. of the Rules of the Auditor General, no property assessed clean energy (PACE) program—providing financing for qualifying improvements under Section 163.081 or Section 163.082, Florida Statutes—operated within the geographical boundaries of the City of Auburndale, Florida, during the fiscal year ended September 30, 2025.

Other Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of laws or regulations and contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has 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 note any such findings.

Specific Information

Management has provided the specific information required by Section 218.39(3)(c), Florida Statutes in the separately published annual financial report of the City of Auburndale Community Redevelopment Agency for the year ended September 30, 2025.

Purpose of this Letter

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

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
March 5, 2026