CITY OF TRENTON, FLORIDA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2025

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September 30, 2025

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FINANCIAL SECTION

Powell and Jones CPA

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
And Members of the City Commission
City of Trenton, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Trenton, 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, and each major fund 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*. 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.

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, budgetary comparison information, and pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 26, 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 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 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.



Powell and Jones CPA
Lake City, Florida
October 26, 2026

This discussion and analysis is intended to be an easily readable analysis of the City of Trenton, Florida's (the City) financial activities based on currently known facts, decisions or conditions. This analysis focuses on the current year's activities and should be read in conjunction with the financial statements that follow.

Report Layout

The City has implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis. Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, notes to the financial statements, and supplementary information. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized as applicable, and reported as either governmental or business-type activities. Governmental activities include basic services such as police and fire control, public works, parks and recreation, community development and general governmental administration. The City's water, sewer, and solid waste management services are reported as business-type activities. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the City.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the City owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities reflect capital assets including infrastructure and long-term liabilities. Business-type activities also report capital assets and long-term liabilities. Governmental activities are reported on the accrual basis of accounting.

- The Statement of Activities focuses on gross and net costs of the City's programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

- Fund financial statements focus separately on governmental and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City has three major governmental funds which are presented in separate columns. Statements for the City's proprietary fund follow the governmental funds and include net position, revenue, expenses and changes in net position, and cash flows.

- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

The MD&A is intended to serve as an introduction to the City's basic financial statements and to explain the significant changes in financial position and differences in operation between the current and prior years.

City as a Whole

Government-wide Financial Statements

A condensed version of the Statement of Net Position at September 30, 2025 and 2024, follows:

Net Position at September 30, 2025 and 2024

	Governmental Activities	Business-type Activities	Total Government	
			2025	2024
Assets				
Cash and cash equivalents	$ 2,024,773	$ 1,398,054	$ 3,422,827	$ 3,538,764
Internal balances	(212,078)	212,078	-	-
Other current assets	38,405	795,731	834,136	520,234
Capital assets	3,764,863	9,753,526	13,518,389	9,673,001
Total assets	5,615,963	12,159,389	17,775,352	13,731,999
Deferred outflows	253,053	126,391	379,444	364,137
Liabilities				
Current liabilities	454,002	878,737	1,332,739	1,190,423
Long-term liabilities	786,343	1,799,879	2,586,222	2,346,145
Total liabilities	1,240,345	2,678,616	3,918,961	3,536,568
Deferred inflows	148,629	74,235	222,864	127,045
Net Position				
Invested in capital assets, net of related debt	3,764,863	8,266,709	12,031,572	8,493,543
Restricted	236,854	4,351	241,205	15
Unrestricted	478,325	1,261,869	1,740,194	1,938,965
Total net position	$ 4,480,042	$ 9,532,929	$ 14,012,971	$ 10,432,523

86% of the City's net position reflects its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. 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.

Restricted net position of $241,205 consists primarily of unspent Ad Valorem revenues carried over by the Community Redevelopment Fund. The balance of unrestricted net position is $1,740,194.

The City's net position increased by $3,580,448 or 34% over the year. This increase was primarily attributable to a grant project, called Capitalization Grants for the Drinking Water State Revolving Fund (ALN# 66.468), which funded $3,502,620 in capital improvements to utility infrastructure.

The following schedule provides a summary of the changes in net position.

A condensed version of the Statement of Activities follows:

Change in Net Position
For the Fiscal Year Ended September 30, 2025 and 2024

	Governmental Activities	Business-type Activities	Total Government 2025	Total Government 2024
Revenues				
Program revenues				
Charges for services	$ 32,974	$ 1,501,468	$ 1,534,442	$ 1,588,543
Grants and contributions	314,339	3,502,620	3,816,959	200,998
General revenues				
Taxes	1,208,231	-	1,208,231	1,162,783
Franchise fees	179,176	-	179,176	148,383
Licenses and permits	2,717	-	2,717	6,494
State shared revenues	178,889	-	178,889	183,495
Miscellaneous	-	16,162	16,162	-
Interest and other	227,083	26,510	253,593	269,022
Total revenues	2,143,409	5,046,760	7,190,169	3,559,718
Expenses				
General government	720,425	-	720,425	720,461
Public safety	771,663	-	771,663	647,356
Transportation	386,749	-	386,749	317,756
Economic environment	12,187	-	12,187	45,463
Human services	31,750	-	31,750	21,548
Culture/recreation	33,614	-	33,614	37,476
Interest on long-term debt	-	3,333	3,333	4,510
Water, sewer, and garbage services	-	1,650,000	1,650,000	1,712,230
Total expenses	1,956,388	1,653,333	3,609,721	3,506,800
Interfund transfer	(212,173)	212,173	-	-
Change in net position	(25,152)	3,605,600	3,580,448	52,918
Beginning net position	4,505,194	5,927,329	10,432,523	10,379,605
Ending net position	$ 4,480,042	$ 9,532,929	$14,012,971	$ 10,432,523

Governmental activities:

Taxes provided 56% of the revenues for Governmental Activities, while grants and contributions provided 15%. Most of the Governmental Activities resources were spent for General Government (37%), Public Safety (39%) and Transportation (20%).

Governmental activities increased the City's net position by $187,021 before transfers to Business-type activities of $212,173 which resulted in a net decrease in net position of $25,152.

Business-type activities:

Business-type activities increased the City's net position by $3,605,600. This increase was primarily attributable to Water Maintenance project, Capitalization Grants for the Drinking Water State Revolving Fund, which funded $3,502,620 in capital improvements to utility infrastructure.

Budgetary Highlights

General Fund expenditures and revenues were $896,548 and $601,689 below budget, respectively. These variances were primarily attributable to budgeted expenditures and related grant reimbursements for the SCOP project that were budgeted at $743,000 respectively. Only $15,750 in project expenditure were incurred during the current fiscal year, with the remaining activity expected to occur in the subsequent fiscal year.

The Community Redevelopment Fund's expenditures were $234,625 below budget, while revenues were $2,214 above budget. The expenditure variance primarily reflects the deferral of planned spending of ad valorem tax revenues to the subsequent fiscal year.

The Community Development Block Grant Fund's expenditures and revenues were $645,000 and $645,000 below budget, respectively. These variances were primarily attributable to budgeted activity for a CDBG project that did not occur during the fiscal year and is expected to occur in the subsequent fiscal year.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2025, the City had $13.5 million invested in capital assets, including police and fire equipment, park and recreation facilities, buildings, roads, bridges and water and sewer facilities. This amount represents a net increase of $3,845,388 or 40% more than last year. This was due to grant funded improvements to utility infrastructure.

Capital Assets at September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Non-depreciable assets:						
Land	$ 115,213	$ 115,213	$ 123,840	$ 123,840	$ 239,053	$ 239,053
Construction in progress	16,202	-	8,063,702	4,144,302	8,079,904	$ 4,144,302
Depreciable assets:						
Buildings and improvements	1,774,052	1,774,052	4,089,637	4,089,637	5,863,689	5,863,689
Infrastructure	3,746,306	3,683,194	-	-	3,746,306	3,683,194
Equipment	1,875,820	1,813,015	1,615,582	1,398,278	3,491,402	3,211,293
Subtotal	7,527,593	7,385,474	13,892,761	9,756,057	21,420,354	17,141,531
Accumulated depreciation	(3,762,730)	(3,496,103)	(4,139,235)	(3,972,427)	(7,901,965)	(7,468,530)
Capital assets, net	$ 3,764,863	$ 3,889,371	$ 9,753,526	$ 5,783,630	$ 13,518,389	$ 9,673,001

Debt Outstanding

At year-end, the City had $2,663,682 in debt outstanding versus $2,472,697 the prior year, an increase of $190,984 due to the acquisition of a new state revolving loan in the amount of $389,180.

Debt Outstanding at September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Compensated absences	$ 38,200	$ 24,351	$ 29,373	$ 20,811	$ 67,573	$ 45,162
Net pension Liability	748,143	735,770	361,149	512,308	1,109,292	1,248,078
State revolving fund loan	-	-	-	44,371	-	44,371
State revolving fund loan	-	-	144,275	169,102	144,275	169,102
State revolving fund loan	-	-	389,180	-	389,180	-
State revolving fund loan	-	-	953,362	965,984	953,362	965,984
Total	$ 786,343	$ 760,121	$ 1,877,339	$ 1,712,576	$ 2,663,682	$ 2,472,697

More detailed information on the City's long-term liabilities is presented in the notes to the financial statements.

OTHER FINANCIAL INFORMATION

Economic Factors and Rates

- The current unemployment rate for Gilchrist County is 4.4%, which is approximately the same as the City. This is higher than the prior year.
- The estimated population for the City in 2025 was 2,221.
- The City levied ad valorem taxes during 2025 at 3.5 mills.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City Manager at 114 N. Main Street, Trenton, Florida 32693.

BASIC FINANCIAL STATEMENTS

CITY OF TRENTON, FLORIDA
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 2,024,773	$ 1,393,703	$ 3,418,476
Restricted cash	-	4,351	4,351
Accounts receivable - net	1,147	149,174	150,321
Internal balances	(212,078)	212,078	-
Due from state	-	625,644	625,644
Prepaid insurance	37,258	20,913	58,171
Total current assets	1,851,100	2,405,863	4,256,963
Capital assets - net	3,764,863	9,753,526	13,518,389
Total assets	5,615,963	12,159,389	17,775,352
DEFERRED OUTFLOWS OF RESOURCES	253,053	126,391	379,444
Related to pensions			
LIABILITIES			
Current liabilities			
Accounts payable	29,090	667,198	696,288
Accrued liabilities	42,484	8,656	51,140
Unearned revenue	382,140	-	382,140
Due to other governmental units	288	-	288
Deposits	-	125,423	125,423
Loans payable, current portion	-	77,460	77,460
Total current liabilities	454,002	878,737	1,332,739
Noncurrent liabilities			
Loans payable, net of current portion	-	1,409,357	1,409,357
Compensated absences	38,200	29,373	67,573
Net pension liability	748,143	361,149	1,109,292
Total noncurrent liabilities	786,343	1,799,879	2,586,222
Total liabilities	1,240,345	2,678,616	3,918,961
DEFERRED INFLOWS OF RESOURCES	148,629	74,235	222,864
Related to pensions			
NET POSITION			
Net investment in capital assets	3,764,863	8,266,709	12,031,572
Restricted	236,854	4,351	241,205
Unrestricted	478,325	1,261,869	1,740,194
Total net position	$ 4,480,042	$ 9,532,929	$ 14,012,971

See notes to financial statements.

CITY OF TRENTON, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities							
General government	$ 720,425	$ -	$ 62,319	$ 204,454	$ (453,652)	$ -	$ (453,652)
Public safety	771,663	32,974	-	-	(738,689)	-	(738,689)
Transportation	386,749	-	26,816	15,750	(344,183)	-	(344,183)
Economic environment	12,187	-	5,000	-	(7,187)	-	(7,187)
Human services	31,750	-	-	-	(31,750)	-	(31,750)
Culture/recreation	33,614	-	-	-	(33,614)	-	(33,614)
Total governmental activities	1,956,388	32,974	94,135	220,204	(1,609,075)	-	(1,609,075)
Business-type activities							
Water services	1,650,000	462,349	-	3,502,620	-	2,314,969	2,314,969
Garbage and solid waste services	-	586,597	-	-	-	586,597	586,597
Sewer services	-	452,522	-	-	-	452,522	452,522
Interest on long-term debt	3,333	-	-	-	-	(3,333)	(3,333)
Total business-type activities	1,653,333	1,501,468	-	3,502,620	-	3,350,755	3,350,755
Total government	$ 3,609,721	$ 1,534,442	$ 94,135	$ 3,722,824	(1,609,075)	3,350,755	1,741,680
General revenues							
Ad valorem taxes					544,043	-	544,043
Sale and use taxes					268,303	-	268,303
Franchise fees					179,176	-	179,176
Utility services taxes					318,601	-	318,601
Communications service taxes					69,560	-	69,560
Local business tax					7,724	-	7,724
Licenses and permits					2,717	-	2,717
State shared revenues					178,889	-	178,889
Interest					26,598	26,510	53,108
Special assessments					180,676	-	180,676
Miscellaneous					19,809	16,162	35,971
Total general revenues					1,796,096	42,672	1,838,768
Transfers in (out)					(212,173)	212,173	-
Change in net position					(25,152)	3,605,600	3,580,448
Net position at beginning of year					4,505,194	5,927,329	10,432,523
Net position at the end of year					$ 4,480,042	$ 9,532,929	$ 14,012,971

See notes to financial statements.

CITY OF TRENTON, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2025

	General Fund	Community Redevelopment Fund	Community Development Block Grant Fund	Total Governmental Funds
ASSETS				
Cash	$ 1,857,281	$ 167,477	$ 15	$ 2,024,773
Accounts receivable	1,147	-	-	1,147
Due from other funds	-	69,362	-	69,362
Prepaid	37,258	-	-	37,258
Total assets	1,895,686	236,839	15	2,132,540
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	29,090	-	-	29,090
Unearned Revenue	382,140	-	-	382,140
Due to other funds	281,440	-	-	281,440
Due to other governmental units	288	-	-	288
Accrued liabilities	42,484	-	-	42,484
Total liabilities	735,442	-	-	735,442
FUND BALANCES				
Restricted	-	236,839	15	236,854
Unassigned	1,160,244	-	-	1,160,244
Total fund balances	1,160,244	236,839	15	1,397,098
Total liabilities and fund balances	$ 1,895,686	$ 236,839	$ 15	

Amounts reported for governmental activities in the statement of net position are different because:	
Net capital assets used in governmental activities are not available financial resources and, therefore, are not reported in the funds	3,764,863
Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources in a future period and therefore are not reported in the governmental funds	253,053
Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in a future period and therefore are not reported in the governmental funds	(148,629)
Noncurrent liabilities are not due in the current period and, therefore, are not reported in the governmental funds	(786,343)
Net position of governmental activities	$ 4,480,042

See notes to financial statements.

CITY OF TRENTON, FLORIDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2025

	General Fund	Community Redevelopment Fund	Community Development Block Grant Fund	Total Governmental Funds
REVENUES				
Taxes	$ 966,453	$ 241,778	$ -	$ 1,208,231
Franchise Fees	179,176	-	-	179,176
Licenses and permits	2,717	-	-	2,717
Intergovernmental	488,228	-	5,000	493,228
Charges for services	32,974	-	-	32,974
Special assessments	180,676	-	-	180,676
Miscellaneous	44,159	2,248	-	46,407
Total revenues	1,894,383	244,026	5,000	2,143,409
EXPENDITURES				
Current expenditures				
General government	615,158	-	-	615,158
Public safety	701,382	-	-	701,382
Transportation	250,268	-	-	250,268
Economic environment	-	7,187	5,000	12,187
Human services	31,750	-	-	31,750
Culture/recreation	17,447	-	-	17,447
Capital outlay				
General government	11,454	-	-	11,454
Transportation	130,665	-	-	130,665
Total expenditures	1,758,124	7,187	5,000	1,770,311
Excess of revenues over (under) expenditures	136,259	236,839	-	373,098
OTHER FINANCING SOURCES (USES)				
Interfund transfers out	(212,173)	-	-	(212,173)
Total other financing sources (uses)	(212,173)	-	-	(212,173)
Net change in fund balances	(75,914)	236,839	-	160,925
Fund balances at beginning of year	1,236,158	-	15	1,236,173
Fund balances at end of year	$ 1,160,244	$ 236,839	$ 15	$ 1,397,098

See notes to financial statements.

CITY OF TRENTON, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2025

Net change in fund balances - total governmental funds		$	160,925
Governmental funds report capital outlay as expenditures and sales of capital items as revenues. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.			
Expenditures for capital assets	142,119		
Less current year depreciation	(266,627)		(124,508)
Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.			
Net change in compensated absences			(13,849)
Net change in pension liability			(12,373)
Net change in deferred inflows and outflows			(35,347)
Change in net position of governmental activities		$	(25,152)

See notes to financial statements.

CITY OF TRENTON, FLORIDA
PROPRIETARY FUND
STATEMENT OF NET POSITION
September 30, 2025

	Enterprise Fund
ASSETS	
Current assets	
Cash	$ 1,393,703
Restricted cash	4,351
Accounts receivable	149,174
Due from state	625,644
Due from other funds	212,078
Prepaid insurance	20,913
Total current assets	2,405,863
Capital assets - net	9,753,526
Total assets	12,159,389
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	126,391
LIABILITIES	
Current liabilities	
Accounts payable	667,198
Accrued liabilities	8,656
Deposits	125,423
Current portion of loan payable	77,460
Total current liabilities	878,737
Noncurrent liabilities	
Compensated absences	29,373
Loan payable, net of current portion	1,409,357
Net pension liability	361,149
Total noncurrent liabilities	1,799,879
Total liabilities	2,678,616
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	74,235
NET POSITION	
Net investment in capital assets	8,266,709
Restricted for debt service	4,351
Unrestricted	1,261,869
Total net position	$ 9,532,929

See notes to financial statements.

CITY OF TRENTON, FLORIDA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2025

OPERATING REVENUES	Enterprise Fund
Charges for services	
Water utility services	$ 401,728
Water/sewer connection fees	30,216
Garbage/solid waste services	586,597
Sewer utility services	452,522
Penalties/late fees	30,405
Miscellaneous	16,162
Total operating revenues	1,517,630
OPERATING EXPENSES	
Water, sewer and solid waste services	
Personnel services	
Regular salaries and retirement	447,940
FICA	36,238
Life and health insurance	83,449
Workers compensation	47
Total personnel services	567,674
Operating expenses	
Accounting and auditing	9,388
Professional services	495,682
Administration	1,622
Contractual services	82,148
Communications	2,491
Freight and postage services	4,898
Depreciation	166,808
Utilities	68,490
Insurance	122,725
Repairs and maintenance	17,579
Training and education	1,126
Other current charges and obligations	5,970
Tools and equipment	5,758
Operating supplies	97,641
Total operating expenses	1,082,326
Total utility services	1,650,000

(CONTINUED)

See notes to financial statements.

CITY OF TRENTON, FLORIDA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONCLUDED)
For the Fiscal Year Ended September 30, 2025

	Enterprise Fund
Operating loss	$ (132,370)
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	26,510
Interest expense	(3,333)
Interfund transfers	212,173
Total nonoperating revenues (expenses)	235,350
CAPITAL CONTRIBUTIONS	
Capital grants	3,502,620
Change in net position	3,605,600
Net position at the beginning of year	5,927,329
Net position at the end of year	$ 9,532,929

See notes to financial statements.

CITY OF TRENTON, FLORIDA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 1,589,213
Cash payments for goods and services	(1,018,462)
Cash payments to employees for services	(665,734)
Net cash used in operating activities	(94,983)
CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES:	
Repayment of interfund balances	(214,453)
Transfers from other funds	212,173
Net cash used in noncapital related financing activities	(2,280)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grant revenues	2,876,976
Acquisitions of property and equipment	(3,583,436)
Principal paid on loans payable	(81,820)
Proceeds from issuance of new debt	389,179
Interest paid	(3,333)
Net cash used in capital and related financing activities	(402,434)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	26,510
Net cash provided by investing activities	26,510
Net decrease in cash	(473,187)
Cash at the beginning of year	1,866,890
Cash at the end of year	$ 1,393,703
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	$ (132,370)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	166,808
Changes in assets and liabilities:	
Accounts receivable, net	67,235
Deferred outflows	23,079
Prepaids	(20,913)
Accounts payable (noncapital)	(82,031)
Accrued liabilities	(628)
Deferred inflows	22,086
Compensated absences	8,562
Customer deposits	4,348
Net pension liability	(151,159)
Total adjustments	37,387
Net cash used in operating activities	$ (94,983)

See notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Trenton (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund type in accordance with GASB Statement 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

In June 1999, GASB unanimously approved Statement 34 - Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments. As part of this statement, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, traffic signals, etc.). The City fully implemented the basic model in FY 2003-2004 and has elected not to implement the retroactive infrastructure-related portion as allowed by this statement.

A. Reporting Entity - The City of Trenton, Florida is a municipality created pursuant to provisions of Chapter 165, *Florida Statutes*, and was specifically organized under and derives its power from Chapter 27940 of the *Laws of Florida*. It is governed by a mayor and a four-member City Commission, all of whom are individually elected.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, management determined that the following component unit existed which should be included within the reporting entity.

City of Trenton Community Redevelopment Agency - This dependent special district was established for the fostering of economic development within the district, by City Ordinances 2002-05, -06, and -07. The governing board is the City Commission which also establishes the agency's annual budget. This dependent special district qualifies as a blended component unit, and its activity and balances are reported in the Community Redevelopment special revenue fund in the City's financial statements.

B. Measurement Focus and Basis of Accounting - The basic financial statements of the City are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from any legally separate component unit for which the primary government is financially accountable.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 - Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. As applicable, the City also chooses to eliminate the indirect costs between governmental activities to avoid the "doubling up" effect.

2. Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the City's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually, and nonmajor funds in the aggregate for governmental and enterprise funds.

Governmental Funds - 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be measure of "available spendable resources." Governmental funds operating statements present increases

(revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Any non-current portions of long-term receivables (special assessments) due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Non-current portions of other long-term receivables are offset by fund balance reserve accounts. Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary Funds - The City's Water, Sewer, and Solid Waste Enterprise Fund is a proprietary fund. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position. The City applies all GASB pronouncements as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

C. Basis of Accounting - GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures, expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The City has used GASB 34 minimum criteria for major fund determination but may elect to report other funds as major due to their significance to financial statement users, although they do not meet the quantitative thresholds for Major fund reporting. The City has four major funds as follows:

1. **Governmental Major Funds:**
   General Fund - The General 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.

   Community Redevelopment Fund – Established by the City to account for financial transactions of the Community Redevelopment Agency, which was established by the City to foster development of the City's district. This fund was elected to be reported as a major fund although it did not meet the quantitative thresholds for major fund reporting.

Community Development Block Grant Fund - Established by the City to administer the prior Community Development Block Grant Program, which was awarded to the City by the Department of Community Affairs to make improvements to the City district. This fund was elected to be reported as a major fund although it did not meet the quantitative thresholds for major fund reporting.

2. **Proprietary Major Fund:**
   Enterprise Fund - The Enterprise Fund accounts for the revenues, expenses, assets, and liabilities associated with the City operated water, sewer, and solid waste disposal services.

D. Non-current Governmental Assets/Liabilities:

GASB Statement 34 requires non-current governmental assets, such as land and buildings, and noncurrent governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide statement of net position.

E. Assets, Liabilities and Net Position or Fund Balance

1. **Cash and Investments** - Cash includes amounts in demand deposits as well as short-term money market investment accounts. Investments, consisting of certificates of deposit, are stated at cost which approximates market value. All such deposits and investments are insured and collateralized as required by state law.

2. **Cash Equivalents** - For the purposes of the statement of cash flows, the City considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. As of September 30, 2025, the City's cash consisted solely of checking accounts and money market accounts; it has no other cash equivalents.

3. **Allowance for Doubtful Accounts** - The City provides an allowance for Enterprise Fund accounts receivable that may become uncollectible. At September 30, 2025, this allowance account totaled $68,252, based upon prior collection history. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2025.

4. **Receivables and Payables** - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

   All receivables are shown net of an allowance for doubtful accounts. Any receivables in excess of 180 days would comprise the trade accounts receivable allowance for doubtful accounts.

5. **Inventories** - The costs of governmental inventories are generally recorded as expenditures when purchased rather than when consumed. The actual amounts of any such inventory type goods on hand at year end would not be material. Certain inventories consisting of repair items are recorded at cost.

6. **Restricted Assets** - Certain net assets of the City are classified as restricted assets on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributions, or laws or regulations of other governments. In a fund with both restricted and

unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

The fund balance related to the City's Community Redevelopment Agency is also classified as restricted due to legal limitations on the use of these funds.

7. **Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized by the City.

8. **Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981, are generally not reported. Donated capital assets are recorded at acquisition value at the date of donations.

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

   Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

   Property, plant, and equipment of the City, as well as of component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and improvements	40
Machinery and equipment	5 - 10
Street and related infrastructure	20 - 40

9. **Capitalization of Interest** - Interest related to borrowings is capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the City did not have any capitalized interest.

10. **Unearned Revenues** - Unearned revenues reported in government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in governmental fund financial statements represent unearned revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

11. **Accrued Compensated Absences** - The City of Trenton, Florida permits employees to accumulate earned but unused vacation and sick leave in accordance with personnel policies. Accumulated leave is recognized as a liability to the extent it meets the recognition criteria under GASB Statement No. 101.

Recognition and Measurement

In accordance with GASB Statement No. 101, compensated absences are recognized as a

liability when leave is attributable to services already rendered, it accumulates, and it is more likely than not to be used or otherwise paid.

The liability is measured using pay rates in effect at the financial statement date. Salary-related payments that are directly and incrementally associated with payments for leave are included in the measurement of the liability. These include applicable employer payroll taxes and employer contributions to defined contribution plans. Employer contributions to defined benefit pension and other postemployment benefit (OPEB) plans are not included in the compensated absences liability and are recognized separately in accordance with applicable standards.

The Government uses a last-in, first-out (LIFO) flow assumption for purposes of determining which leave balances are expected to be used or paid.

Financial Statement Presentation

The compensated absences liability is reported in the Statement of Net Position. In the governmental fund financial statements, expenditures are recognized only when payments come due and payable (matured). The portion of the compensated absences liability expected to be paid or used within one year is reported as a current liability. The remaining portion is reported as a noncurrent liability. Compensated absences are generally liquidated by the fund in which the employee's services are recorded.

12. **Proprietary Activity Accounting and Financial Reporting** - The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations. Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB's).

13. **Fund Balances – Governmental Funds**

As of September 30, 2025, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the City Commission. The City Commission is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through resolutions approved by the City Commission. There were no committed fund balances at year end.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under current practices, the assignment of amounts for specific purposes is approved by the City Commission.

Unassigned - all other spendable amounts.

As of September 30, 2025, fund balances are composed of the following:

Fund	Restricted	Unassigned
General	$ -	$ 1,160,244
Community Redevelopment	236,839	-
CDBG	15	-
	$ 236,854	$ 1,160,244

If an expenditure in a fund is allocable to either restricted or unassigned fund balance, priority is given to restricted.

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for being reported in this category as follows:

Pensions – Deferred outflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between assumptions about future economic, demographic, or other input factors; or changes in the expected remaining service lives of all employees that are provided with pensions through each pension plan. Contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

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

Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the City's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position.

"Total fund balances" of the City's governmental funds $1,397,098 differs from "net position" of governmental activities $4,480,042 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets is reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the City as a whole.

Cost of capital assets	$ 7,527,593
Accumulated depreciation	(3,762,730)
Total	$ 3,764,863

Long-term debt transactions

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2025, were:

Compensated absences	$ (38,200)
Net pension liability	(748,143)
Total	$ (786,343)

Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net position in a future period while deferred inflows of resources represent an acquisition of net position in a future period and accordingly, are not reported in the governmental fund statements. However, the statement of net position includes those deferred outflows/inflows of resources.

Deferred outflows	$ 253,053
Deferred inflows	(148,629)
Totals	$ 104,424

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

	Total Governmental Funds	Capital Related Items	Deferred Inflows/Outflows	Long-Term Debt Transactions	Statement of Net Position
ASSETS					
Cash and cash equivalents	$ 2,024,773	$ -	$ -	$ -	$ 2,024,773
Due from others	1,147	-	-	-	1,147
Due from other funds	69,362	-	-	-	69,362
Prepaid	37,258	-	-	-	37,258
Capital assets - net	-	3,764,863	-	-	3,764,863
Total assets	2,132,540	3,764,863	-	-	5,897,403
DEFERRED OUTFLOWS	-	-	253,053	-	253,053
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	29,090	-	-	-	29,090
Accrued liabilities	42,484	-	-	-	42,484
Unearned Revenue	382,140	-	-	-	382,140
Due to other funds	281,440	-	-	-	281,440
Due to other governmental units	288	-	-	-	288
Accrued compensated absences	-	-	-	38,200	38,200
Net pension liability	-	-	-	748,143	748,143
Total liabilities	735,442	-	-	786,343	1,521,785
DEFERRED INFLOWS	-	-	148,629	-	148,629
Fund balances/net position	$ 1,397,098	$ 3,764,863	$ 104,424	$ (786,343)	$ 4,480,042

B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

The "net change in fund balances" for governmental funds $160,925 differs from the "change in net position" for governmental activities $(25,152) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decreased by the amount of financial resources expended, whereas net position decreased by the amount of depreciation expense charges for the year.

Capital outlay	$	142,119
Depreciation expense		(266,627)
Total	$	(124,508)

Long-term debt transactions

Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net increase in compensated absences	$	(13,849)
Net increase in net pension liability		(12,373)
Total	$	(26,222)

Deferred outflows/inflows of resources

Recognition of certain obligations related to prior and subsequent periods are not recognized in governmental funds.

Net Change in deferred inflows and outflows	$	(35,347)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

	Total Governmental Funds	Capital Related Items	Deferred Inflows/Outflows	Long-Term Debt/Elimination Transactions	Statement of Activities
REVENUES					
Taxes	$ 1,208,231	$ -	$ -	$ -	$ 1,208,231
Franchise Fees	179,176	-	-	-	179,176
Licenses and permits	2,717	-	-	-	2,717
Intergovernmental	493,228	-	-	-	493,228
Charges for services	32,974	-	-	-	32,974
Special assessment	180,676	-	-	-	180,676
Miscellaneous	46,407	-	-	-	46,407
Total revenues	2,143,409	-	-	-	2,143,409
EXPENDITURES					
Current expenditures:					
General government	615,158	82,958	14,741	7,568	720,425
Public safety	701,382	42,691	18,393	9,197	771,663
Transportation	250,268	124,811	2,213	9,457	386,749
Human services	31,750	-	-	-	31,750
Economic environment	12,187	-	-	-	12,187
Culture/recreation	17,447	16,167	-	-	33,614
Capital outlay					
General government	11,454	(11,454)	-	-	-
Transportation	130,665	(130,665)	-	-	-
Total expenditures	1,770,311	124,508	35,347	26,222	1,956,388
Excess of revenues over (under) expenditures	373,098	(124,508)	(35,347)	(26,222)	187,021
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(212,173)	-	-	-	(212,173)
Total other financing sources (uses)	(212,173)	-	-	-	(212,173)
Net change in fund balance/net position	160,925	(124,508)	(35,347)	(26,222)	(25,152)
Fund balance/net position at beginning of year	1,236,173	3,889,371	139,771	(760,121)	4,505,194
Fund balance/net position at end of year	$ 1,397,098	$ 3,764,863	$ 104,424	$ (786,343)	$ 4,480,042

NOTE 3. LEGAL COMPLIANCE–BUDGETS

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

1. Prior to September 1, the City Manager develops a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to September 30, the budget is legally enacted by the City Commission through passage of an ordinance.

4. Any revision that alters the total expenditures of any fund or transfers budgeted amounts between departments within any fund must be approved by the City Commission.

5. Budgets for all City funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the City Commission. Individual amendments were not material in relation to the original appropriations which were amended.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits. The bank balances of the City deposits were fully insured by federal depository insurance or pledged collateral under state law.

Investments. Under state law, the City is allowed to invest surplus funds in guaranteed obligations of the U.S. government, interest-bearing accounts of financial institutions which are legally secured, and the Local Government Surplus Funds Trust Fund. At year end, invested funds consisted of certificates of deposit which were fully insured or collateralized. These investments are classified as Category 1 in accordance with GASB Standard No. 3, "Deposits with Financial Institutions, Investments, and Reserve Repurchase Agreements." The City only invests in securities allowed by state law.

NOTE 5. PROPERTY TAX REVENUES

The City levied a property tax during the year. Although it was allowed by law to levy up to 10 mills of tax, the current year levy was set at 3.50 mills.

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2024-2025 fiscal year were levied in October 2024. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE 6. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets:				
Not being depreciated:				
Land	$ 115,213	$ -	$ -	$ 115,213
Construction in progress	-	16,202	-	16,202
Being depreciated:				
Buildings and improvements	1,774,052	-	-	1,774,052
Infrastructure	3,683,194	63,112	-	3,746,306
Equipment and vehicles	1,813,015	62,805	-	1,875,820
Total capital assets	7,385,474	142,119	-	7,527,593
Less accumulated depreciation	(3,496,103)	(266,627)	-	(3,762,730)
Governmental activities capital assets, net	$ 3,889,371	$ (124,508)	$ -	$ 3,764,863
Business-type activities:				
Not being depreciated:				
Land	$ 123,840	$ -	$ -	$ 123,840
Construction in progress	4,144,302	3,919,400	-	8,063,702
Being depreciated:				
Buildings	74,902	-	-	74,902
Improvements other than buildings	4,014,735	-	-	4,014,735
Equipment	1,398,278	217,304	-	1,615,582
Total capital assets	9,756,057	4,136,704	-	13,892,761
Less accumulated depreciation	(3,972,427)	(166,808)	-	(4,139,235)
Business-type activities capital assets, net	$ 5,783,630	$ 3,969,896	$ -	$ 9,753,526

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

Governmental activities:	
General government	$ 82,958
Public safety	42,691
Transportation	124,811
Culture/recreation	16,167
Total depreciation expense - governmental activities	$ 266,627
Business-type activities:	
Water and sewer utility	$ 166,808

NOTE 7. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2025, were as follows:

	Accounts
Governmental activities:	
General	$ 1,147
Business-type activities:	
Enterprise	149,174
	$ 150,321

Payables

Payables at September 30, 2025, were as follows:

	Accounts Payable	Accrued Liabilities	Total Payables
Governmental activities:			
General	$ 29,090	$ 42,484	$ 71,574
Business-type activities:			
Enterprise	$ 667,198	$ 8,656	$ 675,854

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund balances for the year ended September 30, 2025, consisted of the following:

Fund	Receivable	Payable
General	$ -	$ 281,440
Enterprise	212,078	-
CRF	69,362	-
Total	$ 281,440	$ 281,440

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided and reimbursable expenditures occur including grant revenues and expenditures.

Interfund transfers for the year ended September 30, 2025, consisted of the following:

Fund	Transfers in	Transfers Out
General	$ -	$ 212,173
Enterprise	212,173	-
Total	$ 212,173	$ 212,173

Interfund transfers resulted primarily from grant proceeds received by the General Fund for eligible expenditures incurred by the Enterprise Fund. Accordingly, the funds were transferred to the Enterprise Fund to reimburse it for the related expenditures.

NOTE 9. NONCURRENT LIABILITIES

Governmental Activities

The following summarizes the changes in the City's governmental noncurrent liabilities during the year ended September 30, 2025:

	Balance October 1, 2024	Increases	Decreases	Balance September 30, 2025	Due Within One Year
Compensated absences	$ 24,351	$ 13,849	$ -	$ 38,200	$ -
Net pension liability	735,770	12,373	-	748,143	-
	$ 760,121	$ 26,222	$ -	$ 786,343	$ -

Business-type Activities

A summary of proprietary fund debt as of September 30, 2025, follows. All loan payments have been budgeted and paid from Enterprise Fund revenues.

A. Florida DEP Loan CW-84901P

As a financing component of its wastewater improvement project, on July 14, 2003, the City obtained a loan from the Florida Department of Environmental Protection under its Clean Water State Revolving Fund program. This loan was in the initial amount of $90,500 and was payable in 40 semi-annual payments of $2,818 including interest at 1.74%. On October 26, 2004, this loan amount was increased by $785,366 to $875,866, with the same term and interest rate, and a semi-annual payment amount of $26,671. On December 22, 2005, this loan amount was decreased by $137,612 to $738,254, with the same term and interest rate, and a semi-annual payment amount of $22,475.

Scheduled payment dates are December 15 and June 15 annually. During the current fiscal year, the City made the final payment on this loan, and the loan was fully repaid and closed. Accordingly, there was no outstanding loan balance or remaining debt service requirement as of September 30, 2025.

B. Florida DEP Loan DW - 210110

As a financing component of its drinking water improvement project, on February 24, 2021, the City obtained a loan from the Florida Department of Environmental Protection under its Drinking Water State Revolving Fund program. This loan was in the initial amount of $719,845 and is payable in 40 semi-annual payments of $13,790 including interest at 1.64%.

Scheduled payment dates are December 15 and June 15 annually. At year end, the balance of this

loan was $144,275. Debt service requirements for this loan, including interest of $7,414, are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2026	$ 25,248	$ 2,332	$ 27,580
2027	25,680	1,903	27,583
2028	26,112	1,467	27,579
2029	26,555	1,024	27,579
2030	27,006	573	27,579
2031	13,674	115	13,789
	$ 144,275	$ 7,414	$ 151,689

C. Florida DEP Loan DW - 2100111

The City entered into State Revolving Fund Loan Agreement DW210111 with the Florida Department of Environmental Protection under the Drinking Water State Revolving Fund program to finance drinking water system improvements.

Under Amendment 2, executed on February 5, 2024, the total project award was revised to $3,844,301, including principal forgiveness of $2,876,955. The remaining $967,346 was disbursed to the City as repayable loan principal. The agreement also includes a loan service fee of $76,886 and no capitalized interest, resulting in a total loan obligation of $1,044,232.

The required semiannual payment is $26,105.81. Payments are due on March 15 and September 15 of each year and commenced on September 15, 2024. As of September 30, 2025, the outstanding balance reported in the debt-service schedule was $953,362. The supplied maturity schedule reflects no future interest. Future payment requirements are as follows:

Fiscal Year Ending September 30	Principal
2026	$ 52,212
2027	52,212
2028	52,212
2029	52,212
2030	52,212
2031 - 2035	261,058
2036 - 2040	261,058
2041 - 2044	170,186
	$ 953,362

The loan agreement contains provisions that, in the event of default and subject to the rights of superior liens on pledged revenues, permit the Department to seek appointment of a receiver to

manage the City's water and sewer systems; intercept delinquent amounts from unobligated funds otherwise payable to the City under State revenue-sharing or tax-sharing programs; impose a penalty of up to 18 percent per annum on delinquent amounts; notify credit-rating agencies and potential creditors; initiate legal action to collect amounts due; accelerate the repayment schedule; or increase the interest rate on unpaid principal to as much as 1.667 times the loan interest rate.

D. **Florida DEP Loan DW - 210112**

As a financing component of its drinking water improvement project, the City of Trenton entered into Drinking Water State Revolving Fund Loan Agreement No. DW210112 with the Florida Department of Environmental Protection. The original agreement authorized financing of $3,891,800, excluding capitalized interest, and included principal forgiveness of $3,502,620. Amendment 1 increased the authorized financing by $300,000 after the end of the fiscal year, with no additional principal forgiveness, bringing total authorized project financing to $4,191,800. An annual interest rate of 0.90% applies to the additional financing awarded under the amendment.
Scheduled payment dates are November 15 and May 15 annually. At year end, the balance of this loan was $389,180.

An amendment revised the estimated loan principal to $390,519, consisting of a $389,180 repayable loan amount and $1,339 of capitalized interest. Semiannual loan payments of $13,182 are due beginning November 15, 2026, and thereafter on May 15 and November 15 of each year until all amounts due have been paid in full. Project construction is scheduled for completion by May 15, 2026, and the City is required to establish the Loan Debt Service Account and begin monthly loan deposits no later than that date. Future payment requirements are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2026	$ -	$ -	$ -
2027	22,914	3,451	26,365
2028	23,120	3,244	26,364
2029	23,328	3,036	26,364
2030	23,539	2,825	26,364
2031 - 2035	120,918	10,905	131,823
2036 - 2040	126,470	5,351	131,821
2041 - 2042	48,891	529	49,420
	$389,180	$ 29,341	$418,521

A summary of changes in proprietary fund long-term debt follows:

	Balance October 1, 2024	Increases	Decreases	Balance September 30, 2025	Due Within One Year
Loan payable - FDEP	$ 44,371	$ -	$ (44,371)	$ -	$ -
SRF Loan 210110	169,102	-	(24,827)	144,275	25,248
SRF Loan 210111	965,984	-	(12,622)	953,362	52,212
SRF Loan 210112	-	389,180	-	389,180	-
Compensated absences	20,811	8,562	-	29,373	-
Net pension liability	512,308	-	(151,159)	361,149	-
	$ 1,712,576	$ 397,742	$ (232,979)	$ 1,877,339	$ 77,460

NOTE 10. COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLANS – FLORIDA RETIREMENT SYSTEM PENSION PLAN AND THE RETIREMENT HEALTH INSURANCE SUBSIDY PROGRAM

Florida Retirement System

General Information - All of the City's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, City, school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications.

FRS Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited

service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by membership class for the periods October 1, 2024 through June 30, 2025, and July 1, 2025 through September 30, 2025, respectively, were as follows: Regular Class—13.63% and 14.03%; Special Risk Administrative Support Class—39.82% and 39.48%; Special Risk Class—32.79% and 35.19%; Senior Management Service Class—34.52% and 33.24%; County, City, and Special District Elected Officers' Class—58.68% and 54.57%; and DROP participants—21.13% and 22.02%.

These employer contribution rates include 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2024, through June 30, 2025, and from July 1, 2025 through September 30, 2025, respectively.

The City's contributions, including employee contributions, to the Pension Plan totaled $224,010 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the City reported a liability of $818,174 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The City's proportionate share of the net pension liability was based on the City's 2024-25 fiscal year contributions relative to the 2023-24 fiscal year contributions of all participating members. At June 30, 2025, the City's proportionate share was 0.002636285%, which was an increase of 9.06% from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the City recognized pension expense of $140,501. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 87,390	$ -
Changes in assumptions	95,011	-
Net difference between projected and actual earnings on Pension Plan investments	-	136,602
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	91,356	10,050
City Pension Plan contributions subsequent to the measurement date	41,611	-
Total	$ 315,368	$ 146,652

The deferred outflows of resources related to the Pension Plan, totaling $41,611 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	FRS Expense
2026	$ 367,977
2027	(65,380)
2028	(97,843)
2029	(77,649)
2030	-
Thereafter	-
Total	$ 127,105

Actuarial Assumptions – The total pension liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation
Discount rate	6.70%

Mortality rates were based on the PUB-2010 Base Table generational mortality improvement projection scale.

The actuarial assumptions used in the July 1, 2025, valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation *	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.30%	3.20%	1.10%
Fixed income	29.00%	5.50%	5.40%	4.00%
Global equity	45.00%	8.50%	6.90%	18.30%
Real estate	12.00%	8.40%	7.10%	16.80%
Private equity	11.00%	12.40%	8.80%	28.40%
Strategic investments	2.00%	6.50%	6.10%	8.70%
	100.00%			
Assumed Inflation - Mean			2.40%	1.50%

*As outlined in the Pension Plan's Investment Policy

Discount Rate - The discount rate used to measure the total pension liability was 6.70%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1 % Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
City's proportionate share of the net pension liability	$ 1,605,654	$ 818,174	$ 157,962

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2025, the City reported no payable for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2025.

HIS Plan

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $7.5, with a minimum HIS payment of $45 and a maximum HIS payment of $225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2025, the HIS contribution for the period October 1, 2024, through June 30, 2025 and from July 1, 2025 through September 30, 2025 was 1.66% and 1.66%, respectively. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled $28,890 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the City reported a liability of $291,118 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The City's proportionate share of the net pension liability was based on the City's 2023-24 fiscal year contributions relative to the 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the City's proportionate share was 0.0022712629%, which was an increase of 8.87% from its proportionate share measured as of June 30, 2025.

For the fiscal year ended September 30, 2025, the City recognized pension expense of $54,775. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,738	$ 462
Changes in assumptions	2,577	70,414
Net difference between projected and actual earnings on HIS Plan investments	-	242
Changes in proportion and differences between City HIS Plan contributions and proportionate share of contributions	54,775	5,094
City HIS Plan contributions subsequent to the measurement date	4,986	-
Total	$ 64,076	$ 76,212

The deferred outflows of resources related to the HIS Plan, totaling $4,986 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	HIS Expense
2026	$ (3,778)
2027	(4,522)
2028	(3,807)
2029	(3,051)
2030	(1,964)
Thereafter	-
Total	$ (17,122)

Actuarial Assumptions – The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Municipal bond rate	3.93%

Mortality rates were based on the PUB-2010 Base Table generational mortality using the gender specific MP-2018 mortality improvement projection scale.

The actuarial assumptions used in the July 1, 2025, valuation were based on the results of an actuarial experience study for the period July 1, 2018 through September 30, 2023.

Discount Rate - The discount rate used to measure the total pension liability was 5.20%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 5.20%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current rate:

	1 % Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
City's proportionate share of the net pension liability	$ 328,282	$ 291,118	$ 259,949

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2025, the City reported no payable for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2025.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2024-25 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular Class—8.30%; Special Risk Administrative Support Class—9.95%; Special Risk Class—16.00%; Senior Management Service Class—9.67%; and County, City, and Special District Elected Officers' Class—13.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may roll over vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The City did not have any participants in the Investment Plan for the fiscal year ended September 30, 2025.

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Workers' Compensation and Employer's Liability
- General and Automobile Liability
- Real and Personal Property Damage
- Public Officials' Liability
- Accidental Death and Dismemberment

Settled claims from these risks have not exceeded commercial or workers' compensation insurance coverage for the past three years. There has been no reduction in insurance coverage from the previous year.

NOTE 12. CONTINGENT LIABILITIES

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

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS PLAN (OPEB)

The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the City or the retiree. Participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retirees are receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City's younger and statistically healthier active employees. GASB Statement 75 requires governments to report this cost and related liability in its financial statements.

Due to the fact that there were no retirees participating in the plan during the year and it is anticipated that this situation will continue in the future due to the fact that most employees work until they are eligible for Medicare benefits, management has determined that the City's OPEB obligation at year end would be of a de minimis amount. Management will monitor this situation in the future and take appropriate steps to properly comply with this GASB Statement.

NOTE 14. SUBSEQUENT EVENTS

Subsequent to September 30, 2025, the City Commission approved various actions related to a city-wide street paving project. On November 24, 2025, the Commission adopted Resolution No. 2025-15, which amended the fiscal year 2025-2026 General Fund budget by reallocating $285,771 of personnel expenditures and $83,450 of operating expenditures from the Public Safety Department to the Public Works Department for road infrastructure.

On January 12, 2026, the Commission accepted a financing proposal from Seacoast National Bank for tax-exempt financing in an amount not to exceed $2,800,000. The proposed financing bears interest at a fixed rate of 4.37 percent and has a term of 20 years. On May 11, 2026, the Commission adopted Resolution No. 2026-04, which authorized the borrowing, awarded the note to Seacoast National Bank through a negotiated sale, and approved the related loan agreement. The Commission also approved an agreement with Hicks Paving for the city-wide street paving project. Construction activities related to the project commenced in June 2026.

These transactions occurred subsequent to the fiscal year-end and, accordingly, no amounts related to the financing or construction agreement have been recognized in the accompanying financial statements as of September 30, 2025. Project expenditures and the related financing will be recognized in the fiscal year in which the applicable transactions occur.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TRENTON, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
REVENUES			
Taxes			
Ad valorem taxes	$ 384,449	302,265	$ (82,184)
Sales and use taxes			
Local option gas tax/ alternative fuel	51,365	47,989	(3,376)
Discretionary sales tax	228,159	220,314	(7,845)
Utility service taxes			
Electricity	200,000	252,858	52,858
Water	38,000	51,029	13,029
Gas	15,000	14,714	(286)
Communications services tax	66,000	69,560	3,560
Local business tax	10,000	7,724	(2,276)
Total taxes	992,973	966,453	(26,520)
Franchise fees			
Electricity	110,000	179,176	69,176
Total Franchise Fees	110,000	179,176	69,176
Licenses and permits			
Building and zoning permits	5,000	2,717	(2,283)
Total licenses and permits	5,000	2,717	(2,283)
Intergovernmental			
Grant (ARPA)	-	204,454	204,454
Grant (FEMA)	-	36,819	36,819
Interlocal DOT agreement	18,915	26,816	7,901
Vulnerability Assessment	-	25,500	25,500
Physical environment (SCOP) grant	743,000	15,750	(727,250)
State shared revenues			
General government			
State revenue sharing	96,391	98,214	1,823
Mobile home licenses	1,200	1,309	109
Alcoholic beverage licenses	2,500	1,669	(831)
Distribution of sales and use	13,335	13,335	-
Local government half-cent sales tax	78,451	64,362	(14,089)
Local government grants			
Other financial assistance	71,203	-	(71,203)
Total intergovernmental	1,024,995	488,228	(536,767)
Charges for services			
Public safety	31,974	32,974	1,000
Total charges for services	31,974	32,974	1,000

(CONTINUED)
See audit report.

CITY OF TRENTON, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
For the Fiscal Year Ended September 30, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Miscellaneous			
Interest	$ 47,020	$ 24,350	$ (22,670)
Rentals and leases	4,155	7,888	3,733
Special assessments	182,701	180,676	(2,025)
Fines and forfeitures			
City fines	6,016	10,146	4,130
Other miscellaneous			
Other	91,238	1,775	(89,463)
Total miscellaneous	331,130	224,835	(106,295)
Total revenues	2,496,072	1,894,383	(601,689)
EXPENDITURES			
General government			
Legislative			
Personnel services	65,472	59,337	6,135
Operating expenses	6,000	5,120	880
Total legislative	71,472	64,457	7,015
Financial and administrative			
Personnel services	301,580	256,924	44,656
Operating expenses	81,100	92,290	(11,190)
Capital outlay	7,600	11,454	(3,854)
Total financial and administrative	390,280	360,668	29,612
Legal counsel			
Operating expenses	40,000	36,674	3,326
Comprehensive planning			
Operating expenses	15,000	15,000	-
Other general government			
Personnel services	45,500	37,099	8,401
Operating expenses	70,600	112,714	(42,114)
	116,100	149,813	(33,713)
Total general government	632,852	626,612	6,240

(CONTINUED)
See audit report.

CITY OF TRENTON, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
For the Fiscal Year Ended September 30, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Public safety			
Law enforcement			
Personnel services	$ 414,575	$ 394,395	$ 20,180
Operating expenses	120,470	92,615	27,855
Capital outlay	7,600	-	7,600
Total law enforcement	542,645	487,010	55,635
Fire control			
Personnel services	81,235	68,067	13,168
Operating expenses	134,840	146,305	(11,465)
Total fire control	216,075	214,372	1,703
Total public safety	758,720	701,382	57,338
Transportation			
Roads and streets			
Personnel services	65,925	59,951	5,974
Operating expenses	90,550	190,317	(99,767)
Capital outlay	863,452	130,665	732,787
Total transportation	1,019,927	380,933	638,994
Human services			
Other human services			
Operating expenses	23,575	31,750	(8,175)
Culture/recreation			
Parks and recreation			
Operating expenses	7,425	17,447	(10,022)
Total culture/recreation	7,425	17,447	(10,022)
Total expenditures	2,442,499	1,758,124	684,375
Excess of revenues over expenditures	53,573	136,259	82,686

(CONTINUED)
See audit report.

CITY OF TRENTON, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONCLUDED)
For the Fiscal Year Ended September 30, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Interfund transfers out	$ (53,573)	$ (212,173)	$ (158,600)
Total other financing sources (uses)	(53,573)	(212,173)	(158,600)
Net change in fund balance	-	(75,914)	(75,914)
Fund balance at beginning of year	1,236,158	1,236,158	-
Fund balance at end of year	$ 1,236,158	$ 1,160,244	$ (75,914)

See audit report.

CITY OF TRENTON, FLORIDA
COMMUNITY REDEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
REVENUES			
Taxes			
Ad valorem taxes	$ 241,777	$ 241,778	$ 1
Interest	35	2,248	2,213
Total revenues	241,812	244,026	2,214
EXPENDITURES			
Economic environment			
Operating expenses	241,812	7,187	234,625
Total expenditures	241,812	7,187	234,625
Excess of revenues over expenditures	-	236,839	236,839
Net change in fund balance	-	236,839	236,839
Fund balance at beginning of year	-	-	-
Fund balance at end of year	$ -	$ 236,839	$ 236,839

See audit report.

CITY OF TRENTON, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
REVENUES			
Intergovernmental			
Federal grants	$ 650,000	$ 5,000	$ (645,000)
Total revenues	650,000	5,000	(645,000)
EXPENDITURES			
Economic environment			
Operating expenses	-	5,000	(5,000)
Capital outlay	650,000	-	650,000
Total expenditures	650,000	5,000	645,000
Excess of revenues over (under) expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balance at beginning of year	-	15	15
Fund balance at end of year	$ -	$ 15	$ 15

See audit report.

CITY OF TRENTON, FLORIDA
NOTES TO STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SEPTEMBER 30, 2025

I. Stewardship, Compliance, and Accountability

A. Budgetary information. The City, in establishing its budgetary data reflected in the financial statements follows the procedures set out in Chapters 166 and 200, *Florida Statutes*. The City prepares a tentative budget, which is used by the City at a public workshop to prepare the budgets for the coming year. Public hearings are conducted to obtain taxpayer comments. Subsequently, these budgets are legally adopted through the passage of a resolution at an advertised public session. Such actions are recorded in the City's minutes.

The budget is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America (GAAP). The only exception to the GAAP basis is the Enterprise Fund, where depreciation is not budgeted for capital assets, while capital outlay expenditures are budgeted and are reclassified into fixed assets. These are then eliminated from the results of operations for financial reporting purposes in the Enterprise Fund. Estimated beginning fund balances are considered in the budgetary process but are not included in the financial statements as budgeted revenues.

The annual budget serves as the legal authorization for expenditures. All budget amendments, which change the legally adopted total appropriation for a fund, are approved by the City Commission.

If during the fiscal year, additional revenue becomes available for appropriations in excess of those estimated in the budget, the City Commission, by resolution, may make supplemental appropriations for the year up to the amount of such excess.

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

1. Prior to September 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted in August and September to obtain taxpayer comments.

3. Prior to November 1, the budget is legally enacted through passage of an ordinance.

4. The legal level of budgetary control is the department level; however, the City Commission may, by formal motion, transfer appropriations between departments and may use surplus revenues not appropriated in the budget for any municipal purpose.

5. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America for governmental fund types.

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the FRS net pension liability (asset)	0.002636285%	0.002417318%	0.002279226%	0.002319774%	0.002203054%	0.002334681%	0.002337937%	0.002069269%	0.002287196%	0.002288810%
City's proportionate share of the FRS net pension liability (asset)	$ 818,174	$ 935,132	$ 908,199	$ 863,142	$ 166,416	$ 1,011,885	$ 805,153	$ 623,275	$ 676,769	$ 577,926
City's proportion of the HIS net pension liability (asset)	0.002271263%	0.002086177%	0.000191406%	0.000197851%	0.001768653%	0.001820879%	0.001773415%	0.001668741%	0.148113600%	0.180736900%
City's proportionate share of the HIS net pension liability (asset)	291,118	312,946	303,979	209,555	216,952	222,326	198,427	176,621	193,700	210,641
City's proportionate share of the total net pension liability (asset)	$ 1,109,292	$ 1,248,078	$ 1,212,178	$ 1,072,697	$ 383,368	$ 1,234,211	$ 1,003,580	$ 799,896	$ 870,469	$ 788,567
City's covered-employee payroll	$ 1,042,082	$ 937,540	$ 843,597	$ 660,809	$ 634,116	$ 596,705	$ 596,705	$ 566,029	$ 558,715	$ 574,585
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	106.45%	133.12%	143.69%	162.33%	60.46%	206.84%	168.19%	141.32%	155.76%	137.24%
Plan fiduciary net position as a percentage of the total pension liability	82.96%	78.79%	77.04%	79.09%	91.05%	74.46%	78.22%	79.86%	79.30%	79.36%

Note 1) The amounts presented for each year were determined as of the June 30 year end of the Florida Retirement System

Note 2) For changes in assumptions see notes to financial statements and RSI.

SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required FRS contribution	$ 224,010	$ 197,654	$ 170,362	$ 116,206	$ 107,573	$ 100,377	$ 93,023	$ 81,438	$ 81,541	$ 60,463
Contractually required HIS contribution	28,890	25,503	19,563	28,213	13,325	13,578	12,637	12,497	13,129	10,035
Total Contractually Required Contributions	252,900	223,157	189,925	144,419	120,898	113,955	105,660	93,935	94,670	70,498
Contributions in relation to the contractually required contribution	(252,900)	(223,157)	(189,925)	(144,419)	(120,898)	(113,955)	(105,660)	(93,935)	(94,670)	(70,498)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 1,042,082	$ 937,540	$ 843,597	$ 660,809	$ 634,116	$ 596,705	$ 596,705	$ 566,029	$ 558,715	$ 574,585
Contributions as a percentage of covered-emloyee payroll	24.27%	23.80%	22.51%	21.85%	19.07%	19.10%	17.71%	16.60%	16.94%	12.27%

NOTES TO SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
For the Fiscal Year Ended September 30, 2025

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2025, are shown below:

	FRS	HIS
Total pension liability	$ 243,620,457,000	$ 13,687,702,516
Plan fiduciary net position	(212,585,325,722)	(870,258,386)
	$ 31,035,131,278	$ 12,817,444,130
Plan fiduciary net position as a percentage of the total pension liability	87.26%	6.36%

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2025. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The HIS actuarial valuation was prepared as of July 1, 2025. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Basis for Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the System's fiscal years ending June 30, 2015, through June 30, 2025, respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal year 2025, in addition to contributions from employers the required accrued contributions for the Division (paid on behalf of the Division's employees who administer the Plans) were allocated to each employer on a proportionate basis. The Division administers the Plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's ACFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable for that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflow of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported, and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions

The Florida Retirement System (FRS) Actuarial Assumption conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2018, through June 30, 2023. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both Plans are assumed at 2.40%. Payroll growth, including inflation, for both Plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 5.20% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both Plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – See Additional Financial and Actuarial Information).

The following changes in actuarial assumptions occurred in 2025:

- HIS: The municipal bonds rate used to determine total pension liability was increased from 3.93% to 5.20%.

SUPPLEMENTARY INFORMATION

CITY OF TRENTON, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2025

Grantor/Program Title	ALN/CSFA#	Contract Number	Major Program	Award Amount	Reported in Prior Years	Expenditures
FEDERAL AWARDS						
Department of Homeland Security						
Passed through Florida Division of Emergency Management						
Disaster Grants - Public Assistance	97.036	Z3956		$ 36,819	$ -	$ 36,819
Department of Housing & Urban Development						
Passed through Florida Department of Economic Opportunity						
Small Cities Community Development Block Grant (CDBG)	14.228	H2572		650,000	-	5,000
U.S. Department of Environmental Protection						
Passed through Florida Department of Environmental Protection						
Capitalization Grants for Drinking Water State Revolving Fund - Grant	66.468	4D-02D37923-0	*	3,502,620	-	3,502,620
Capitalization Grants for Drinking Water State Revolving Fund - Loan	66.468	4D-02D37923-0	*	389,180	-	-
Department of the Treasury						
Passed through Florida Division of Emergency Management						
American Rescue Plan (ARPA)	21.027	Y5033		1,081,844	495,250	204,454
TOTAL FEDERAL AWARDS				5,660,463	495,250	3,748,893
STATE FINANCIAL ASSISTANCE						
Florida Department of Environmental Protection						
Resilient Florida Program	37.098	24PLN49		125,000	-	25,500
Florida Department of Transportation						
Small County Outreach Program (SCOP)	55.009	G2N97		743,000	29,900	15,750
TOTAL STATE FINANCIAL ASSISTANCE				868,000	29,900	41,250
TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE				$ 6,528,463		$ 3,790,143

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

CITY OF TRENTON, FLORIDA
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2025

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state grant activity of the City of Trenton, Florida (the City) and is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General of the State of Florida. The information in this Schedule is not intended to be a complete presentation of the City's total expenditures.

Note 2. Basis of Accounting

Expenditures reported on the Schedule are reported using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The City has not elected to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4. Subrecipients

The City did not provide any federal or state awards to subrecipients during the fiscal year ended September 30, 2025.

OTHER REPORTS AND LETTERS

Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

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*

To the Honorable Mayor
And Members of the City Commission
City of Trenton, 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 and the business-type activities and each major fund of the City of Trenton, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Trenton, Florida's basic financial statements and have issued our report thereon dated October 26, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Trenton, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Trenton, Florida'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified. We did identify the following deficiency in internal control that we consider to be a significant deficiency, 2025-001, which is described in the accompanying Schedule of Findings and Questioned Costs.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Trenton, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.*

We also noted certain matters that we reported to management of the City of Trenton, Florida, in a separate "Management Letter Required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General" dated October 26, 2026.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Powell and Jones CPA
Lake City, Florida
October 26, 2026

Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

MANAGEMENT LETTER

To the Honorable Mayor
And Members of the City Commission
City of Trenton, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Trenton, Florida, as of and for the fiscal year ended 30th September, 2025, and have issued our report thereon dated October 26, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Expenditures of Federal Awards; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated October 26, 2026, should be considered in conjunction with this management letter.

PRIOR YEAR FINDINGS

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

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	2023-24 FY Finding No.	2022-23 FY Finding No.
2025-001	2024-001	2009-001
2025-002R	N/A	N/A

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. We have the following recommendation:

2025-002R – Timely Transfer of CRA Tax Increment Revenues

Criteria: – Section 163.387(2), Florida Statutes, requires applicable taxing authorities to make annual contributions to the redevelopment trust fund by January 1. Internal controls should ensure that the required contributions are accurately calculated, transferred by the applicable deadline, and properly recorded in both funds.

Condition: – The City did not transfer the required ad valorem tax increment revenues from the General Fund to the Community Redevelopment Agency (CRA) redevelopment trust fund in a timely manner. Amounts due to the CRA remained in the General Fund beyond the required payment date.

Cause: – The City's procedures for scheduling, reviewing, and monitoring transfers to the CRA were not sufficient to ensure that the required contributions were made in a timely fashion.

Effect: – Delayed transfers limit the timely availability of funds for CRA activities and expose the City to statutory penalties and interest. Section 163.387(2)(b), Florida Statutes, provides for a penalty equal to 5 percent of unpaid increment revenues and interest of 1 percent for each month the increment remains outstanding, subject to the CRA's authority to waive such penalty payments in whole or in part.

Recommendation: – The City should establish written procedures to calculate, approve, and transfer the required tax increment revenues to the CRA redevelopment trust fund by January 1 each year. These procedures should assign responsibility to designated personnel, establish a transfer schedule before the statutory deadline, and require documented supervisory review of the calculation and completed transfer. The City should reconcile amounts due to and from the CRA regularly and promptly resolve any outstanding balances. Management should also evaluate any applicable penalties and interest associated with late payments and document the resolution, including any authorized waiver.

Property Assessed Clean Energy Programs (PACE)

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the City did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the City's geographical boundaries during the fiscal year under audit.

Special District Component Units

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the Community Redevelopment Agency reported:

Data Element	Reference	Comment
The total number of CRA employees compensated in the last pay period of the CRA's fiscal year being reported.	Section 218.32(1)(e)(2)(a)	The CRA has no employees
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year being reported.	Section 218.32(1)(e)(2)(b)	The CRA had no independent contractors
All compensation earned by or awarded to the CRA employees, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(c)	N/A
Budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amended a final adopted budget under Section 189.016(6), Florida Statutes.	Section 218.32(1)(e)(3)	See page 55 of this annual financial report.
Each construction project with a total cost of at least $65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.	Section 218.32(1)(e)(2)(e)	None
Total amounts paid to contractors	Section 218.32(1)(e)(2)(e)	None

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that 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.

Purpose of This Letter

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



Powell and Jones CPA
Lake City, Florida
October 26, 2026

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

To the Honorable Mayor
And Members of the City Commission
City of Trenton, Florida

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance, and Rules of the Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards, the Uniform Guidance, and Rules of the Auditor General, we:

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

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Powell and Jones CPA
Lake City, Florida
October 26, 2026

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Honorable Mayor
And Members of the City Commission
City of Trenton, Florida

We have audited the financial statements of the City of Trenton, Florida for the year ended September 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Trenton, Florida, are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2025. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The City has several sensitive estimates that affect its financial statements, including the allowance for uncollectible accounts and actuarial assumptions related to the pension plan.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Any such misstatements were communicated to the appropriate level of management.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 26, 2026.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Mayor and Members of the City Commission and management of the City of Trenton, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Powell and Jones CPA
Lake City, Florida
October 26, 2026

Powell and Jones CPA

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INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor
And Members of the City Commission
City of Trenton, Florida

We have examined the City of Trenton, Florida's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2025. We have also examined the City's compliance with Sections 163.387(6) and (7), *Florida Statutes*, regarding the City of Trenton Community Redevelopment Agency during the year ended September 30, 2025 (collectively, the specified requirements). Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with those requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Under those standards, we plan and carry out procedures to obtain reasonable assurance that the City's compliance with the specified requirements is free from material noncompliance. Our procedures include obtaining and evaluating evidence of compliance. We exercise professional judgment in selecting the nature, timing, and extent of those procedures, taking into account the assessed risks of material noncompliance arising from fraud or error. The evidence obtained, in our judgment, is sufficient and appropriate to support our opinion.

We are required to be independent of the City and to fulfill the other ethical responsibilities applicable to this examination engagement.

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

In our opinion, the City complied, in all material respects, with the specified requirements for the year ended September 30, 2025.

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

Powell and Jones

Powell and Jones CPA
Lake City, Florida
October 26, 2026

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CITY OF TRENTON, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2025

Section I. Summary of Auditor's Results

Financial statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Rule 10.550, *Rules of the Auditor General?*	No

Identification of major programs:

ALN Number:	Name of Program or Cluster
66.468	Florida Department of Environmental Protection Capitalization Grants for Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000
Section II - State Financial Assistance Findings and Questioned Costs	None

Other Issues:

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to the Federal Awards

Section II – Financial Statement Findings and Recommendations

2025-001 – Financial Statement Preparation and Footnote Disclosures

Criteria: - A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles.

Condition: - The City does not have personnel with the expertise necessary to prepare financial statements, including all required footnote disclosures, in accordance with generally accepted accounting principles.

Cause: - The City does not currently possess the specialized knowledge necessary to draft its financial statements and related note disclosures in accordance with generally accepted accounting principles.

Effect: - This deficiency increases the risk that material misstatements in the financial statements or related disclosures may not be prevented, detected, or corrected in a timely manner without auditor assistance.

Recommendation: - The City should continue to evaluate its internal resources and consider whether additional training, oversight, or other steps, such as the hiring of an outside CPA, can be implemented to strengthen its ability to oversee the financial statement preparation process. While the auditor may assist with the preparation of the financial statements and related footnotes, the financial statements remain the responsibility of management.

CITY OF TRENTON, FLORIDA
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended September 30, 2025

2024-001 – Financial Statement Preparation and Footnote Disclosures

A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. While your auditor can assist with the preparation of your financial statements and related footnotes, the financial statements are the responsibility of management. A deficiency in internal control exists when the City does not have the expertise necessary to prevent, detect, and correct misstatements. A deficiency in internal control exists in because the City is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures.

Current year finding status: - This finding was uncorrected in the current fiscal year.