

2025

City of Newberry, Florida

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2025

CITY OF NEWBERRY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared by:
Finance and Administrative Services

INTRODUCTORY SECTION

CITY OF NEWBERRY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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**CITY OF NEWBERRY, FLORIDA
LIST OF PRINCIPAL OFFICIALS**

MAYOR

Timothy Marden

CITY COMMISSIONERS

Mark Clark

Rick Coleman

Monty Farnsworth

Donald Long

Tony Mazon

CITY MANAGER

Jordan Marlowe

CITY ATTORNEY

S. Scott Walker, Esq.

CITY CLERK

Randa K Paul

DEPARTMENT HEADS

Dallas Lee, MPA, CPM, CGFO, Assistant City Manager for Finance & Administration/ CFO

Jamie Jones, CPM, Assistant City Manager for Development & Infrastructure

Jayson Lyman, Fire Chief

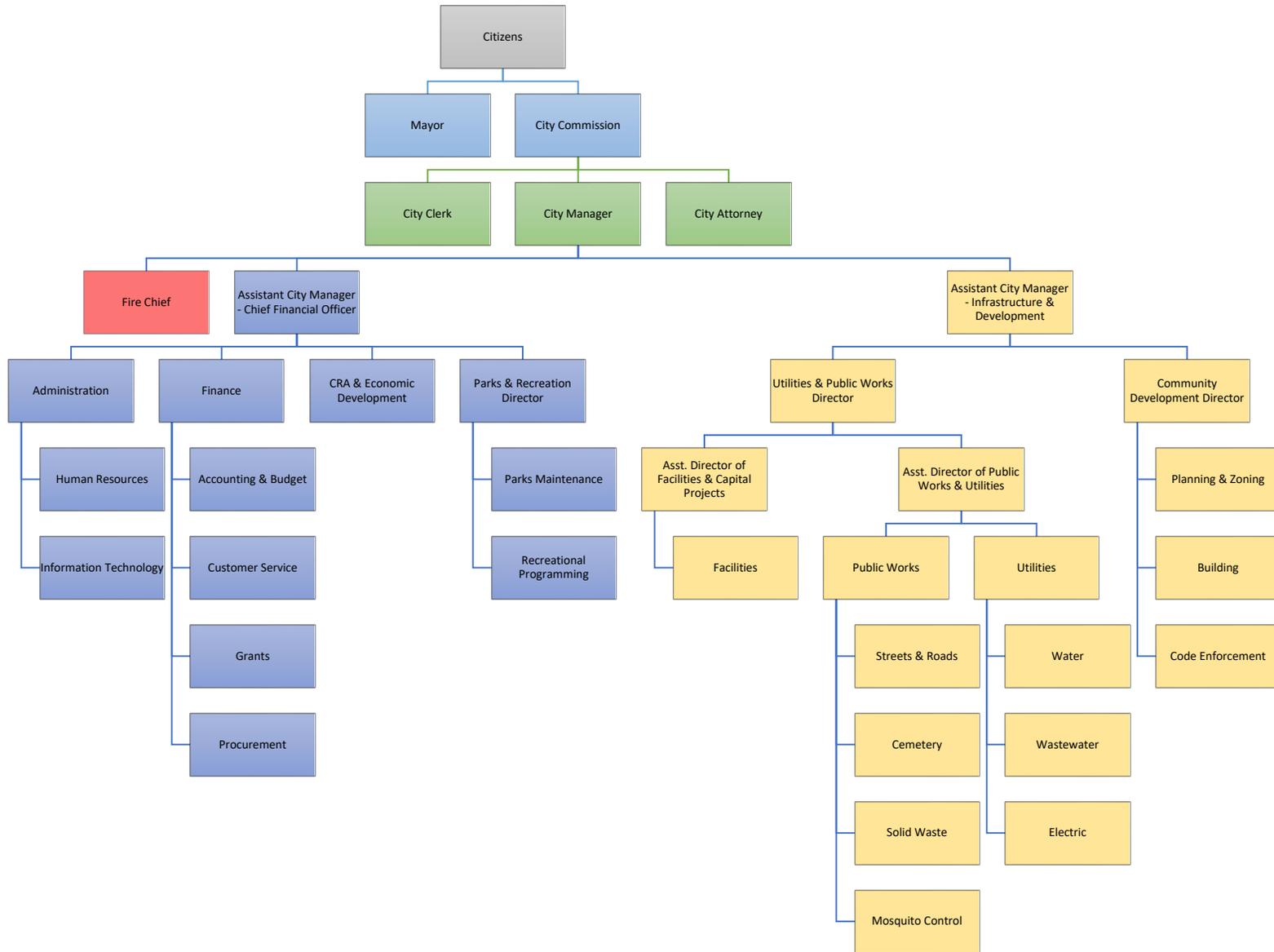
Rod Clark, MBA, Director of Parks & Recreation

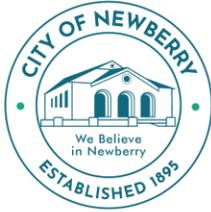
Stacey Hectus, MPA, AICP, Director of Community Development

Rance Green, CPM, Director of Utilities & Public Works

AUDITORS

Purvis, Gray and Company, LLP





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March 16, 2026

The Honorable Mayor
Members of the City of Newberry Commission
Residents of the City of Newberry, Florida

Dear Honorable Mayor Marden:

It is with pleasure that we submit to you the Annual Comprehensive Financial Report of the City of Newberry ("Newberry") for the year ended September 30, 2025. This report was prepared by the Department of Finance and Administration and the City's Independent Auditors in accordance with the Newberry Charter, State Statutes, and U.S. generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects Newberry's commitment to full financial disclosure. We encourage you to thoroughly read this report and some of the important items it addresses.

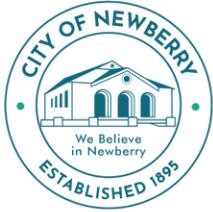
Independent Audit

State law requires that a complete set of financial statements reporting Newberry's financial position and results of activities are published within nine months of fiscal year end. This report is to be presented in conformance with the U.S. generally accepted accounting principles (GAAP) as applicable to governmental entities and audited by an independent firm of certified public accountants in accordance with the U.S. generally accepted auditing standards.

Purvis Gray and Company, independent auditors, have issued an unmodified opinion on the City of Newberry's financial statements for the fiscal year ended September 30, 2025. The goal of an independent audit is to provide reasonable assurance that the financial statement of the City are free of material misstatement and are presented fairly and in conformity with GAAP. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the basic financial statements; assessing accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor's report is located at the front of the financial section of this report.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of Newberry on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of Newberry's financial activities have been included.

We believe the report will assist in making economic, social and political decisions and in assessing accountability to the residents by:



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comparing actual financial results with the legally adopted budget, where appropriate; assessing financial condition and results of operations; assisting in determining compliance with fiscally-oriented laws, rules, and regulations; and assisting in evaluating the efficiency and effectiveness of Newberry's operations.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it. The remainder of this letter provides an overview of the City government, as well as local economic conditions.

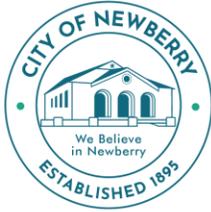
Profile of the Government

The City of Newberry is geographically located in North Central Florida. The City's boundaries encompass approximately 70.0 square miles. Newberry was established in 1895 on a railroad line and began as a phosphate mining town. Newberry was incorporated as a municipality in 1906. According to the University of Florida Bureau of Economic and Business Research (BEBR), the City's population was approximately 9,553 as of September 30, 2025. The City has a charter government structure approved by a referendum of the electors pursuant to the Constitution and laws of the State of Florida. The City operates under the City Manager form of government with a Commission comprised of five elected commissioners and an elected non-voting Mayor. Elections are non-partisan and each elected official represents the entire City.

The Newberry Commission appoints the Manager who is the Chief Administrative and Executive Officer and who directs the business and operations of Newberry and its various departments. The Newberry Commission determines policy, adopts legislation, approves the budget, sets taxes and fees, and appoints the Attorney and Clerk and members of various boards and committees.

Newberry is a full-service municipality and provides a wide variety of community services including general government; planning, zoning and building; public works (construction and maintenance of roads, rights of way and other infrastructure; street lighting; and storm water drainage); electric, water and sewer utilities; and solid waste collection and recycling. The public safety program includes providing fire and rescue services and contracting law enforcement services from the Alachua County Sheriff's Office. The City's recreation program includes neighborhood parks, community centers, and a wide variety of programs for youth, adults and senior citizens.

Administrative support services include the Human Resources Division, which is responsible for recruitment, compensation and benefits, employee relations, workers' compensation, property, casualty and liability insurance. The Finance Department handles the City's debt, revenue collections, annual budget planning and preparation, financial reporting, the annual financial audit, cash and investment management, grant management and accounting, capital assets accounting, payroll and other disbursements, and utility billing and collection.



Local Economy

The area's economy continues to show growth through increasing growth indicators including building permits and infrastructure (water and wastewater) connections. This growth comes as a result of increased demand for utility services. The City is actively pursuing increasing its commercial, agricultural, and industrial customer base by attracting firms to locate within the City limits. This helps create additional jobs and provides for a stable tax base. The Commission has been committed to this cause through its funding of the Economic Development Department.

The City's major challenges, like most cities, are to provide the infrastructure and services needed to maintain the high quality of life, which has attracted considerable growth to our community. History has shown that great emphasis on support systems such as transportation, potable water, wastewater, and electric capacity must be equally balanced with quality of life amenities such as parks, recreation and cultural opportunities to maintain the natural beauty and attractiveness of a community.

Accomplishments and Future Projects

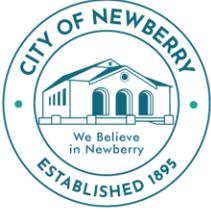
The progress towards achievement of Newberry's vision and mission is also measured by the completed multi-department projects and individual accomplishments of each of the City departments and divisions.

Below are some of the selected accomplishments over the last 18 months:

- Started construction of new City Hall building
- Completed parking lot improvements at Easton Newberry Sports Complex
- Installed sidewalks and sports lighting at Easton Newberry Sports Complex
- Constructed the Veterans Memorial Park
- Completed bid phase and started construction phase for roadway improvements to SW 15th Ave
- Purchased land within the Community Redevelopment Agency district for stormwater retention
- Finalized Developer Agreements which will serve as a funding mechanism to repay State Revolving Fund (SRF) loans related to the regional wastewater treatment plant construction
- Secured State Revolving Fund (SRF) loans which will be utilized to finance any portion of the regional wastewater treatment plant that is not grant funded
- Began construction of an environmental park stormwater basin
- Completed design phase for relocation of lift station 10
- Completed design phase for relocation and construction of a watermain on NW 1st Ave
- Completed construction of lift station 8 abandonment and lift station 7 upgrade

The following capital projects are planned for the next 18 months:

- Complete construction of new City Hall building
- Complete construction of roadway improvements to SW 15th Ave
- Complete construction of an environmental park stormwater basin
- Complete bid phase and begin construction phase for relocation of lift station 10



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- Complete bid phase and begin construction phase for relocation and construction of watermain on NW 1st Ave
- Complete repairs and improvements at Champions Park such as fencing, painting, and new nets
- Begin design phase for court and gymnasium construction at Champions Park
- Begin design phase for moving outdoor courts and parking lot improvements at Martin Luther King, Jr Community Center
- Complete bid phase and begin construction phase for the regional wastewater treatment plant
- Complete bid phase and begin construction phase for an elevated water storage tower
- Complete bid phase and begin construction phase for reconstruction of NW 260th Street and creation of an enhanced park
- Complete bid phase and begin construction phase for secondary electrical feeder to improve overall electrical reliability and increase electric grid capacity
- Begin bid phase for electrical relocation and upsizing along State Road 26 (SR 26) Twin Pairs corridor to accommodate Florida Department of Transportation (FDOT) roadway improvements
- Complete bid phase and enter construction phase for multipurpose fields and outdoor courts at the Easton Newberry Sports Complex
- Complete bid phase and begin construction phase for a new regional fire training facility

Financial Information & Relevant Financial Policies

Accounting and Administrative Controls

Newberry's internal control structure is designed to ensure that Newberry's assets are protected against loss from theft, unauthorized use, or disposition and to ensure that adequate and reliable financial records are available for preparing financial statements in conformity with U.S. generally accepted accounting principles. The internal controls provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework and it is our belief that Newberry's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Control

The annual budget serves as the foundation of the City's financial planning and control. Newberry adopts fiscal year budgets for all funds and maintains budgetary controls with the objective being to ensure compliance with legal provisions contained in the annual appropriated budget approved by the Commission. All departments of the City are required to submit requests for appropriations to the City's Finance & Administration Department. The City Manager submits to the Commission a proposed operating budget by fund for the fiscal year commencing the following October 1st. The City Commission holds two public hearings, and the budget is legally enacted through the passage of two resolutions.



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Budgets are monitored at varying levels of detail; however, budgetary control is legally maintained at the fund level. The City Manager or designee is authorized to transfer budgeted amounts within departments of any fund, while revisions that alter the budgeted totals of any fund require the approval of the Commission. Monthly budget reports are prepared in detail for each department, with actual revenues and expenditures being compared with appropriated revenues and estimated expenditures. Corrective actions are initiated as necessary to maintain budgetary compliance.

As demonstrated by the budgetary comparison schedules included in the required supplementary information and other supplementary information sections of this Annual Financial Report, Newberry continues to meet its responsibility for sound financial management practices.

Capital Financing

The City has been actively advancing a range of capital projects focused on (1) economic development, (2) infrastructure improvements and replacements, and (3) expanding existing facilities. The scope and scale of these projects will continue to grow in the coming years. Most capital projects are funded through accumulated fund balance cash. However, major utility infrastructure improvements are primarily financed through State Revolving Fund (SRF) loans from the State Department of Environmental Protection. Additionally, the new City Hall building construction is funded by revenue bond proceeds that were issued in fiscal year 2024.

In conjunction with the operating budget, the City Manager annually presents a program to provide for improvements to Newberry's public facilities for the ensuing fiscal year and next four years, along with proposals for the financing of these improvements. This five-year plan is called the Capital Improvement Program. The first year of the program constitutes the capital budget for the coming fiscal year; the remaining years are used as a planning guide. The program allocates funding over five years for Newberry's roads, park development, public works projects, and new equipment.

Debt Service Administration

In Florida, there is no legal debt limit. All general obligation debt pledging payment from ad valorem taxes must be approved by referendum unless it is to refund outstanding debt. Article VII, Section 12, of the Florida State Constitution states "Counties, school districts, municipalities, special districts, and local governmental bodies with taxing powers may issue bonds, certificates of indebtedness, or any form of tax anticipation certificates payable from ad valorem taxes and maturing more than twelve months after issuance only to finance or refinance capital projects authorized by law and only when approved by vote of the electors ..." During the year ended September 30, 2025, Newberry did not issue new debt.

In fiscal year 2026, the City plans to begin construction of an advanced wastewater treatment facility which will be funded from grant proceeds and State Revolving Fund (SRF) loans. Additionally, the City secured a line of credit in fiscal year 2024 as a bridge loan for the construction of the new advanced wastewater treatment plant. No ad valorem taxes have been pledged for repayment of these debts.



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Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newberry for its Annual Comprehensive Financial Report for the year ended September 30, 2024. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that the September 30, 2025, Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report could not have been accomplished without the dedicated efforts of the entire staff of the Finance & Administration Department. Their technical expertise and concerted efforts were truly evident in the audit process. Their assistance and cooperation have allowed us to prepare, on a timely basis, a report which gives its readers a comprehensive view of Newberry's financial and economic position. We also extend our sincere appreciation to the independent certified public accounting firm of Purvis Gray and Company for the professionalism and cooperation shown during the performance of the engagement and the expertise shown in financial reporting for government entities. We believe that this report reflects the sound financial position of Newberry.

We would like to thank the Mayor, the Commission, Department Heads, City Staff, and the residents of Newberry for their interest and support in ensuring the planning and administration of the financial operations of Newberry are in a responsible, progressive manner. With this support, we have been able to maintain a high degree of fiscal health and responsibility for Newberry.

Respectfully submitted,

Jordan Marlowe
City Manager

Dallas Lee, MPA, CGFO
Assistant City Manager/CFO



Government Finance Officers Association

Certificate of
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for Excellence
in Financial
Reporting

Presented to

**City of Newberry
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Commissioners
City of Newberry, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa
purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT

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.

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT

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 and other postemployment benefit schedules on pages 5-17 and 51-55 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 accompanying combining and individual non-major fund financial statements and schedules, the statement of revenues, expenses, and changes in fund net position - water and sewer fund, combining and individual internal service funds financial statements, and schedule of expenditures of state financial assistance, as required by Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules, the statement of revenues, expenses, and changes in fund net position - water and sewer fund, combining and individual internal service funds financial statements, and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

To the Mayor and City Commissioners
City of Newberry, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Purvis Gray

March 16, 2026
Gainesville, Florida

CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

As management of the City of Newberry, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. The Management's Discussion and Analysis (MD&A) is designed to: assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Financial Highlights

- The City of Newberry's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources on September 30, 2025, by \$71.5 million. Unrestricted net position was at \$5.1 million.
- The City of Newberry's total long-term debt (loans and notes payable) decreased by \$537,267 during the current fiscal year due to repayment of scheduled principal payments.
- Total net position of \$71.5 million is comprised of the following:
 - The \$59.7 million net investments in capital assets includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 - \$6.7 million of net position is restricted by constraints imposed from outside of the City such as debt covenants, grantors, laws, or regulations, or by enabling legislation.
 - \$5.1 million of unrestricted net position.
- On September 30, 2025, the City's governmental funds reported a combined ending fund balance of \$9.2 million, representing a decrease of \$5.5 million compared to the prior fiscal year. The decrease is primarily attributable to the use of revenue bond proceeds to fund construction of the new City Hall building.
- Governmental fund revenues (excluding interfund transfers) totaled \$17,665,475, representing an increase of \$4.0 million compared to the previous fiscal year. One contributing factor to this increase was recognition of previously recorded *American Rescue Plan Act* (ARPA) unearned revenue as funds were fully expended on eligible payroll recovery costs.

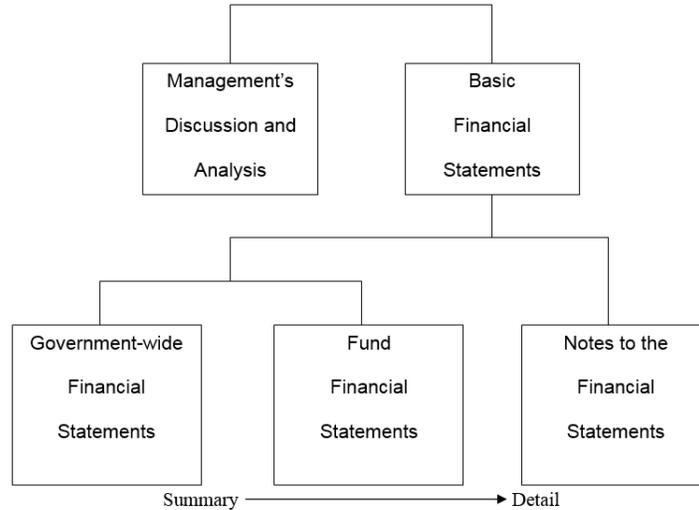
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves that will enhance the reader's understanding of the financial condition of the City.

The graph on the following page is provided to assist in understanding the component parts of the financial statements:

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Required Components of Annual Financial Report



Government-wide financial statements. *The government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. A schedule of the City's net position over the last ten years can be found in the statistical section of this document.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, transportation, culture and recreation, economic development, and health and welfare. The business-type activities of the City include physical environment (electric, water, and sewer utilities) and human services (mosquito control).

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The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund financial statements. The fund financial statements provide a more detailed look at the City's most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds—*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, and the *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Such information may be useful in evaluating a government's near-term financing requirements. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's *near-term* financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund and Capital Improvement fund which are considered to be major funds. The non-major governmental funds include a Debt Service fund and the following special revenues funds: Champions Park, Wild Spaces and Public Places, Infrastructure Sales Surtax, American Rescue Plan, Impact Fees, Opioid Settlement Proceeds, Newberry Historical Association, and the Community Redevelopment Agency.

The City adopts an annual appropriated budget for its general fund, special revenue funds, capital improvement fund, and debt service fund. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Commission

**CITY OF NEWBERRY, FLORIDA
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about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. A budgetary comparison schedule has been provided for the general fund, special revenue funds, capital improvement fund, and debt service fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20 and 22 of this report.

Proprietary funds—The City maintains two different types of proprietary funds. *Enterprise funds* are used to report business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, sewer, and mosquito control operations. *Internal Service Funds* are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its customer service, vehicle and equipment replacement, and utility administration functions. The customer service and utility administration services have been included within the government-wide financial statements as business-type activities, and the vehicle and equipment replacement internal service fund has been included in governmental activities.

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The Enterprise Fund financial statements provide separate information for each individual Enterprise Fund. The Internal Service Fund is also presented in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 24-28.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-50 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary information and pension and other postemployment benefits. Required supplementary information can be found on pages 51-55 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$71,460,109 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (84%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

City of Newberry - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 10,910,914	\$ 17,380,494	\$ 11,358,389	\$ 9,494,351	\$ 22,269,303	\$ 26,874,845
Capital Assets	36,491,354	25,171,053	35,201,997	33,237,903	71,693,351	58,408,956
Total Assets	47,402,268	42,551,547	46,560,386	42,732,254	93,962,654	85,283,801
Deferred Outflows of Resources	1,549,441	1,855,870	290,268	418,825	1,839,709	2,274,695
Long-Term Liabilities	12,847,963	13,941,727	6,502,099	7,203,429	19,350,062	21,145,156
Other Liabilities	2,063,341	2,632,495	1,509,089	1,372,757	3,572,430	4,005,252
Total Liabilities	14,911,304	16,574,222	8,011,188	8,576,186	22,922,492	25,150,408
Deferred Inflows of Resources	975,742	643,146	444,020	324,456	1,419,762	967,602
Net Position:						
Net Investment in Capital Assets	29,877,595	24,074,743	29,844,575	27,575,213	59,722,170	51,649,956
Restricted	3,536,111	3,777,959	3,128,716	3,139,002	6,664,827	6,916,961
Unrestricted	(349,043)	(662,653)	5,422,155	3,536,222	5,073,112	2,873,569
Total Net Position	\$ 33,064,663	\$ 27,190,049	\$ 38,395,446	\$ 34,250,437	\$ 71,460,109	\$ 61,440,486

The balance of *unrestricted net position*, \$5,073,112, may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City reports positive balances in net position, for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net position, \$6,664,827, represents resources that are subject to external restrictions on how they may be used. A significant portion of these restricted resources relates to Water and Wastewater Development fees, which are restricted to defray the cost of new facilities to the extent that new development requires additional system capacity. Additionally, restricted net position includes accumulated funds from the Wild Spaces Public Places and Infrastructure surtax, as well as impact fees. Surtax funds will be used for future enhancements to the City's parks and infrastructure. Impact fees will be used towards debt service on the new City Hall building and future transportation improvement projects.

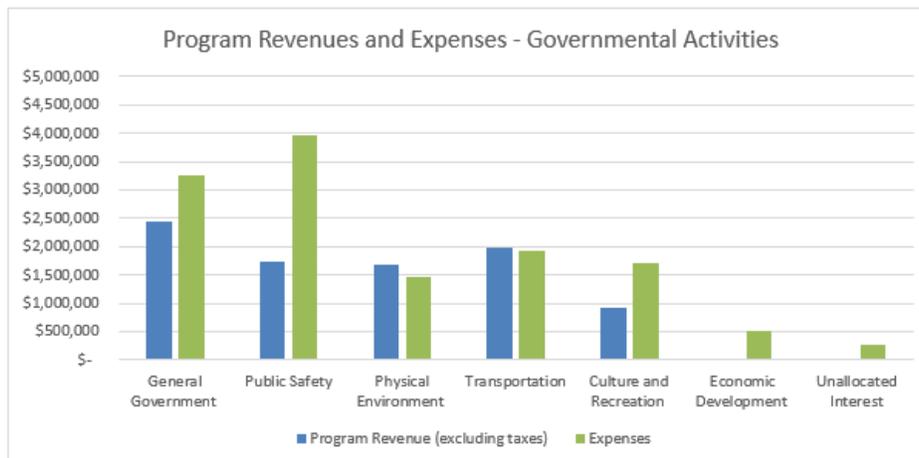
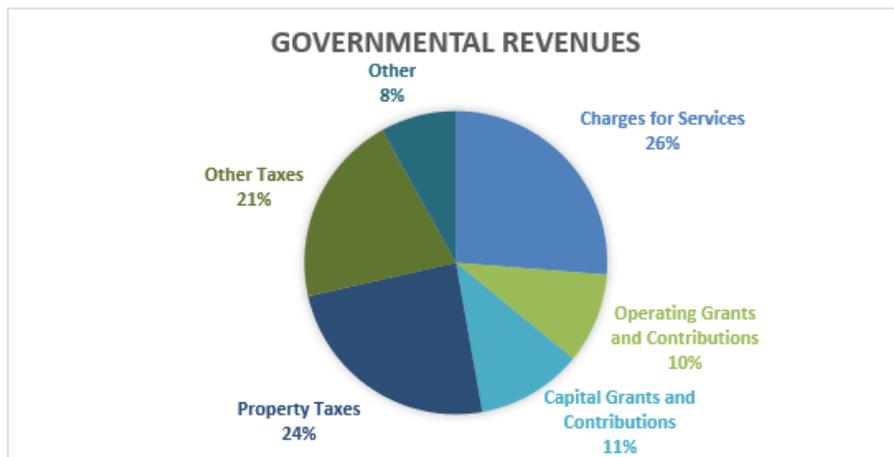
**City of Newberry
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	\$ 4,890,206	\$ 4,251,237	\$ 10,114,823	\$ 8,853,420	\$ 15,005,029	\$ 13,104,657
Operating Grants and Contributions	1,800,037	312,847	139,130	20,632	1,939,167	333,479
Capital Grants and Contributions	2,102,461	4,206,570	3,614,952	5,151,685	5,717,413	9,358,255
General Revenues:						
Property Taxes	4,513,430	3,934,149	-	-	4,513,430	3,934,149
Other Taxes	3,818,560	3,562,669	-	-	3,818,560	3,562,669
Other	1,319,064	945,950	420,256	815,404	1,739,320	1,761,354
Total Revenues	18,443,758	17,213,422	14,289,161	14,841,141	32,732,919	32,054,563
Expenses						
General Government	3,064,465	2,908,794	-	-	3,064,465	2,908,794
Public Safety	3,962,678	3,820,070	-	-	3,962,678	3,820,070
Physical Environment	1,456,125	871,906	-	-	1,456,125	871,906
Transportation	1,918,751	1,726,523	-	-	1,918,751	1,726,523
Culture and Recreation	1,720,072	1,660,628	-	-	1,720,072	1,660,628
Economic Development	512,533	383,305	-	-	512,533	383,305
Unallocated Interest	258,170	270,917	-	-	258,170	270,917
Electric Utility	-	-	6,287,256	5,548,352	6,287,256	5,548,352
Water and Sewer Utilities	-	-	3,492,896	3,899,933	3,492,896	3,899,933
Mosquito Control	-	-	40,350	37,884	40,350	37,884
Total Expenses	(12,892,794)	(11,642,143)	(9,820,502)	(9,486,169)	(22,713,296)	(21,128,312)
Increase in Net Position						
Before Transfers	5,550,964	5,571,279	4,468,659	5,354,972	10,019,623	10,926,251
Transfers	323,650	865,000	(323,650)	(865,000)	-	-
Change in Net Position	5,874,614	6,436,279	4,145,009	4,489,972	10,019,623	10,926,251
Net Position, Beginning of Year	27,190,049	20,753,770	34,250,437	29,760,465	61,440,486	50,514,235
Net Position, End of Year	\$ 33,064,663	\$ 27,190,049	\$ 38,395,446	\$ 34,250,437	\$ 71,460,109	\$ 61,440,486

**CITY OF NEWBERRY, FLORIDA
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Governmental activities—Governmental activities increased the City’s net position by \$5,874,614 in 2025, compared to an increase of \$6,436,279 in 2024. One primary factor contributing to the increase in governmental activities net position during 2025 was the recognition of previously recorded ARPA unearned revenue in the current year. Additionally, capital contributions from developers associated with various new construction developments within the City as well as capital grants contributed to the increase in net position.

Overall, governmental activities reported an increase in revenues of 7.15% \$(1,230,336) and an increase in expenses of 10.74% \$(1,250,651) in comparison with the prior year. One factor contributing to the increase in revenues was the recognition of previously recorded ARPA unearned revenues. Additionally, both revenues and expenses increased due to the higher solid waste service fees, which were implemented to offset increased costs resulting from a renegotiated solid waste service agreement.

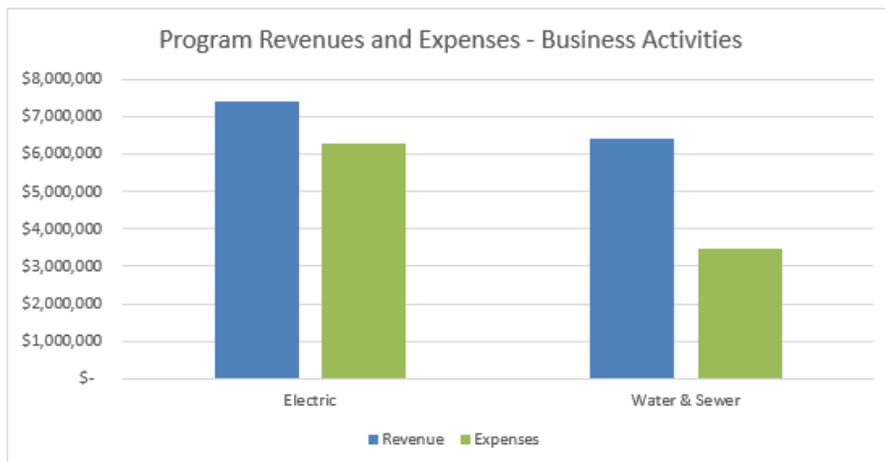


Business-type activities—Business-type activities increased the City’s net position, before transfers, by \$4,468,659 in 2025, compared to an increase of \$5,354,972 in 2024. One primary factor contributing to the increase in net position in 2025 was growth in utility service customer accounts, which resulted in increased charges for services. Additionally, utility rates were increased to help offset rising operational

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

costs and to fund depreciation for future improvements to the City’s utility infrastructure. Further factors contributing to the increase included capital contributions from developers, increased fee rates for development charges, and award of capital grants for water and wastewater infrastructure projects.

- The Electric Utility of the City operates at 7.2/12.47 kV. The City purchases power from Florida Municipal Power Association (FMPA) through its all-requirements project (ARP).
- The Water Utility obtains its water supply from 4 wells that pump from the upper portion of the Floridian Aquifer. Three wells with depths of approximately 280 feet withdraw water from the Ocala limestone and discharge it into the City’s distribution system. The quality of the City’s water supply is such that chlorination is the only treatment the water requires prior to distribution. The system’s wells range in age from 11 to 53 years old.
- Wastewater generated through the utility is collected through a gravity sewer system and pumped to the City’s wastewater treatment plant. The collected wastewater is treated in an activated sludge treatment facility, which has a current capacity of 560,000 gallons per day. The effluent from the treatment facility is chlorinated and land applied as spray irrigation for hay crop production.



Financial Analysis of the Government’s Funds

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

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

As of the end of the current fiscal year, the City’s general fund, which is a major governmental fund, reported an ending fund balance of \$4,202,894, an increase of \$484,871 compared to prior year. The restricted fund balance includes \$760,455 for building department expenses which the City plans to expend enforcing the Florida Building Code per state statute 553.80, and \$134,584 of restricted funds from unspent local option fuel taxes. The general fund also reported a \$356,450 note receivable related

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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to a loan agreement with Newberry Community School, Inc to provide funding for startup and operational costs associated with establishment of a new Charter School, which is scheduled to begin its first academic year in August 2026. The remaining balance includes \$2,927,502 in unassigned fund balance, \$7,511 in prepaid items, and \$16,392 in inventory. The City has adopted a policy of retaining two months or 17% of operating expenses on hand as its emergency fund. For fiscal year 2025, \$2,222,988 met that requirement; an additional \$653,820 is set aside within the unassigned category as the City's Stabilization Fund to mitigate against unforeseen events and diminished revenues during economic downturns. The excess \$50,694 was available for any other expenditure.

A capital projects fund is primarily used to account for proceeds from revenue bonds issued to fund the construction of the new City Hall, as well as track related capital expenditures. The new City Hall was completed in fiscal year 2026.

A special revenue fund is used to account for proceeds received from the lease and other operations of Champions Park. These funds are held for future renewal and replacement of the park's assets. In fiscal year 2025, the City utilized these funds along with an insurance reimbursement claim to repair lighting damage from Hurricane Helene. At the end of the current fiscal year, the Champions Park special revenue fund reported a fund balance of \$23,259. Beginning in January 2026, the City assumed operation and management of Champions Park, which had been outsourced in prior years. More information may be found on page 61.

A special revenue fund is used to account for proceeds received from the Wild Spaces Public Places half-cent sales surtax. As of the end of the current fiscal year, this fund reported a balance of \$1,055,879. Fund balance decreased 18% from prior year due to using accumulating funds for projects such as sidewalk construction, parking lot improvements, and additional sports lighting at the Easton Newberry Sports Complex as well as various repairs at Champions Park. In the fiscal year 2026 adopted budget, some projects that funds have been allocated towards include construction of multipurpose fields and outdoor courts at the Easton Newberry Sports Complex as well as improvements at Champions Park. More information on these funds can be found on page 61.

A special revenue fund is used to account for proceeds received from the Infrastructure half-cent sales surtax. As of end of the current fiscal year, this fund reported a balance of \$300,292. Fund balance decreased 70% from the prior year due to using accumulating funds for projects such as SW 15th Ave roadway improvements and construction of a Veterans Memorial Park. In the fiscal year 2026 adopted budget, funds have been allocated towards rehabilitation of the historical power plant that was constructed in 1913 as the town's first electric plant. More information on these funds can be found on page 63.

A special revenue fund is used to account for proceeds received from the ARPA. In prior years, ARPA funds received were recorded as unearned revenue as eligibility requirements had not yet been met. During the current fiscal year, the City recognized the remaining unearned revenues as revenue as the funds were fully expended on eligible payroll recovery costs. At the end of the fiscal year, all ARPA funds have been fully expended, resulting in zero fund balance. As the program has concluded, this special revenue fund will be closed.

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A special revenue fund is used to account for proceeds received from transportation and general government buildings impact fees. The City Commissioner adopted impact fee Ordinance 2023-14 in August 2023 for collection starting on all building permits issued from November 2023 onward. In the current year, \$822,213 has been collected in impact fees of which \$450,520 have been used for transportation projects and \$100,000 have been used for building projects. At the end of the current fiscal year, this fund reported a fund balance of \$547,870. In the fiscal year 2026 adopted budget, these funds have been allocated towards debt payment on the new City Hall building and transportation improvement projects.

A special revenue fund is used to account for proceeds received from the Community Redevelopment Agency. In 2021, the City and the Alachua County Board of County Commissioners entered an interlocal agreement to establish a community redevelopment agency within the downtown area of the City. At the end of the current fiscal year, this fund reported a balance of \$704,905. Fund balance increased 37% from the prior year due to the City accumulating funds for future projects. In the current year, expenditures totaled \$408,704, an increase from prior year's \$274,793, and were used to fund a land purchase for stormwater retention, engineering design services for upcoming projects, façade grants, parking lot improvements, and sidewalk improvement projects. In the fiscal year 2026 adopted budget, funds have been allocated in accordance with the community redevelopment agency plan. More information on these funds can be found on page 66.

A debt service fund is used to account for the accumulation of resources and payment of principal and interest associated with the Revenue Bonds, Series 2024, which was issued to finance the construction of the new City Hall building. During fiscal year 2025, total debt service payments related to the bonds amounted to \$400,880. These payments were funded through transfers from the General Fund and the Impact Fees Special Revenue Fund.

Proprietary Funds—The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The electric, water and sewer funds are reported as major funds. Internal service funds are also presented which provide services to both the proprietary and governmental funds.

The various utility system funds are used to account for the operations of the City's electric, water, sewer, and mosquito control utilities. Internal Services Funds are used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its Customer Service and Utility Administration divisions, as well as its Vehicle & Equipment Replacement Fund (VERF). The Customer Service and Utility Administration Internal Service Fund services have been included within the government-wide financial statements as business-type activities. The VERF services have been included within the government-wide financial statements as governmental activities. Each utility operates like a business where the rates established by the City generally generate sufficient funds to pay the costs of current operations and provide for long-term asset acquisitions.

Total assets and deferred outflows as of September 30, 2025, for enterprise funds were \$46,829,854, total liabilities and deferred inflows were \$8,303,774, and net position was \$38,526,080 before an adjustment for consolidation of internal service fund activity of \$(130,634). The statement of net position of the proprietary funds can be found on pages 24 and 25 of this report.

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The unrestricted net position of the electric, water and sewer, and mosquito control funds at the end of the year were \$3,797,350, \$1,773,224, and \$(8,306), respectively. The internal service funds reported an unrestricted net position of \$(557,388). The internal service funds net position has been allocated among the various funds on the government-wide statements as business-type activities and governmental activities. The total change in net position for the electric, water and sewer, and mosquito control funds was \$912,969, \$3,224,873, and \$(3,126), respectively. The internal service fund reported a total change of \$83,699 in net position.

The increase in net position for both electric and the water/sewer funds is primarily attributable to growth in residential and non-residential utility service customer accounts, as well as capital contributions from developers and development-related charges. During the current fiscal year, combined charges for services in the electric, water/sewer, and mosquito control funds increased by \$1,244,009 compared to the prior year. Charges for services in the electric fund increased by \$909,228, which corresponds with growth in utility service customer accounts. Purchased power costs also increased during the year, consistent with the increased demand associated with this customer growth. In the water/sewer fund, charges for services increased by \$331,726 compared to the prior year, primarily due to growth in customer accounts. Compared to the prior year, total business-type expenses increased by \$280,606 largely due to increased purchased power costs and inflation. In the prior fiscal year, a sinkhole occurred at the wastewater treatment plant, resulting in elevated operating expenses related to repairs. As a result, the relationship between the current year increase in charges for services and operating expenses is affected by the one-time repair costs incurred in the prior year.

More information on the changes in net position of the proprietary funds can be found on page 26 of this report.

General Fund Budgetary Highlights

On September 30, 2025, the City's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue in the amount of \$358,786. Intergovernmental revenues were higher than anticipated due to Federal Emergency Management Agency reimbursements related to Hurricanes Debby, Helene and Milton.

The City's General Fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures of \$809,963. The largest budget variance, \$237,290 within the transportation function, is primarily related to a future development project that requires developer contributions prior to the City's payment. A purchase order has been issued to encumber the City's required portion of the future road construction project. Once the developer completes the project, the City will remit its portion of the road construction costs.

The schedule of revenues, expenditures, and changes in fund balance - budget and actual can be found on page 51 of this report.

**CITY OF NEWBERRY, FLORIDA
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SEPTEMBER 30, 2025**

Capital Asset and Debt Administration

Capital Assets—The City’s investment in capital assets for its governmental and business-type activities as of September 30, 2025, totaled \$71,693,351 (net of accumulated depreciation). These capital assets include land, buildings and system improvements, machinery and equipment, park facilities, and roads. The City’s investment in capital assets increased 23.0% during the current fiscal year. During fiscal year 2025, the City purchased a dump truck; completed parking lot and field improvements at Easton Newberry Sports Complex; completed improvements at Champions Park, constructed Veterans Memorial Park; improved SW 15th Ave; purchased land rights for future road projects; constructed a new City Hall building; and completed several utility system extensions and lift station projects. Additionally, the City continues to make significant investments in the design and future construction of the regional wastewater treatment plant which is expected to start construction in fiscal year 2026.

In the prior year, the governmental activities recognized subscription-based information technology arrangements (SBITAs) totaling \$16,146. During the current fiscal year, it was determined that these arrangements did not meet the City’s capitalization threshold for SBITA recognition. As a result, an adjustment was recorded to remove the SBITA liability and recognize the amount as a debt service expenditure.

Capital Assets

(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 1,922,568	\$ 1,592,938	\$ 1,565,739	\$ 1,627,937	\$ 3,488,307	\$ 3,220,875
Construction in Process	9,930,531	1,313,240	5,689,857	4,534,903	15,620,388	5,848,143
Buildings and Improvements	7,533,718	7,846,728	-	-	7,533,718	7,846,728
Equipment, Utility Systems, and Improvements	2,180,485	1,813,332	27,113,399	26,196,418	29,293,884	28,009,750
Infrastructure	14,924,052	12,566,676	-	-	14,924,052	12,566,676
Subscriptions	-	38,139	833,002	878,645	833,002	916,784
Total	\$ 36,491,354	\$ 25,171,053	\$ 35,201,997	\$ 33,237,903	\$ 71,693,351	\$ 58,408,956

Additional information on the City’s capital assets can be found on pages 36 and 37 of this report.

Long-term debt—At the end of the current fiscal year, the City had total long-term debt outstanding of \$11,168,545. The full amount represents notes payables in both the governmental and the business-type activities. In the governmental activities, the debt is related to a vehicle purchase loan agreement for purchase of the new quint fire engine as well as revenue bonds for construction of the new City Hall. In the business-type activities, the debt is related to expansion of the water system and expansion of the wastewater treatment plant.

**Outstanding Debt
Loans**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Loans	\$ 6,724,000	\$ 6,904,000	\$ 4,444,545	\$ 4,801,812	\$ 11,168,545	\$ 11,705,812
Total	\$ 6,724,000	\$ 6,904,000	\$ 4,444,545	\$ 4,801,812	\$ 11,168,545	\$ 11,705,812

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

The City’s total debt decreased by \$537,267 (4.59%) during the current fiscal year due to scheduled principal repayments. In fiscal year 2026, the City plans to begin construction of a new advanced wastewater treatment facility, which will be partially funded through State Revolving Fund (SRF) loans. As a result, long-term debt is expected to increase in fiscal year 2026. Repayment of the anticipated additional debt is expected to be supported primarily through developer contributions.

Additional information on the City’s long-term debt can be found on pages 38-41 of this report.

Economic Factors and Next Year’s Budgets and Rates

Due to the impact of current economic trends on both governmental and business-type activities, all the initiatives listed below were considered in preparing the City’s budget for the 2026 fiscal year:

■ **Generally**

The final certified City-wide taxable value of property increased to \$865 million, representing an increase of 9%.

The population is estimated to be 9,553 on September 30, 2025, which is a 5% increase from the previous fiscal year.

The unemployment rate for the Gainesville MSA at December 31, 2025, was 5.3%, which includes the City of Newberry. This is an increase from the previous fiscal year’s rate of 3.9%.

■ **Culture and Recreation**

Wild Spaces & Public Places ½ cent sales surtax—In 2022 the voters of Alachua County passed an extension of the half-cent Wild Spaces & Public Places sales surtax for the funding of recreational and conservation programs. The sales tax will be levied for ten years through 2032. The City has adopted a long-term projects plan for the expenditure of these funds on a variety of recreation facilities.

■ **Infrastructure**

Infrastructure ½ cent sales surtax—In 2022 the voters of Alachua County passed a half-cent Infrastructure sales surtax for the funding of roads, fire stations, public buildings and other infrastructure. The sales tax will be levied for ten years through 2032 with distributions beginning in March 2023. The City has adopted a long-term projects plan for the expenditure of these funds on a variety of infrastructure projects throughout the City.

■ **Public Safety**

The City has a negotiated contract with the Alachua County Sheriff’s Office for law enforcement services. The contract was renegotiated in latter fiscal year 2025 with slight increase in costs due to increased enhanced services provided. Fiscal year 2026 will be the first full fiscal year under the renegotiated contract.

■ **Electric Utility**

The power cost adjustment (PCA) will continue to be evaluated monthly to ensure proper recovery of current purchased power costs. Over the past year, both growth in utility customer accounts and increases in natural gas prices contributed to higher purchased power costs. Fuel costs are passed through to customers and included in the PCA on their utility bills. In an effort to avoid significant

**CITY OF NEWBERRY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

peaks in customer bills, the City slightly reduced the PCA during the year, which resulted in a reduction in the coverage provided by the rate stabilization fund. However, due to the overall increase in purchased power costs, the balance in the rate stabilization fund remains higher than in the prior year. The rate stabilization fund is maintained to help offset potential cost increases associated with fluctuations in natural gas prices.

The City’s electric system requires several million dollars of upcoming capital improvements due to the Florida Department of Transportation’s plan to reconstruct State Road 26. In preparation, the Commission increased rates in fiscal year 2025 to increase the electric fund’s debt capacity.

■ **Water and Sewer Utilities**

Water and sewer rates are structured to encourage conservation of natural resources and to provide adequate revenues to offset operational expenditures. The City makes incremental adjustments to these rates every year in accordance with the Public Service Commission’s Annual Water Price Index. The rates provide for adequate revenues and are reviewed annually in the budget process. The City Commission adopted increases in water and wastewater rates this year. These rate increases were driven by increases in permitting requirements by the State, related to the disposal of effluent from the utility systems, as well as increasing costs of running the utility.

In early fiscal year 2026, the City concluded the bid phase for the construction of an advanced wastewater treatment plant facility to increase overall treatment capacity and enhance the level of treatment provided. In January 2024, the City of Archer entered an interlocal agreement with the City to participate in a regional wastewater treatment plant. Under the agreement, the City of Archer will share in the construction costs of the facility and, once operational, will become a wholesale customer of the system. The City continues to actively seek grant funding and legislative appropriations for this project and, as of the date of this report has been awarded approximately \$26 million in grant funding, excluding the City of Archer’s cost-share contribution.

Additionally, the City has finalized Developer Agreements, which will provide developers with options for when to pay developer fees to secure wastewater treatment capacity for their development projects. These agreements will serve as a funding mechanism and demonstrate to the State Department of Environmental Protection that the City has the financial ability to repay SRF loans. The City anticipates utilizing SRF loans to finance any portion of the wastewater treatment plant expansion that is not covered by grant funding.

The City is also planning the construction of a new elevated water storage tank along State Road 26 to enhance fire flow capacity and support economic expansion along this key corridor. The City has received grant funding for this project and is utilizing the SRF program to provide additional financing. The project was issued for bid in fiscal year 2026, and construction is expected to begin in the latter part of fiscal year 2026.

Requests for Information

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the government’s finances and to demonstrate the City’s accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Finance Officer, City of Newberry, 25493 NW 1st Ave, Newberry, Florida 32669.

BASIC FINANCIAL STATEMENTS

CITY OF NEWBERRY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 8,946,634	\$ 5,042,988	\$ 13,989,622
Accounts Receivable	152,478	1,731,465	1,883,943
Lease Receivable	109,794	-	109,794
Note Receivable	356,450	-	356,450
Due from Other Governments	541,013	911,687	1,452,700
Due from Others	96,807	-	96,807
Prepaid Items	7,511	85	7,596
Inventory	16,392	461,119	477,511
Internal Balances	119,706	(119,706)	-
Restricted Assets:			
Cash and Cash Equivalents	564,129	3,330,751	3,894,880
Capital Assets Not Being Depreciated	11,853,099	7,255,596	19,108,695
Capital Assets Being Depreciated, Net of Accumulated Depreciation	24,638,255	27,946,401	52,584,656
Total Assets	<u>47,402,268</u>	<u>46,560,386</u>	<u>93,962,654</u>
Deferred Outflows of Resources			
Pension Related	1,456,307	257,498	1,713,805
OPEB Related	93,134	32,770	125,904
Total Deferred Outflows of Resources	<u>1,549,441</u>	<u>290,268</u>	<u>1,839,709</u>
Liabilities			
Accounts Payable	1,751,440	722,034	2,473,474
Accrued Expenses	249,597	113,744	363,341
Unearned Revenue	48,593	-	48,593
Customer Deposits	13,711	202,035	215,746
Power Costs Overrecovery	-	471,276	471,276
Non-Current Liabilities:			
Due Within One Year	595,206	490,113	1,085,319
Due in More than One Year	12,252,757	6,011,986	18,264,743
Total Liabilities	<u>14,911,304</u>	<u>8,011,188</u>	<u>22,922,492</u>
Deferred Inflows of Resources			
Leases	104,644	-	104,644
Pension Related	719,352	390,629	1,109,981
OPEB Related	151,746	53,391	205,137
Total Deferred Inflows of Resources	<u>975,742</u>	<u>444,020</u>	<u>1,419,762</u>
Net Position			
Net Investment in Capital Assets	29,877,595	29,844,575	59,722,170
Restricted for:			
Building Department	760,455	-	760,455
Transportation	134,584	-	134,584
Capital Improvement	848,162	3,128,716	3,976,878
Culture and Recreation	1,079,138	-	1,079,138
Community Redevelopment	707,585	-	707,585
Public Safety	6,187	-	6,187
Unrestricted	(349,043)	5,422,155	5,073,112
Total Net Position	<u>\$ 33,064,663</u>	<u>\$ 38,395,446</u>	<u>\$ 71,460,109</u>

See accompanying notes.

**CITY OF NEWBERRY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 3,064,465	\$ 615,893	\$ 1,334,740	\$ 500,000	\$ (613,832)	\$ -	\$ (613,832)
Public Safety	3,962,678	1,735,548	4,465	-	(2,222,665)	-	(2,222,665)
Physical Environment	1,456,125	1,498,801	195,000	-	237,676	-	237,676
Transportation	1,918,751	710,605	263,832	998,920	54,606	-	54,606
Economic Development	512,533	-	-	-	(512,533)	-	(512,533)
Culture and Recreation	1,720,072	329,359	2,000	603,541	(785,172)	-	(785,172)
Unallocated Interest	258,170	-	-	-	(258,170)	-	(258,170)
Total Governmental Activities	12,892,794	4,890,206	1,800,037	2,102,461	(4,100,090)	-	(4,100,090)
Business-Type Activities							
Electric	6,287,256	6,816,558	126,824	459,982	-	1,116,108	1,116,108
Water and Sewer	3,492,896	3,261,123	12,306	3,154,970	-	2,935,503	2,935,503
Mosquito Control	40,350	37,142	-	-	-	(3,208)	(3,208)
Total Business-Type Activities	9,820,502	10,114,823	139,130	3,614,952	-	4,048,403	4,048,403
Total Government	\$ 22,713,296	\$ 15,005,029	\$ 1,939,167	\$ 5,717,413	(4,100,090)	4,048,403	(51,687)
		General Revenues					
		Property Taxes			4,513,430	-	4,513,430
		Sales Taxes			2,264,081	-	2,264,081
		Utility Service Taxes			1,210,236	-	1,210,236
		Communication Services Taxes			295,386	-	295,386
		Business License Taxes			48,857	-	48,857
		Investment Earnings			541,050	307,455	848,505
		Other			778,014	112,801	890,815
		Transfers			323,650	(323,650)	-
		Total General Revenues			9,974,704	96,606	10,071,310
		Change in Net Position			5,874,614	4,145,009	10,019,623
		Net Position, Beginning of Year			27,190,049	34,250,437	61,440,486
		Net Position, End of Year			\$ 33,064,663	\$ 38,395,446	\$ 71,460,109

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Cash Equivalents	\$ 3,230,717	\$ 3,391,892	\$ 2,888,155	\$ 9,510,764
Accounts Receivable	146,978	-	5,500	152,478
Lease Receivable	109,794	-	-	109,794
Notes Receivable	356,450	-	-	356,450
Due from Other Governments	221,312	-	319,701	541,013
Due from Others	96,807	-	-	96,807
Inventory	16,392	-	-	16,392
Prepaid Items	7,511	-	-	7,511
Due from Other Funds	622,010	-	-	622,010
Total Assets	<u>4,807,971</u>	<u>3,391,892</u>	<u>3,213,356</u>	<u>11,413,219</u>
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	191,278	1,075,653	484,509	1,751,440
Accrued Expenditures	246,851	-	2,746	249,597
Unearned Revenue	48,593	-	-	48,593
Deposits	13,711	-	-	13,711
Due to Other Funds	-	-	85,029	85,029
Total Liabilities	<u>500,433</u>	<u>1,075,653</u>	<u>572,284</u>	<u>2,148,370</u>
Deferred Inflows of Resources				
Lease Related	104,644	-	-	104,644
Total Deferred Inflows of Resources	<u>104,644</u>	<u>-</u>	<u>-</u>	<u>104,644</u>
Fund Balances				
Non-Spendable:				
Prepays	7,511	-	-	7,511
Note Receivable	356,450	-	-	356,450
Inventory	16,392	-	-	16,392
Restricted for:				
Building Department	760,455	-	-	760,455
Transportation	134,584	-	-	134,584
Culture and Recreation	-	-	1,079,138	1,079,138
Capital Improvement	-	564,129	848,162	1,412,291
Community Redevelopment	-	-	707,585	707,585
Public Safety	-	-	6,187	6,187
Assigned for:				
Capital Projects	-	1,752,110	-	1,752,110
Unassigned	2,927,502	-	-	2,927,502
Total Fund Balances	<u>4,202,894</u>	<u>2,316,239</u>	<u>2,641,072</u>	<u>9,160,205</u>
Total Liabilities and Fund Balances	<u>\$ 4,807,971</u>	<u>\$ 3,391,892</u>	<u>\$ 3,213,356</u>	<u>\$ 11,413,219</u>

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund Balance - Total Governmental Funds \$ 9,160,205

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

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

Cost of Assets, excluding \$2,183,913 of capital assets reported in the Internal Service Fund	\$ 50,789,280	
(Accumulated Depreciation, Excluding \$584,561 of Accumulated Depreciation Reported in the Internal Service Fund)	<u>(15,897,280)</u>	34,892,000

Deferred outflows and inflows of resources in governmental activities are not current financial resources and, therefore, are not reported in governmental funds:

Deferred Outflows on Pension Liability	1,456,307	
Deferred Outflows on OPEB Liability	93,134	
Deferred Inflows on Pension Liability	(719,352)	
Deferred Inflows on OPEB Liability	<u>(151,746)</u>	678,343

Long-term liabilities 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. Long-term liabilities at year-end consist of:

Bonds	(6,165,000)	
Compensated Absences	(331,598)	
Other Postemployment Benefits	(320,691)	
Net Pension Liability	<u>(5,017,785)</u>	(11,835,074)

In fund financial statements, governmental fund types recognize discounts and premiums during the current period as other financing sources and uses. In the government-wide statements, discounts and premiums are applied against bonds payable.

Premiums	<u>(453,888)</u>	(453,888)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are reported with governmental activities.

623,077

Net Position of Governmental Activities \$ 33,064,663

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	American Rescue Plan	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 6,406,209	\$ -	\$ -	\$ 1,255,772	\$ 7,661,981
Permits, Fees, and Special					
Assessments	1,991,668	-	-	-	1,991,668
Intergovernmental	1,299,242	-	502,419	2,054,763	3,856,424
Fines and Forfeitures	7,505	-	-	-	7,505
Charges for Services	2,043,606	-	-	853,006	2,896,612
Investment Earnings	181,500	-	223,493	136,057	541,050
Miscellaneous	350,224	-	-	135,738	485,962
Interfund Charges	224,273	-	-	-	224,273
Total Revenues	<u>12,504,227</u>	<u>-</u>	<u>725,912</u>	<u>4,435,336</u>	<u>17,665,475</u>
Expenditures					
Current:					
General Government	3,219,468	-	-	426	3,219,894
Public Safety	3,958,202	-	-	-	3,958,202
Physical Environment	1,412,419	-	-	-	1,412,419
Transportation	1,175,801	-	1,125	24,938	1,201,864
Culture and Recreation	1,310,766	-	-	36,818	1,347,584
Economic Development	138,416	-	201,366	169,325	509,107
Debt Service:					
Principal	16,146	-	-	10,000	26,146
Interest and Other	-	-	-	390,880	390,880
Capital Outlay	601,679	-	7,068,455	3,802,153	11,472,287
(Total Expenditures)	<u>(11,832,897)</u>	<u>-</u>	<u>(7,270,946)</u>	<u>(4,434,540)</u>	<u>(23,538,383)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>671,330</u>	<u>-</u>	<u>(6,545,034)</u>	<u>796</u>	<u>(5,872,908)</u>
Other Financing Sources (Uses)					
Transfers In	641,336	-	1,121,338	856,458	2,619,132
Transfer Out	(827,795)	-	-	(1,467,687)	(2,295,482)
Total Other Financing Sources (Uses)	<u>(186,459)</u>	<u>-</u>	<u>1,121,338</u>	<u>(611,229)</u>	<u>323,650</u>
Net Change in Fund Balances	<u>484,871</u>	<u>-</u>	<u>(5,423,696)</u>	<u>(610,433)</u>	<u>(5,549,258)</u>
Fund Balances, Beginning of Year, As Previously Presented	3,718,023	176,887	7,739,935	3,074,618	14,709,463
Change Within the Financial Reporting Entity (Non-Major to Major Fund)	-	(176,887)	-	176,887	-
Fund Balances, Beginning of Year, Restated	<u>3,718,023</u>	<u>-</u>	<u>7,739,935</u>	<u>3,251,505</u>	<u>14,709,463</u>
Fund Balances, End of Year	<u>\$ 4,202,894</u>	<u>\$ -</u>	<u>\$ 2,316,239</u>	<u>\$ 2,641,072</u>	<u>\$ 9,160,205</u>

See accompanying notes.

**CITY OF NEWBERRY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Net Change in Fund Balance - Total Governmental Funds \$ (5,549,258)

**Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense:

Expenditures for Capital Assets	\$ 11,472,287	
Donated Assets	978,838	
(Less Current Year Depreciation, Excluding \$126,903 of Depreciation) Reported in the Internal Service Fund)	<u>(1,425,021)</u>	11,026,104

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are capitalized and amortized in the statement of activities. 26,146

The net change in net pension liability and pension related deferred outflows and inflows of resources is reported in the statement of activities, but not in the governmental fund statements. 230,674

The net change in total other postemployment benefit obligation liability and related deferred outflows and inflows of resources is reported in the statement of activities, but not in the governmental fund statements. (52,305)

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

Amortization of Bond Premium	87,526	
Change in Compensated Absences Liability	(34,019)	
Change in Accrued Interest	<u>66,340</u>	119,847

Internal service funds are used by management to charge the cost of certain activities, such as the costs of utility administration and vehicle replacement, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 73,406

Change in Net Position of Governmental Activities \$ 5,874,614

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total	
	Electric	Water and Sewer	Mosquito Control	Enterprise Funds	Internal Service Funds
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 3,757,247	\$ 1,151,868	\$ 3,849	\$ 4,912,964	\$ 130,024
Accounts Receivable	1,211,056	517,077	2,414	1,730,547	918
Due from Other Governments	83,929	827,758	-	911,687	-
Prepays	-	-	-	-	85
Inventory	262,100	199,019	-	461,119	-
Total Current Assets	5,314,332	2,695,722	6,263	8,016,317	131,027
Non-Current Assets:					
Restricted Cash and Cash Equivalents	176,516	3,154,235	-	3,330,751	-
Capital Assets:					
Land	66,263	1,499,476	-	1,565,739	-
Construction in Progress	-	5,689,857	-	5,689,857	-
Property, Plant and Equipment (Accumulated Depreciation)	11,481,627 (4,711,267)	35,290,221 (14,135,373)	37,183 (25,469)	46,809,031 (18,872,109)	2,217,594 (608,763)
Capital Assets, Net	6,836,623	28,344,181	11,714	35,192,518	1,608,831
Total Non-Current Assets	7,013,139	31,498,416	11,714	38,523,269	1,608,831
Total Assets	12,327,471	34,194,138	17,977	46,539,586	1,739,858
Deferred Outflows of Resources					
Pension Related	122,579	132,879	2,040	257,498	-
OPEB Related	13,798	18,972	-	32,770	-
Total Deferred Outflows of Resources	136,377	151,851	2,040	290,268	-

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025
(Concluded)

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Electric	Water and Sewer	Mosquito Control	Enterprise Funds	
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 456,325	\$ 259,983	\$ 60	\$ 716,368	\$ 5,666
Accrued Expenses	52,880	31,121	359	84,360	29,384
Due to Other Funds	-	-	492	492	536,489
Compensated Absences	43,641	11,607	166	55,414	78,806
Power Costs Overrecovery	471,276	-	-	471,276	-
Current Portion of Long-Term Debt	13,695	342,198	-	355,893	178,000
Total Current Liabilities	1,037,817	644,909	1,077	1,683,803	828,345
Non-Current Liabilities:					
Customer Deposits	176,516	25,519	-	202,035	-
Compensated Absences	12,309	2,902	42	15,253	38,070
Long-Term Debt	442,744	4,558,785	-	5,001,529	381,000
Total OPEB Liability	47,510	65,326	-	112,836	-
Net Pension Liability	336,925	495,309	12,064	844,298	-
Total Non-Current Liabilities	1,016,004	5,147,841	12,106	6,175,951	419,070
Total Liabilities	2,053,821	5,792,750	13,183	7,859,754	1,247,415
Deferred Inflows of Resources					
Pension Related	210,013	177,190	3,426	390,629	-
OPEB Related	22,480	30,911	-	53,391	-
Total Deferred Inflows of Resources	232,493	208,101	3,426	444,020	-
Net Position					
Net Investment in Capital Assets	6,380,184	23,443,198	11,714	29,835,096	1,049,831
Restricted for Capital Improvements	-	3,128,716	-	3,128,716	-
Unrestricted	3,797,350	1,773,224	(8,306)	5,562,268	(557,388)
Total Net Position	\$ 10,177,534	\$ 28,345,138	\$ 3,408	38,526,080	\$ 492,443
Adjustment to Reflect the Consolidation of Internal Service Fund Activity				(130,634)	
Net Position of Business-Type Activities				\$ 38,395,446	

See accompanying notes.

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

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total Enterprise Funds	Internal Service Funds
	Electric	Water and Sewer	Mosquito Control		
Operating Revenues					
Charges for Services	\$ 6,756,691	\$ 3,186,706	\$ 37,142	\$ 9,980,539	\$ -
Fees, Rentals, and Other	59,867	74,417	-	134,284	54,647
Interfund Charges	-	-	-	-	1,503,414
Total Operating Revenues	6,816,558	3,261,123	37,142	10,114,823	1,558,061
Operating Expenses					
Purchased Power	4,370,140	-	-	4,370,140	-
Personnel Services	627,138	619,240	10,992	1,257,370	1,148,017
Materials, Supplies, and Other	355,904	882,131	6,443	1,244,478	191,913
Billing and Administration	469,949	726,227	17,440	1,213,616	-
Depreciation and Amortization	468,111	1,149,311	5,623	1,623,045	129,238
(Total Operating Expenses)	(6,291,242)	(3,376,909)	(40,498)	(9,708,649)	(1,469,168)
Operating Income	525,316	(115,786)	(3,356)	406,174	88,893
Non-Operating Revenues (Expenses)					
Grant Revenue	126,824	12,306	-	139,130	15,961
Interest Income	124,497	182,728	230	307,455	-
Interest Expense	-	(122,146)	-	(122,146)	(21,155)
Insurance Recoveries	-	112,801	-	112,801	-
Total Non-Operating Revenues (Expenses)	251,321	185,689	230	437,240	(5,194)
Income Before Capital Contributions and Transfers	776,637	69,903	(3,126)	843,414	83,699
Capital Contributions and Grants					
Development Charges	-	1,377,505	-	1,377,505	-
Developer Contributions	459,982	964,822	-	1,424,804	-
Capital Grants	-	812,643	-	812,643	-
Total Capital Contributions and Grants	459,982	3,154,970	-	3,614,952	-
Transfers Out	(323,650)	-	-	(323,650)	-
Change in Net Position	912,969	3,224,873	(3,126)	4,134,716	83,699
Net Position, Beginning of Year	9,264,565	25,120,265	6,534	34,391,364	408,744
Net Position, End of Year	\$ 10,177,534	\$ 28,345,138	\$ 3,408	\$ 38,526,080	\$ 492,443

Change in Net Position - Above

Internal Service Fund Activities in the Enterprise Funds

Change in Net Position of Business-Type Activities

\$ 4,134,716

10,293

\$ 4,145,009

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds				
	Major Funds		Non-Major Fund	Total Enterprise Funds	Internal Service Funds
	Electric	Water and Sewer	Mosquito Control		
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 6,658,150	\$ 3,280,816	\$ 36,870	\$ 9,975,836	\$ -
Receipts from Interfund Services Provided	-	-	-	-	1,503,955
Cash Received from Other Sources	102,762	187,218	-	289,980	70,608
Cash Payments to Suppliers for Goods and Services	(4,923,741)	(1,088,804)	(6,285)	(6,018,830)	(188,979)
Cash Payments to Employees for Services	(656,006)	(690,977)	(11,620)	(1,358,603)	(1,142,725)
Cash Payments for Interfund Charges	(469,949)	(726,227)	(17,440)	(1,213,616)	-
Net Cash Provided by Operating Activities	711,216	962,026	1,525	1,674,767	242,859
Cash Flows from Non-Capital Financing Activities					
Loans/Advances (to) and Repayments from Other Funds	59,063	-	-	59,063	358,212
Transfer from (to) Other Funds	(323,650)	-	-	(323,650)	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	(264,587)	-	-	(264,587)	358,212
Cash Flows from Capital and Related Financing Activities					
Principal Paid on Long-Term Debt	-	(357,268)	-	(357,268)	(170,000)
Interest Paid on Long-Term Debt	-	(126,902)	-	(126,902)	(15,444)
Acquisition and Construction of Capital Assets	(141,731)	(2,023,816)	-	(2,165,547)	(421,099)
Grants	-	416,162	-	416,162	-
Development Fees Received	-	1,377,505	-	1,377,505	-
Net Cash (Used in) Capital and Related Financing Activities	(141,731)	(714,319)	-	(856,050)	(606,543)
Cash Flows from Investing Activities					
Interest Earned on Investments	124,497	182,728	230	307,455	(5,711)
Net Cash Provided by Investing Activities	124,497	182,728	230	307,455	(5,711)
Net Increase (Decrease) in Cash and Cash Equivalents	429,395	430,435	1,755	861,585	(11,183)
Cash and Cash Equivalents, Beginning of Year	3,504,368	3,875,668	2,094	7,382,130	141,207
Cash and Cash Equivalents, End of Year	\$ 3,933,763	\$ 4,306,103	\$ 3,849	\$ 8,243,715	\$ 130,024
Presented on the Statement of Net Position as					
Cash and Cash Equivalents	\$ 3,757,247	\$ 1,151,868	\$ 3,849	\$ 4,912,964	\$ 130,024
Restricted Cash and Cash Equivalents	176,516	3,154,235	-	3,330,751	-
Total Cash and Cash Equivalents	\$ 3,933,763	\$ 4,306,103	\$ 3,849	\$ 8,243,715	\$ 130,024

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Concluded)

	<u>Business-Type Activities - Enterprise Funds</u>				
	<u>Major Funds</u>		<u>Non-Major Fund</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
	<u>Electric</u>	<u>Water and Sewer</u>	<u>Mosquito Control</u>		
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>					
Operating Income	\$ 525,316	\$ (115,786)	\$ (3,356)	\$ 406,174	\$ 88,893
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	468,111	1,149,311	5,623	1,623,045	129,238
Intergovernmental Grants	42,895	-	-	42,895	15,961
Miscellaneous Revenues	-	112,801	-	112,801	-
(Increase) Decrease in:					
Accounts Receivable	(195,509)	88,206	(272)	(107,575)	541
Inventory	(262,100)	(178,271)	-	(440,371)	-
Increase (Decrease) in:					
Accounts Payable	19,986	(28,402)	158	(8,258)	2,934
Power Cost Overrecovery	44,417	-	-	44,417	-
Compensated Absences	29,129	(26,126)	73	3,076	5,292
Customer Deposits	96,968	5,904	-	102,872	-
OPEB/Net Pension Liability and Related Deferred Inflows and Outflows	(57,997)	(45,611)	(701)	(104,309)	-
Total Adjustments	185,900	1,077,812	4,881	1,268,593	153,966
Net Cash Provided by Operating Activities	\$ 711,216	\$ 962,026	\$ 1,525	\$ 1,674,767	\$ 242,859
<u>Supplemental Disclosure of Non-Cash Activities</u>					
Capital Contributions	\$ 459,982	\$ 964,822	\$ -	\$ 1,424,804	\$ -

See accompanying notes.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Newberry, Florida (the City) was established in 1895 under the laws of the State of Florida, Florida Statutes, Section 165.031(4). The City operates under a Manager-Council form of government and provides the following services as authorized by its charter: public safety, transportation, sanitation, parks and recreation, public improvements, public utilities, and general administrative services.

The Newberry Community Redevelopment Agency (the CRA) was established in 2021 to provide a method of eliminating blighted areas designated by Resolution 2021-13, and promote the economic health, safety, and welfare of the citizens of the City. The City Commission serves as the governing board of the CRA. In addition, the City has operational responsibility for the CRA. Therefore, it was determined that the CRA should be treated as a blended component unit and included as part of the primary government for financial reporting purposes.

B. Government-Wide and Fund Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefits, and claims and judgments are recorded only when payment is due.

Taxes, special assessments, intergovernmental revenues, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Capital Improvement fund* is used to account for financial resources segregated for the acquisition and construction of various construction projects.

The City reports the following major proprietary funds:

- The *electric fund* accounts for the activities of the City's electric distribution operations.
- The *water and sewer fund* accounts for the activities of the City's water distribution operations and sewer collection operations.

In addition, the City reports the following fund type:

- The internal service funds account for utility billing and administration services provided to the electric, water and sewer, mosquito control, and sanitation departments, as well as vehicle and equipment replacement services provided to other departments of the City.

Proprietary funds distinguish *operating revenues and expenses* from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Florida Statutes authorize the City to invest in local government surplus trust funds, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified public depositories, and direct obligations of the U.S. Treasury.

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 either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Receivables are recorded at their net realizable value. Accounts considered to be uncollectible are charged directly to expense. The result of the direct write-off method is not materially different from the reserve method.

Inventories and Prepaid Items

Inventories of governmental and proprietary funds are recorded using the consumption method, whereby inventories are recorded as assets at the time of purchase and recognized as expenditures or expenses in the period they are consumed.

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

Restricted Assets

Certain resources are set aside for debt repayment, customer deposits, and other purposes. These resources are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants, ordinances, or regulations.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation.

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

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Assets	Years
Buildings	20-50
Public Domain Infrastructure	30-50
System Infrastructure	30-50
Vehicles	5
Office Equipment	10
Computer Equipment	3-5
SBITAs	20

Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick leave benefits. Compensated absences are recognized as a liability to the extent the leave is attributable to services already rendered, accumulated, and is more likely than not to be paid or settled through time off or other means. In the government-wide and proprietary fund financial statements, a liability is recorded for compensated absences as these benefits are earned. In governmental fund financial statements, liabilities for compensated absences are recognized to the extent the amounts are due and payable at fiscal year-end, such as upon employee resignations, retirements, or other events that require payment of accumulated leave. The City uses a last-in, first-out (LIFO) flow assumption reflecting that employees use recently earned leave first.

Long-Term Obligations

In the government-wide financial statements, and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred with the exception of bond insurance, which is amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Subscription-Based Technology Arrangements (SBITAs)

The City recognizes a SBITA liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. At the commencement of the arrangement, the City initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. Subsequently, the SBITA liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the SBITA liability, adjusted for

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

subscription payments made at or before the lease commencement date. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITAs include how the City determines: (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- (1) The City uses the interest rate charged in the agreement as the discount rate. When an interest rate is not provided in the agreement, the City uses the treasury rate corresponding to the subscription term as the discount rate for the SBITA.
- (2) The subscription term includes the non-cancellable period of the subscription. Subscription payments included in the measurement of the SBITA liability are composed of fixed payments. The City only recognizes a SBITA liability for lease terms greater than one year.
- (3) Subscription payments are the monthly or yearly payments stated in the agreement. The City only recognizes a SBITA liability for SBITAs with a beginning present value greater than \$10,000.

Fund Balance

Fund balance classifications comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components as follows:

- *Non-Spendable*—amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- *Restricted*—amounts constrained to specific purposes either: (a) externally by third parties (creditors, grantors, contributors, or law or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- *Committed*—amounts constrained to specific purposes by the City’s governing authority, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint. The City Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance.
- *Assigned*—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Commission or by an official or body to which the City Commission delegates the authority. The City Commission has not delegated this authority. Assigned fund balance is established by the City Commission through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt service, or for other purposes). In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.
- *Unassigned*—amounts within the general fund that are not restricted, committed, or assigned, or deficit unrestricted fund balances in any governmental fund.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

When both restricted and unrestricted resources are available for use, the City will use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources are available for use, committed resources are used first, then assigned, and then unassigned.

Deferred Inflows and Outflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred outflows have a positive effect on net position, similar to assets, while deferred inflows have a negative effect on net position, similar to liabilities. The City reports deferred outflows of resources and deferred inflows of resources related to leases, pensions and other postemployment benefits (OPEB).

Pension and OPEB Related—the differences between expected and actual earnings on plan investments and expected and actual experience with regard to economic or demographic factors in the measurement of total pension and OPEB liability are reported as deferred inflows or outflows of resources, to be recognized in expense as disclosed in Notes 7 and 8. Employer contributions made between the net pension and OPEB liability measurement date and the employer’s fiscal year-end are recognized as deferred outflows of resources, to be recognized as a reduction of the net pension liability in the subsequent fiscal year.

Leases—the City is a lessor for a lease and, therefore, has recorded a receivable and deferred inflow of resources in the government-wide and fund financial statements. The deferred inflow is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

E. Property Tax Calendar

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

Property values are assessed on January 1 of each year and the assessment roll is validated July 1. The City’s property tax becomes a lien on October 1, and the tax is levied by the County each November 1. Property taxes are due before April 1 of the subsequent year, with discounts available for early payment.

If payment remains delinquent, a tax certificate for the full amount of any unpaid taxes is sold no later than June 1.

F. Adoption of New Accounting Pronouncement

During the year ended September 30, 2025, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This Statement updates guidance for the recognition and measurement of liabilities for compensated absences and supersedes previous guidance on accounting for vacation and sick leave. The City assessed its calculation of compensated absences for

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

compliance with the provisions GASB Statement No. 101, and determined, based on the nature of the compensated absences liability flow assumption and an analysis of historical usage and payout trends, that there was not a significant change in its calculation methodology after the adoption of this statement. Therefore, no prior period restatement has been recorded.

Note 2 - Deposits and Investments

Deposits and investments are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Cash Equivalents	\$ 13,989,622
Restricted Cash and Cash Equivalents	<u>3,894,880</u>
Total	<u>\$ 17,884,502</u>

All of the City's deposits and investments as of September 30, 2025, were deposits with financial institutions.

At year-end, the City's deposits and investments were covered by the Federal Depository Insurance Corporation (FDIC) or by collateral held by the City's custodial bank, which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the *Florida Security for Public Deposits Act*, Chapter 280, Florida Statutes.

The *Florida Security for Public Deposits Act* (the Act) establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 25% of the average monthly balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral up to a maximum of 125% may be required if deemed necessary under conditions set forth in the Act.

Interest Rate Risk

The interest rate risk is controlled primarily through duration, which is a measure that approximates the change in value of a bond, or bond portfolio, for a given change in interest rates. In general, shorter duration measures are less sensitive to interest rate shifts, while longer durations are more sensitive. To limit the portfolio volatility associated with changes in interest rates, the City's investment policy restricts the duration of current operating funds to have maturities of no longer than 36 months and investments of bond reserves, construction funds, and other non-operating funds having maturities of no longer than 5 ½ years.

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Note 3 - Capital Assets

Capital Asset Activity for the year ended September 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,592,938	\$ 329,630	\$ -	\$ 1,922,568
Construction in Progress	1,313,240	9,865,976	(1,248,685)	9,930,531
Total Capital Assets, Not Being Depreciated	2,906,178	10,195,606	(1,248,685)	11,853,099
Capital Assets, Being Depreciated:				
Buildings and Improvements	12,042,149	-	-	12,042,149
Equipment, Furniture, Fixtures, and Vehicles	4,645,976	763,777	(13,072)	5,396,681
Infrastructure	20,519,739	3,161,527	-	23,681,266
Subscriptions	76,277	-	(76,277)	-
Total Capital Assets, Being Depreciated	37,284,141	3,925,304	(89,349)	41,120,096
Less Accumulated Depreciation:				
Buildings and Improvements	(4,195,421)	(313,010)	-	(4,508,431)
Equipment, Furniture, Fixtures, and Vehicles	(2,832,644)	(396,624)	13,072	(3,216,196)
Infrastructure	(7,953,063)	(804,151)	-	(8,757,214)
Subscriptions	(38,138)	(38,139)	76,277	-
Total Accumulated Depreciation	(15,019,266)	(1,551,924)	89,349	(16,481,841)
Total Capital Assets Being Depreciated, Net	22,264,875	2,373,380	-	24,638,255
Governmental Activities Capital Assets, Net	\$ 25,171,053	\$ 12,568,986	\$ (1,248,685)	\$ 36,491,354
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,627,937	\$ -	\$ (62,198)	\$ 1,565,739
Construction in Progress	4,534,903	1,328,604	(173,650)	5,689,857
Total Capital Assets, Not Being Depreciated	6,162,840	1,328,604	(235,848)	7,255,596
Capital Assets, Being Depreciated:				
Electric Distribution System	8,620,822	707,674	-	9,328,496
Water and Sewer Distribution System	31,867,037	1,727,975	-	33,595,012
Vehicles and Equipment	2,945,256	61,070	-	3,006,326
Subscriptions	912,877	-	-	912,877
Total Capital Assets, Being Depreciated	44,345,992	2,496,719	-	46,842,711
Less Accumulated Depreciation:				
Electric Distribution System	(3,402,098)	(322,498)	-	(3,724,596)
Water and Sewer Distribution System	(12,514,747)	(984,182)	-	(13,498,929)
Vehicles and Equipment	(1,319,852)	(273,058)	-	(1,592,910)
Subscriptions	(34,232)	(45,643)	-	(79,875)
Total Accumulated Depreciation	(17,270,929)	(1,625,381)	-	(18,896,310)
Total Capital Assets Being Depreciated, Net	27,075,063	871,338	-	27,946,401
Business-Type Activities Capital Assets, Net	\$ 33,237,903	\$ 2,199,942	\$ (235,848)	\$ 35,201,997

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Depreciation expense was charged to functions/programs as follows:

Governmental Activities		
General Government	\$	115,538
Public Safety		277,698
Physical Environment		16,736
Transportation		720,796
Culture and Recreation		<u>421,156</u>
Total		<u>\$ 1,551,924</u>
 Business-Type Activities		
Electric	\$	490,932
Water and Sewer		1,126,489
Mosquito Control		5,623
Internal Service Funds		<u>2,337</u>
Total		<u>\$ 1,625,381</u>

Note 4 - Interfund Receivables, Payables, and Transfers

The following is a summary of interfund receivables and payables at September 30, 2025:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 85,029
General Fund	Internal Service Funds	536,489
General Fund	Non-Major Enterprise Fund	<u>492</u>
Total		<u>\$ 622,010</u>

The outstanding balance between the general fund and the non-major governmental funds is mainly with the Wild Spaces Public Places fund that resulted from a loan to aid in funds provided to the County to assist with the purchase and development of land located within the City to create the Canterbury Equestrian Center. The loan is expected to be repaid within the next fiscal year from the Wild Spaces Public Places fund and is reported as a due from other fund in the general fund.

The outstanding balance between the general fund and the internal service funds resulted from a short-term advance to cover a deficit cash balance in the internal service funds. The balance is expected to be repaid within one year.

Interfund Transfers

The City makes transfers among its funds in the course of the fiscal year. A summary of interfund transfers follows:

**CITY OF NEWBERRY, FLORIDA
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SEPTEMBER 30, 2025**

<u>Transfers (Out)</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Non-Major Funds</u>	
General Fund	\$ -	\$ 71,337	\$ 756,458	\$ 827,795
Non-Major Funds	317,686	1,050,001	100,000	1,467,687
Electric Fund	323,650	-	-	323,650
Total	<u>\$ 641,336</u>	<u>\$ 1,121,338</u>	<u>\$ 856,458</u>	<u>\$ 2,619,132</u>

Transfers are normally recurring and are approved by the City Commission during the budget process. Transfers from the electric fund to the general fund are to recover costs provided by the general fund and to support general fund operations. Transfers into the capital improvement fund were for capital-related projects. Transfers into the non-major funds were to fund the annual principal and interest requirements of the new city hall and to provide funding for the construction and development of Veterans Memorial Park.

Note 5 - Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Fire Truck Purchase, Series 2023	\$ 729,000	\$ -	\$ (170,000)	\$ 559,000	\$ 178,000
Revenue Bonds, Series 2024	6,175,000	-	(10,000)	6,165,000	50,000
Bond Premium	541,414	-	(87,526)	453,888	86,066
Compensated Absences	297,580	34,018	-	331,598	281,140
Total OPEB Liability	277,434	43,257	-	320,691	-
Net Pension Liability	5,905,153	-	(887,367)	5,017,786	-
SBITA Liability	16,146	-	(16,146)	-	-
Governmental Activity Long-Term Liabilities	<u>\$ 13,941,727</u>	<u>\$ 77,275</u>	<u>\$ (1,171,039)</u>	<u>\$ 12,847,963</u>	<u>\$ 595,206</u>
Business-Type Activities					
State Revolving Fund Loans	\$ 3,972,812	\$ -	\$ (222,267)	\$ 3,750,545	\$ 241,503
Water/Sewer Rev. Bond, Series 2022	777,000	-	(83,000)	694,000	87,000
Compensated Absences	179,176	8,367	-	187,543	134,220
Total OPEB Liability	127,157	-	(14,321)	112,836	-
Net Pension Liability	1,182,407	-	(338,109)	844,298	-
Line of Credit	52,000	-	(52,000)	-	-
SBITA Liability	912,877	-	-	912,877	27,390
Business-Type Activity Long-Term Liabilities	<u>\$ 7,203,429</u>	<u>\$ 8,367</u>	<u>\$ (709,697)</u>	<u>\$ 6,502,099</u>	<u>\$ 490,113</u>

Compensated absences, net pension, and total OPEB liabilities reported in governmental activities are liquidated primarily by the general fund.

The City's loans payable are comprised of the following:

CITY OF NEWBERRY, FLORIDA
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SEPTEMBER 30, 2025

Governmental Activities

■ **Fire Truck Purchase, Series 2023, Direct Placement**

In August 2023, the City entered into a loan agreement with Flagstar Public Funding Corporation to finance the acquisition of vehicles and equipment for the City's Fire Department for the amount of \$882,000. Interest accrues at an annual rate of 4.873%. Principal and interest are paid annually, commencing August 1, 2024.

■ **Capital Improvement Revenue Bonds, Series 2024**

In July 2024, the City issued bonds in the amount of \$6,175,000 at a fixed rate of 4.375% maturing September 1, 2054. The bonds are payable solely from a pledge of future Non-Ad Valorem Revenues. The bond proceeds are to be used for the design and construction of the new City Hall. The bonds were sold through a negotiated public sale. A premium of \$541,414 was realized on the bond issuance.

Business-Type Activities

■ **Clean Water State Revolving Fund Loan, Direct Borrowing**

In September 2006, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of improvements to the wastewater treatment plant for a total amended amount of \$2,539,208. Interest accrues at annual rates ranging from 1.83% to 2.33%. Principal and interest are due semiannually on August 15 and February 15 of each year until maturity on August 15, 2034.

■ **Clean Water State Revolving Fund Planning Loan, Direct Borrowing**

In June 2019, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of planning and administrative work necessary for the City to qualify for Clean Water State Revolving Fund financing for construction of wastewater transmission, collection, reuse, and treatment facilities for a total amended amount of \$3,879,600. The loan is structured so that 50% of the loan is eligible for principal forgiveness in the form of a capital grant and the remaining 50% is debt of the City. Interest accrues at annual rates ranging from 0.14% to 2.12%. Principal and interest payments in the amount of \$56,718 are due semiannually on August 15 and February 15 of each year until all amounts due under the agreement have been fully paid, beginning August 15, 2024. The total amount drawn down as of September 30, 2025, is \$3,879,600 of which \$1,871,708 is recorded as a loan payable.

■ **Drinking Water State Revolving Fund Planning Loan, Direct Borrowing**

In October 2022, the City entered into a loan agreement with the Florida Department of Environmental Protection to finance the cost of planning or administrative work necessary to qualify for Drinking Water State Revolving Fund financing for construction of drinking water facilities for a total amended amount of \$670,902. Interest accrues at an annual rate of 2.00%. Principal and interest payments in the amount of \$42,556 are due semiannually on August 15 and February 15 each year until all amounts due under the agreement have been fully paid, beginning August 15, 2025.

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■ **Water and Sewer Revenue Bond, Series 2022, Direct Placement**

In November 2022, the City issued a bond to Truist Bank to finance the acquisition, construction and equipping of additions and extensions to existing water and sewer system for a total of \$915,000. Interest is payable semiannually on each September 1 and March 1, commencing March 1, 2023, at an annual rate equal to 4.23%. Principal payments, paid annually, commence September 1, 2023, for \$58,000 increasing each year until final payment on principal is made in 2032 for \$112,000. The bond is callable at any time at 100%.

■ **Water and Sewer Utility Revolving Credit Bond, Series 2024, Direct Borrowing**

In July 2024, the City closed on a \$10,000,000 Revolving Line of Credit (Series 2024 Credit Bond) with a two year term. The Line of Credit will be used to provide funding for the City’s water and sewer utility projects and to pay costs of issuance. The interest rate on the Line of Credit is variable and will be calculated at a rate of 79% of SOFR plus 100 basis points with the interest payments being due semi-annually on March 1 and September 1. As of September 30, 2025, the City has not drawn on the line of credit.

Annual Debt Service

Annual debt service requirements to maturity for the City’s outstanding loans are as follows:

Year Ending September 30,	Governmental Activities			
	Direct Borrowings and Direct Placements		Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 178,000	\$ 27,240	\$ 50,000	\$ 352,650
2027	186,000	18,566	55,000	343,650
2028	195,000	9,502	65,000	322,050
2029	-	-	80,000	307,650
2030	-	-	90,000	307,650
2031-2035	-	-	720,000	1,275,300
2036-2040	-	-	990,000	1,005,800
2041-2045	-	-	1,205,000	783,085
2046-2050	-	-	1,480,000	508,825
2051-2055	-	-	1,430,000	159,688
	<u>\$ 559,000</u>	<u>\$ 55,308</u>	<u>\$ 6,165,000</u>	<u>\$ 5,366,348</u>

Year Ending September 30,	Business-Type Activities	
	Principal	Interest
2026	\$ 328,503	\$ 85,688
2027	375,553	81,639
2028	385,158	75,593
2029	394,875	69,327
2030	404,704	62,839
2031-2035	1,541,332	123,681
2036-2040	520,644	7,484
2041-2045	493,776	7,484
Total	<u>\$ 4,444,545</u>	<u>\$ 513,735</u>

**CITY OF NEWBERRY, FLORIDA
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SEPTEMBER 30, 2025**

Debt Covenants

The City has covenanted to establish, maintain, and collect fees from users of the water and sewer system, which, after payment of the costs of operation and maintenance, result in net revenues equal to or exceeding 115% of the bond service requirements of the State Revolving Fund Loans. As of September 30, 2025, the City has met its debt covenants.

Default Provisions

■ **State Revolving Fund Loans**

The outstanding loans contain a provision that in the event of default, the Florida Department of Environmental Protection may enforce its rights by accelerating the repayment schedule, increasing the interest rate on the unpaid principal of the loans to as much as 1.667 times the loan interest rate, or by other methods brought by action or suit.

■ **Water and Sewer Revenue Bond, Series 2022**

Any holder of the bond may either at law or in equity, by action or suit, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in the related Resolution, and may enforce and compel the performance of all duties required by the Resolution.

■ **Fire Truck Purchase, Series 2023**

In the event of default, the lender may demand and sue for compensatory damages, including the accelerated payment of amounts due, require the City voluntarily return the equipment, and/or exercise any legal right or remedy through court action.

■ **Capital Improvement Revenue Bonds, Series 2024**

In the event of default, the bondholders may protect and enforce any and all rights under the Laws of the State of Florida or granted and contained in the Bond Resolution.

Interest Expense

The total interest cost incurred by the City during the current fiscal year was \$324,509.

Note 6 - Pledged Revenues

The City has pledged certain revenues to repay loans outstanding as of September 30, 2025. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the loans at September 30, 2025:

Pledged Revenue	Description of Debt	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Net Water and Sewer System Revenues	Drinking Water SRF Loan, Clean Water SRF Loan, Revenue Bond	\$ 1,228,559	\$ 431,514	35.12%	\$ 4,958,280	2044

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Note 7 - Retirement Plans

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability, or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings.

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

The benefits under the HIS program are described in Section 112.363, Florida Statutes. In general, an eligible retiree is entitled to a benefit of \$7.50 per month per year of service, with a minimum benefit of \$45 per month and maximum benefit of \$225 per month. The retiree must apply for and provide certification of health insurance coverage to be eligible for the subsidy.

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2025, were as follows:

CITY OF NEWBERRY, FLORIDA
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	<u>FRS</u>	<u>HIS</u>
Regular Class	12.03%	2.00%
Special Risk Class	33.19%	2.00%
Senior Management Service Class	31.24%	2.00%
Elected Officials	52.57%	2.00%
DROP from FRS	20.02%	2.00%

The City's contributions for the year ended September 30, 2025, were \$822,232 to the FRS Pension Plan and \$117,439 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2025, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2025. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>	<u>Investment Plan</u>
Net Pension Liability	\$ 4,207,848	\$ 1,654,236	N/A
Proportion at:			
Current Measurement Date	0.0135583380%	0.0129061299%	N/A
Prior Measurement Date	0.0135590235%	0.0122811535%	N/A
Pension Expense	\$ 506,384	\$ 114,720	\$ 408,055

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions After Measurement Date	\$ 221,693	\$ -	\$ 30,812	\$ -
Difference Between Expected and Actual Experience	449,441	-	9,875	2,624
Change of Assumptions	488,640	-	14,642	400,117
Changes of Proportion and Difference Between City Contributions and Proportionate Share of Contributions	210,830	2,012	287,872	1,309
Net Difference Between Projected and Actual Earnings on Pension Investments	-	702,542	-	1,377
Total	<u>\$ 1,370,604</u>	<u>\$ 704,554</u>	<u>\$ 343,201</u>	<u>\$ 405,427</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2026. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

**CITY OF NEWBERRY, FLORIDA
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<u>Fiscal Year Ending</u>	<u>FRS Amount</u>	<u>HIS Amount</u>
2026	\$ 766,895	\$ (3,306)
2027	(53,951)	(23,450)
2028	(137,385)	(22,193)
2029	(131,202)	(21,977)
2030	-	(22,112)
Thereafter	-	-
Total	<u>\$ 444,357</u>	<u>\$ (93,038)</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2025. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2025. The total pension liability for the HIS Program was determined by an actuarial valuation dated July 1, 2024.

The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary Increases Including Inflation	3.50%	3.50%
Long-Term Expected Rate of Return	6.70%	N/A
Discount Rate	6.70%	5.20%

Mortality assumptions for the FRS Pension Plan and HIS Plan were based on the PUB-2010 base table varying by member category and sex, projected generationally with Scale MP-2021.

For both plans, the actuarial assumptions 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:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.2%	3.2%	1.1%
Fixed Income	29.0%	5.5%	5.4%	4.0%
Global Equity	45.0%	8.5%	6.9%	18.3%
Real Estate	12.0%	8.4%	7.1%	16.8%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.5%	6.1%	8.7%
Assumed Inflation – Mean	n/a	n/a	2.4%	1.5%

Note: (1) As Outlined in the Plan's Investment Policy.

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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Discount Rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 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.

The discount rate used to measure the total pension liability for the HIS Pension Plan 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.

The following changes in actuarial assumption occurred in 2025:

- HIS—The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.93% to 5.20%.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer’s proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

FRS	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City’s Proportionate Share of the Net Pension Liability	\$ 8,257,837	\$ 4,207,848	\$ 812,396
HIS	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
City’s Proportionate Share of the Net Pension Liability	\$ 1,865,417	\$ 1,654,236	\$ 1,477,122

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

FRS - Defined Contribution Pension Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2025, totaled \$408,055.

**CITY OF NEWBERRY, FLORIDA
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SEPTEMBER 30, 2025**

Note 8 - Other Postemployment Benefits

Plan Description

The City's Retiree Health Care Plan (the Plan) is a single employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue health insurance coverage as a participant in the City's plan. For purposes of applying Paragraph 4 under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Plan does not meet the requirements for an OPEB plan administered through a trust.

Benefits Provided

A retired employee and his or her spouse and eligible dependents are eligible to continue health insurance identical to active employees if they meet the eligibility for retirement under the applicable retirement plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents. Medicare is assumed to become primary upon attainment of age 65. This conforms to the minimum required of Florida governmental employers per Chapter 112.0801, Florida Statutes. The OPEB Plan does not issue a stand-alone report.

At October 1, 2023, the date of the latest actuarial valuation, plan participation consisted of:

Active Employees	94
Retirees and Beneficiaries Receiving Benefits	<u>2</u>
	<u>96</u>

Funding Policy

For the OPEB Plan, contribution requirements of the City are established and may be amended through action from the City Commission. To-date, the City has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit cost and expenses. There is no separate Trust fund or equivalent into which the City would make contributions to advance-fund the obligation. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the City, which are invested in very short-term fixed income instruments according to its current investment policy. The discount rate is based on the S&P Municipal 20 Year High Grade Rate Index. The discount rate is 4.50% as of the September 30, 2025, value of the index.

Total OPEB Liability

The City's total OPEB liability was measured as of September 30, 2025. The actuarial valuation date was October 1, 2023.

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year	\$ <u>404,591</u>
Service Cost	41,841
Interest on Total OPEB Liability	17,817
Change of Assumptions	(15,389)
Benefit Payments	<u>(15,333)</u>
Net Change in Total OPEB Liability	<u>28,936</u>
Total OPEB Liability, End of Year	<u>\$ 433,527</u>

**CITY OF NEWBERRY, FLORIDA
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Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Total OPEB Liability	\$ <u>469,024</u>	\$ <u>433,527</u>	\$ <u>400,097</u>

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

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ <u>373,546</u>	\$ <u>433,527</u>	\$ <u>505,160</u>

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

For the fiscal year ended September 30, 2025, the City recognized OPEB expense of \$52,996. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions and Other Inputs	\$ 22,420	\$ 89,503
Difference Between Expected and Actual Experience	103,484	115,634
Total	<u>\$ 125,904</u>	<u>\$ 205,137</u>

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

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2026	\$ (8,437)
2027	(8,134)
2028	(38,529)
2029	(24,563)
2030	2,631
Thereafter	<u>(2,201)</u>
Total	<u>\$ (79,233)</u>

**CITY OF NEWBERRY, FLORIDA
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Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	October 1, 2023
Measurement Date:	September 30, 2025
Reporting Date:	September 30, 2025
Actuarial Cost Method:	Entry Age Normal Cost
Discount Rate:	4.50%
Projected Salary Increases:	2.00%
Retirement Age:	General Employees are assumed to retire at age 62 and Special Risk employees at age 55.
Mortality:	Mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. Rates are based on those outlined in Milliman's July 1, 2023 FRS Valuation.
Healthcare Cost Trend Rate:	Initial Trend Rate 7.00% Ultimate Trend Rate 4.00%
Expenses:	Included in the premiums used

Changes of Assumptions reflect a change in the discount rate from 4.06% for the reporting period ended September 30, 2024, to 4.50% for the reporting period ended September 30, 2025.

Note 9 - Leases

Lessor

The City is a lessor for a facility rental and a land lease. The key terms are noted below.

The facility rental is a 60-month lease beginning August 12, 2023. An initial lease receivable was recorded in the amount of \$160,305. As of September 30, 2025, the value of the lease receivable is \$109,794. The lessee is required to make monthly fixed payments of \$2,500 through August 15, 2025, and \$2,550 thereafter. The lease has an interest rate of 4.45%. The value of the deferred inflow as of September 30, 2025, was \$104,644 and the City recognized lease revenue of \$26,717 during the fiscal year.

Note 10 - Subscription-Based Information Technology Arrangements

During fiscal year 2024, the City entered into a software subscription-based information technology arrangement with a subscription term of 240 months. The discount rate used for the calculation of the software subscription liability was 4.73%. The City did not make any payments on the liability during the year.

Future principal and interest related to the City's software subscription payables are estimated as follows:

Fiscal Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ -	\$ -	\$ -	\$ 27,390	\$ 85,764	\$ 113,154
2027	-	-	-	17,252	41,884	59,136
2028	-	-	-	19,842	41,068	60,910
2029	-	-	-	22,608	40,129	62,737
2030	-	-	-	25,559	39,060	64,619
2031-2035	-	-	-	179,327	174,036	353,363
2036-2040	-	-	-	287,639	122,005	409,644
2041-2045	-	-	-	333,260	40,956	374,216
Total	\$ -	\$ -	\$ -	\$ 912,877	\$ 584,902	\$ 1,497,779

CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Note 11 - Notes Receivable

The City executed a loan agreement effective July 28, 2025, with Newberry Community School, Inc., a Florida non-for-profit corporation (the Borrower), authorized to operate the Newberry Community School (the Charter School), a conversion charter school within city limits. The agreement authorizes the Borrower to borrow up to \$1,800,000 plus \$400,000 in capitalized interest to cover startup and operational costs of the Charter School at a rate of 1% per annum, calculated monthly. The proceeds of the non-revolving loan will be held by the City and made available to the Borrower on a drawdown basis through advances. As of year-end, the total outstanding balance owed to the City was \$356,450. Repayment of the outstanding principal balance is scheduled to occur semi-annually on January 1 and July 1 of each year, commencing on January 1, 2030. The note matures thirty years from the effective date on July 28, 2055.

Note 12 - Commitments and Contingencies

Commitments

Interlocal Agreement

During 2011, the City signed an interlocal agreement with the County, in which the County agreed to provide to the City tourist development tax revenues in exchange for the City securing financing and arranging for the construction of a 16-field youth baseball park (the Park). Additionally, the City covenanted to own, maintain, and operate the Park in a manner that will attract tourists to attend multiday baseball and fast-pitch softball tournaments conducted at least 12 weeks each year. If the City fails to meet the requirements in the agreement, the County may request that the Park, together with all improvements, be transferred to the County, at which time the City will have the option of transferring the property or paying to the County the fair market value at the time of request.

Construction Commitments

As of September 30, 2025, the City had various construction projects in progress that were not completed with remaining balances that totaled approximately \$626,005.

Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state 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 amounts, if any, to be immaterial.

The City is a defendant in lawsuits which arise in the ordinary course of the City's business. These cases are either in the early stages of litigation or are not expected to have a material effect on the financial position or results of operation of the City.

Note 13 - Stewardship, Compliance, and Accountability

Deficit Fund Balances or Net Positions

At September 30, 2025, the following funds had deficit fund balances or net positions:

**CITY OF NEWBERRY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

<u>Fund</u>	<u>Type</u>	<u>Deficit</u>
Utility Administration	Internal Service	\$ (137,984)

Note 14 - 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. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. The City’s coverage for workers’ compensation is under a retrospectively rated policy.

Note 15 - Changes Within the Financial Reporting Entity

During fiscal year 2025, the American Rescue Plan fund was reclassified from major to non-major due to a significant decrease in its assets.

	<u>Funds</u>	
	<u>American Rescue Plan</u>	<u>Non-Major Governmental</u>
Fund Balances, Beginning of Year, as Previously Reported	\$ 176,887	\$ 3,074,618
Change from Major Fund to Non-Major Fund	(176,887)	176,887
Fund Balance, Beginning of Year, Restated	\$ -	\$ 3,251,505

Note 16 - Subsequent Events

On October 27, 2025, the City was approved for two State Revolving Fund (SRF) loans: a \$20,000,000 loan with \$14,000,000 in principal debt forgiveness for the construction of the wastewater treatment plant and a \$5,300,000 loan with \$1,000,000 in principal debt forgiveness for construction of a new elevated water storage tank.

On January 26, 2026, the City approved an SRF Drinking Water Distribution System Redundant Loan for \$18,250,000 with \$9,125,000 in principal forgiveness for system resiliency upgrades.

On February 9, 2026, the City Commission approved the construction of a new Wastewater Treatment Plant (WWTP) with an estimated construction cost of up to \$75,000,000. These projects are expected to be funded through a combination of the aforementioned SRF loans, grants, development fees charged to new construction, and other City financing sources.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWBERRY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 6,497,092	\$ 6,497,092	\$ 6,406,209	\$ (90,883)
Permits, Fees, and Special Assessments	1,890,350	1,890,350	1,991,668	101,318
Intergovernmental	1,096,900	1,181,900	1,299,242	117,342
Fines and Forfeitures	4,250	4,250	7,505	3,255
Charges for Services	1,891,829	1,891,829	2,043,606	151,777
Investment Earnings and Other	226,750	455,750	531,724	75,974
Interfund Charges	224,270	224,270	224,273	3
Total Revenues	<u>11,831,441</u>	<u>12,145,441</u>	<u>12,504,227</u>	<u>358,786</u>
Expenditures				
General Government:				
Legislative	142,220	154,220	149,396	4,824
Executive	713,686	764,861	715,648	49,213
Finance and Administrative	969,256	975,919	943,815	32,104
Legal Counsel	114,430	264,212	99,612	164,600
Comprehensive Planning	545,926	536,246	501,597	34,649
Other General Government Services	714,175	877,056	816,075	60,981
Public Safety:				
Fire Control	2,464,880	2,467,631	2,371,687	95,944
Law Enforcement	1,031,936	1,034,936	1,033,726	1,210
Building and Zoning	568,693	548,006	506,293	41,713
Code Enforcement	118,066	133,066	126,927	6,139
Transportation	1,124,782	1,704,788	1,467,498	237,290
Culture and Recreation	1,437,898	1,413,501	1,353,737	59,764
Economic Environment	98,912	162,153	138,416	23,737
Physical Environment	1,313,562	1,606,265	1,592,324	13,941
Debt Service: Principal	-	-	16,146	(16,146)
(Total Expenditures)	<u>(11,358,422)</u>	<u>(12,642,860)</u>	<u>(11,832,897)</u>	<u>809,963</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>473,019</u>	<u>(497,419)</u>	<u>671,330</u>	<u>1,168,749</u>
Other Financing Sources				
Transfers In	323,650	633,650	641,336	7,686
Transfer Out	(642,043)	(832,373)	(827,795)	4,578
Total Other Financing Sources	<u>(318,393)</u>	<u>(198,723)</u>	<u>(186,459)</u>	<u>12,264</u>
Net Change in Fund Balance	154,626	(696,142)	484,871	1,181,013
Fund Balances, Beginning of Year	<u>3,718,023</u>	<u>3,718,023</u>	<u>3,718,023</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,872,649</u>	<u>\$ 3,021,881</u>	<u>\$ 4,202,894</u>	<u>\$ 1,181,013</u>

CITY OF NEWBERRY, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025

Note 1 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

The City of Newberry, Florida (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 at the fund level. The City Manager, or designee, is authorized to make budget adjustments within a fund that do not change the total budget of a fund.
5. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America for governmental fund types.

**CITY OF NEWBERRY, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2025**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City of Newberry's Proportion of the FRS Net Pension Liability	0.013558338%	0.013559024%	0.012853126%	0.012755841%	0.011969186%	0.012017108%	0.012387818%	0.012419319%	0.011896231%	0.010542663%
City of Newberry's Proportionate Share of the FRS Net Pension Liability	\$ 4,207,848	\$ 5,245,268	\$ 5,121,564	\$ 4,746,198	\$ 904,136	\$ 5,208,392	\$ 4,266,192	\$ 3,740,763	\$ 3,518,825	\$ 2,662,031
City of Newberry's Covered Payroll (for the Year Ended June 30)	5,767,500	5,198,794	4,282,464	3,892,771	3,384,396	3,176,145	3,120,843	2,986,205	2,816,687	2,408,663
City of Newberry's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	72.96%	100.89%	119.59%	121.92%	26.71%	163.98%	136.70%	125.27%	124.93%	110.52%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

Note: The amounts shown above, as reported on the date indicated, have a measurement date three months prior.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City of Newberry's Proportion of the HIS Net Pension Liability	0.012906130%	0.012281154%	0.011360072%	0.010679475%	0.009558714%	0.009149382%	0.009222925%	0.009140888%	0.008834977%	0.008752638%
City of Newberry's Proportionate Share of the HIS Net Pension Liability	\$ 1,654,236	\$ 1,842,293	\$ 1,804,131	\$ 1,131,127	\$ 1,172,520	\$ 1,117,125	\$ 1,031,953	\$ 967,482	\$ 944,676	\$ 1,020,084
City of Newberry's Covered Payroll (for the Year Ended June 30)	5,767,500	5,198,794	4,282,464	3,892,771	3,384,396	3,176,145	3,120,843	2,986,205	2,816,687	2,408,663
City of Newberry's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	28.68%	35.44%	42.13%	29.06%	34.64%	35.17%	33.07%	32.40%	33.54%	42.35%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

Note: The amounts shown above, as reported on the date indicated, have a measurement date three months prior.

**CITY OF NEWBERRY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2025**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 822,232	\$ 782,563	\$ 655,822	\$ 564,167	\$ 490,926	\$ 411,646	\$ 388,567	\$ 359,768	\$ 312,743	\$ 256,615
FRS Contribution in Relation to the Contractually Required Contribution	<u>(822,232)</u>	<u>(782,563)</u>	<u>(655,822)</u>	<u>(564,167)</u>	<u>(490,926)</u>	<u>(411,646)</u>	<u>(388,567)</u>	<u>(359,768)</u>	<u>(312,743)</u>	<u>(256,615)</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>									
Covered Payroll (for the Year Ended September 30)	\$ 5,871,950	\$ 5,307,300	\$ 4,745,559	\$ 4,054,398	\$ 3,562,892	\$ 3,241,145	\$ 3,130,392	\$ 2,975,542	\$ 2,874,096	\$ 2,647,212
FRS Contributions as a Percentage of Covered Payroll	14.00%	14.75%	13.82%	13.91%	13.78%	12.70%	12.41%	12.09%	10.88%	9.69%

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 117,439	\$ 106,146	\$ 82,810	\$ 67,303	\$ 59,144	\$ 53,803	\$ 51,806	\$ 49,394	\$ 47,710	\$ 43,895
HIS Contribution in Relation to the Contractually Required Contribution	<u>(117,439)</u>	<u>(106,146)</u>	<u>(82,810)</u>	<u>(67,303)</u>	<u>(59,144)</u>	<u>(53,803)</u>	<u>(51,806)</u>	<u>(49,394)</u>	<u>(47,710)</u>	<u>(43,895)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (for the Year Ended September 30)	\$ 5,871,950	\$ 5,307,300	\$ 4,745,559	\$ 4,054,398	\$ 3,562,892	\$ 3,241,145	\$ 3,130,392	\$ 2,975,542	\$ 2,874,096	\$ 2,647,212
HIS Contributions as a Percentage of Covered Payroll	2.00%	2.00%	1.75%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

CITY OF NEWBERRY, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability								
Service Cost	\$ 41,841	\$ 41,048	\$ 22,244	\$ 33,363	\$ 40,104	\$ 31,649	\$ 13,163	\$ 12,905
Interest on the Total OPEB Liability	17,817	20,549	14,739	9,038	9,779	12,940	16,549	14,955
Changes of Assumptions	(15,389)	(31,220)	(3,068)	(92,446)	(13,214)	51,192	-	-
Difference Between Expected and Actual Experience	-	67,689	-	(113,315)	-	(176,929)	18,943	16,977
Benefit Payments	(15,333)	(13,241)	(1,786)	(1,735)	(1,652)	(3,803)	(1,273)	(797)
Net Change in Total OPEB Liability	<u>28,936</u>	<u>84,825</u>	<u>32,129</u>	<u>(165,095)</u>	<u>35,017</u>	<u>(84,951)</u>	<u>47,382</u>	<u>44,040</u>
Total OPEB Liability - Beginning	<u>404,591</u>	<u>319,766</u>	<u>287,637</u>	<u>452,732</u>	<u>417,715</u>	<u>502,666</u>	<u>455,284</u>	<u>411,244</u>
Total OPEB Liability - Ending	<u>\$ 433,527</u>	<u>\$ 404,591</u>	<u>\$ 319,766</u>	<u>\$ 287,637</u>	<u>\$ 452,732</u>	<u>\$ 417,715</u>	<u>\$ 502,666</u>	<u>\$ 455,284</u>
Covered-Employee Payroll	<u>\$ 4,277,993</u>	<u>\$ 4,194,110</u>	<u>\$ 3,525,571</u>	<u>\$ 3,456,442</u>	<u>\$ 2,689,420</u>	<u>\$ 2,636,687</u>	<u>\$ 2,338,750</u>	<u>\$ 2,292,892</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	10.13%	9.65%	9.07%	8.32%	16.83%	15.84%	21.49%	19.86%

Notes to the Schedule

10 years of data will be presented as available.

The City does not accumulate assets in a trust to pay related benefits.

Covered Employee Payroll was projected one year forward from the valuation date of the reporting period ended September 30, 2025.

Difference Between Expected and Actual Experience - reflects the impact of changes to the census data from the prior valuation to the current valuation, as applicable.

Changes of Assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate period.

The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2025	4.50%
Fiscal Year Ending September 30, 2024	4.06%
Fiscal Year Ending September 30, 2023	4.87%
Fiscal Year Ending September 30, 2022	4.77%
Fiscal Year Ending September 30, 2021	2.43%
Fiscal Year Ending September 30, 2020	2.14%
Fiscal Year Ending September 30, 2019	3.64%
Fiscal Year Ending September 30, 2018	3.64%

SUPPLEMENTARY INFORMATION

CITY OF NEWBERRY, FLORIDA
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds		
	Champions Park	Wild Spaces Public Places	Infrastructure Sales Surtax
Assets			
Cash and Cash Equivalents	\$ 28,004	\$ 1,088,973	\$ 340,969
Accounts Receivable	-	-	-
Due from Other Governments	-	116,413	203,288
Total Assets	28,004	1,205,386	544,257
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	-	69,223	243,965
Accrued Expenses	-	-	-
Due to Other Funds	4,745	80,284	-
Total Liabilities	4,745	149,507	243,965
Fund Balance:			
Restricted for:			
Culture and Recreation	23,259	1,055,879	-
Infrastructure	-	-	300,292
Capital Improvement	-	-	-
Community Redevelopment	-	-	-
Public Safety	-	-	-
Total Fund Balance	23,259	1,055,879	300,292
Total Liabilities and Fund Balance			
Balance	\$ 28,004	\$ 1,205,386	\$ 544,257

Special Revenue Funds						Total
American Rescue Plan	Impact Fees Fund	Opioid Settlement Proceeds	Newberry Historical Association	Community Redevelopment Agency	Debt Service Fund	Non-Major Governmental Funds
\$ -	\$ 708,468	\$ 6,612	\$ 2,680	\$ 712,449	\$ -	\$ 2,888,155
-	-	-	-	5,500	-	5,500
-	-	-	-	-	-	319,701
-	708,468	6,612	2,680	717,949	-	3,213,356
-	160,598	425	-	10,298	-	484,509
-	-	-	-	2,746	-	2,746
-	-	-	-	-	-	85,029
-	160,598	425	-	13,044	-	572,284
-	-	-	-	-	-	1,079,138
-	-	-	-	-	-	300,292
-	547,870	-	-	-	-	547,870
-	-	-	2,680	704,905	-	707,585
-	-	6,187	-	-	-	6,187
-	547,870	6,187	2,680	704,905	-	2,641,072
\$ -	\$ 708,468	\$ 6,612	\$ 2,680	\$ 717,949	\$ -	\$ 3,213,356

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds		
	Champions Park	Wild Spaces Public Places	Infrastructure Sales Surtax
Revenues			
Taxes	\$ -	\$ 627,886	\$ 627,886
Intergovernmental	-	179,698	420,209
Charges for Services	30,793	-	-
Investment Earnings	165	40,319	31,499
Miscellaneous	21,324	-	101,769
Total Revenues	52,282	847,903	1,181,363
Expenditures			
Current:			
General Government	-	-	-
Transportation	-	-	-
Culture and Recreation	23,878	12,940	-
Economic Development	-	-	-
Debt Service:			
Principal	-	-	-
Interest and Other	-	-	-
Capital Outlay	-	1,070,346	2,066,847
(Total Expenditures)	(23,878)	(1,083,286)	(2,066,847)
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,404	(235,383)	(885,484)
Other Financing Sources (Uses)			
Transfers In	-	-	175,330
Transfer Out	-	-	-
Total Other Financing Sources (Uses)	-	-	175,330
Net Change in Fund Balances	28,404	(235,383)	(710,154)
Fund Balances, Beginning of Year, As Previously Presented	(5,145)	1,291,262	1,010,446
Change Within the Financial Reporting Entity (Non-Major to Major Fund)	-	-	-
Fund Balances, Beginning of Year, Restated	(5,145)	1,291,262	1,010,446
Fund Balance, End of Year	\$ 23,259	\$ 1,055,879	\$ 300,292

Special Revenue Funds						Total
American Rescue Plan	Impact Fees Fund	Opioid Settlement Proceeds	Newberry Historical Association	Community Redevelopment Agency	Debt Service Fund	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,255,772
1,175,108	-	-	-	279,748	-	2,054,763
-	822,213	-	-	-	-	853,006
15,691	19,024	188	-	29,171	-	136,057
-	-	1,965	180	10,500	-	135,738
<u>1,190,799</u>	<u>841,237</u>	<u>2,153</u>	<u>180</u>	<u>319,419</u>	-	<u>4,435,336</u>
-	-	426	-	-	-	426
-	24,938	-	-	-	-	24,938
-	-	-	-	-	-	36,818
-	-	-	-	169,325	-	169,325
-	-	-	-	-	10,000	10,000
-	-	-	-	-	390,880	390,880
-	425,581	-	-	239,379	-	3,802,153
-	(450,519)	(426)	-	(408,704)	(400,880)	(4,434,540)
<u>1,190,799</u>	<u>390,718</u>	<u>1,727</u>	<u>180</u>	<u>(89,285)</u>	<u>(400,880)</u>	<u>796</u>
-	-	-	2,500	277,748	400,880	856,458
(1,367,686)	(100,001)	-	-	-	-	(1,467,687)
<u>(1,367,686)</u>	<u>(100,001)</u>	<u>-</u>	<u>2,500</u>	<u>277,748</u>	<u>400,880</u>	<u>(611,229)</u>
<u>(176,887)</u>	<u>290,717</u>	<u>1,727</u>	<u>2,680</u>	<u>188,463</u>	-	<u>(610,433)</u>
-	257,153	4,460	-	516,442	-	3,074,618
<u>176,887</u>	-	-	-	-	-	<u>176,887</u>
<u>176,887</u>	<u>257,153</u>	<u>4,460</u>	-	<u>516,442</u>	-	<u>3,251,505</u>
<u>\$ -</u>	<u>\$ 547,870</u>	<u>\$ 6,187</u>	<u>\$ 2,680</u>	<u>\$ 704,905</u>	<u>\$ -</u>	<u>\$ 2,641,072</u>

**CITY OF NEWBERRY, FLORIDA
 AMERICAN RESCUE PLAN FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ 1,175,108	\$ 1,175,108
Investment Earnings	-	15,691	15,691
Total Revenues	<u>-</u>	<u>1,190,799</u>	<u>1,190,799</u>
Expenditures			
Physical Environment	10,000	-	10,000
(Total Expenditures)	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,000)</u>	<u>1,190,799</u>	<u>1,200,799</u>
Other Financing Sources (Uses)			
Transfer Out	(1,360,000)	(1,367,686)	(7,686)
Total Other Financing Sources (Uses)	<u>(1,360,000)</u>	<u>(1,367,686)</u>	<u>(7,686)</u>
Net Change in Fund Balance	(1,370,000)	(176,887)	1,193,113
Fund Balances, Beginning of Year	<u>176,887</u>	<u>176,887</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (1,193,113)</u>	<u>\$ -</u>	<u>\$ 1,193,113</u>

CITY OF NEWBERRY, FLORIDA
CHAMPIONS PARK SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Charges for Services	\$ 25,000	\$ 30,793	\$ 5,793
Investment Earnings	750	165	(585)
Miscellaneous	20,000	21,324	1,324
Total Revenues	<u>45,750</u>	<u>52,282</u>	<u>6,532</u>
Expenditures			
Culture and Recreation	26,250	23,878	2,372
(Total Expenditures)	<u>(26,250)</u>	<u>(23,878)</u>	<u>2,372</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,500</u>	<u>28,404</u>	<u>8,904</u>
Net Change in Fund Balance	19,500	28,404	8,904
Fund Balance, Beginning of Year	<u>(5,145)</u>	<u>(5,145)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 14,355</u>	<u>\$ 23,259</u>	<u>\$ 8,904</u>

CITY OF NEWBERRY, FLORIDA
WILD SPACES PUBLIC PLACES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 622,500	\$ 627,886	\$ 5,386
Intergovernmental	733,000	179,698	(553,302)
Investment Earnings	45,000	40,319	(4,681)
Total Revenues	<u>1,400,500</u>	<u>847,903</u>	<u>(552,597)</u>
Expenditures			
Culture and Recreation	3,189,320	1,083,286	2,106,034
(Total Expenditures)	<u>(3,189,320)</u>	<u>(1,083,286)</u>	<u>2,106,034</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,788,820)</u>	<u>(235,383)</u>	<u>1,553,437</u>
Other Financing Sources (Uses)			
Transfer Out	(80,286)	-	80,286
Total Other Financing Sources (Uses)	<u>(80,286)</u>	<u>-</u>	<u>80,286</u>
Net Change in Fund Balance	(1,869,106)	(235,383)	1,633,723
Fund Balances, Beginning of Year	<u>1,291,262</u>	<u>1,291,262</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (577,844)</u>	<u>\$ 1,055,879</u>	<u>\$ 1,633,723</u>

CITY OF NEWBERRY, FLORIDA
INFRASTRUCTURE SALES SURTAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 622,000	\$ 627,886	\$ 5,886
Intergovernmental	680,500	420,209	(260,291)
Investment Earnings	30,000	31,499	1,499
Miscellaneous	462,000	101,769	(360,231)
Total Revenues	<u>1,794,500</u>	<u>1,181,363</u>	<u>(613,137)</u>
Expenditures			
Transportation	2,647,708	1,448,854	1,198,854
Culture and Recreation	1,324,395	617,993	706,402
(Total Expenditures)	<u>(3,972,103)</u>	<u>(2,066,847)</u>	<u>1,905,256</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,177,603)</u>	<u>(885,484)</u>	<u>1,292,119</u>
Other Financing Sources			
Transfers In	175,330	175,330	-
Total Other Financing Sources	<u>175,330</u>	<u>175,330</u>	<u>-</u>
Net Change in Fund Balance	(2,002,273)	(710,154)	1,292,119
Fund Balance, Beginning of Year	<u>1,010,446</u>	<u>1,010,446</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (991,827)</u>	<u>\$ 300,292</u>	<u>\$ 1,292,119</u>

CITY OF NEWBERRY, FLORIDA
IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Charges for Service	\$ 828,500	\$ 822,213	\$ (6,287)
Investment Earnings	10,000	19,024	9,024
Total Revenues	<u>838,500</u>	<u>841,237</u>	<u>2,737</u>
Expenditures			
General Government	785,834	450,520	335,314
(Total Expenditures)	<u>(785,834)</u>	<u>(450,520)</u>	<u>335,314</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>52,666</u>	<u>390,717</u>	<u>338,051</u>
Other Financing Sources (Uses)			
Transfer Out	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balance	(47,334)	290,717	338,051
Fund Balance, Beginning of Year	<u>257,153</u>	<u>257,153</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 209,819</u>	<u>\$ 547,870</u>	<u>\$ 338,051</u>

**CITY OF NEWBERRY, FLORIDA
OPIOID SETTLEMENT PROCEEDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment Earnings	\$ -	\$ 188	\$ 188
Miscellaneous	3,000	1,965	(1,035)
Total Revenues	<u>3,000</u>	<u>2,153</u>	<u>(847)</u>
Expenditures			
General Government	3,500	426	3,074
(Total Expenditures)	<u>(3,500)</u>	<u>(426)</u>	<u>3,074</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(500)</u>	<u>1,727</u>	<u>2,227</u>
Net Change in Fund Balance	(500)	1,727	2,227
Fund Balance, Beginning of Year	<u>4,460</u>	<u>4,460</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,960</u>	<u>\$ 6,187</u>	<u>\$ 2,227</u>

**CITY OF NEWBERRY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 281,163	\$ 279,748	\$ (1,415)
Investment Earnings	-	29,171	29,171
Miscellaneous	-	10,500	10,500
Total Revenues	<u>281,163</u>	<u>319,419</u>	<u>38,256</u>
Expenditures			
Economic Environment	1,326,123	408,704	917,419
(Total Expenditures)	<u>(1,326,123)</u>	<u>(408,704)</u>	<u>917,419</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,044,960)</u>	<u>(89,285)</u>	<u>955,675</u>
Other Financing Sources (Uses)			
Transfers In	281,163	277,748	(3,415)
Total Other Financing Sources (Uses)	<u>281,163</u>	<u>277,748</u>	<u>(3,415)</u>
Net Change in Fund Balance	(763,797)	188,463	952,260
Fund Balance, Beginning of Year	<u>516,442</u>	<u>516,442</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (247,355)</u>	<u>\$ 704,905</u>	<u>\$ 952,260</u>

CITY OF NEWBERRY, FLORIDA
NEWBERRY HISTORICAL ASSOCIATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$ -	\$ 180	\$ 180
Total Revenues	<u>-</u>	<u>180</u>	<u>180</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>180</u>	<u>180</u>
Other Financing Sources (Uses)			
Transfers In	2,500	2,500	-
Total Other Financing Sources (Uses)	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Net Change in Fund Balance	2,500	2,680	180
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,500</u>	<u>\$ 2,680</u>	<u>\$ 180</u>

CITY OF NEWBERRY, FLORIDA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures			
Debt Service	\$ 400,880	\$ 400,880	\$ -
(Total Expenditures)	<u>(400,880)</u>	<u>(400,880)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(400,880)</u>	<u>(400,880)</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers In	400,880	400,880	-
Total Other Financing Sources (Uses)	<u>400,880</u>	<u>400,880</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF NEWBERRY, FLORIDA
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 502,419	\$ 502,419
Investment Earnings	-	200,000	223,493	23,493
Total Revenues	<u>-</u>	<u>200,000</u>	<u>725,912</u>	<u>525,912</u>
Expenditures				
General Government	9,023,258	14,355,299	7,068,455	7,286,844
Transportation	-	44,001	1,125	42,876
Economic Development	-	371,757	-	371,757
Culture and Recreation	5,776,250	-	201,366	(201,366)
(Total Expenditures)	<u>(14,799,508)</u>	<u>(14,771,057)</u>	<u>(7,270,946)</u>	<u>7,500,111</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,799,508)</u>	<u>(14,571,057)</u>	<u>(6,545,034)</u>	<u>8,026,023</u>
Other Financing Sources (Uses)				
Bond Issue Proceeds	4,726,250	4,726,250	-	(4,726,250)
Transfers In	1,110,000	1,110,000	1,121,338	11,338
Total Other Financing Sources (Uses)	<u>5,836,250</u>	<u>5,836,250</u>	<u>1,121,338</u>	<u>(4,714,912)</u>
Net Change in Fund Balance	(8,963,258)	(8,734,807)	(5,423,696)	3,311,111
Fund Balance, Beginning of Year	<u>7,739,935</u>	<u>7,739,935</u>	<u>7,739,935</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (1,223,323)</u>	<u>\$ (994,872)</u>	<u>\$ 2,316,239</u>	<u>\$ 3,311,111</u>

**CITY OF NEWBERRY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
WATER AND SEWER FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Charges for Services	\$ 3,186,706	\$ 2,854,980
Fees, Rentals, and Other	74,417	37,128
Total Operating Revenues	<u>3,261,123</u>	<u>2,892,108</u>
Operating Expenses		
Personnel Services	619,240	727,298
Materials, Supplies, and Other	882,131	1,360,831
Billing and Administration	726,227	647,600
Depreciation	1,149,311	1,075,648
(Total Operating Expenses)	<u>(3,376,909)</u>	<u>(3,811,377)</u>
Operating Income (Loss)	<u>(115,786)</u>	<u>(919,269)</u>
Non-Operating Revenues (Expenses)		
Operating Grants	12,306	3,311
Interest Income	182,728	237,740
Interest Expense	(122,146)	(132,686)
Insurance Recoveries	112,801	428,179
Total Non-Operating Revenues (Expenses)	<u>185,689</u>	<u>536,544</u>
Income Before Contributions and Transfers	<u>69,903</u>	<u>(382,725)</u>
Capital Contributions and Grants		
Development Charges	1,377,505	1,021,802
Developer Contributions	964,822	1,562,978
Capital Grants	812,643	1,721,860
Total Capital Contributions and Grants	<u>3,154,970</u>	<u>4,306,640</u>
Change in Net Position	3,224,873	3,923,915
Net Position, Beginning of Year	<u>25,120,265</u>	<u>21,196,350</u>
Total Net Position, End of Year	<u>\$ 28,345,138</u>	<u>\$ 25,120,265</u>

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2025

	<u>Customer Service Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Utility Administration Fund</u>	<u>Total Internal Service Funds</u>
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 85,524	\$ -	\$ 44,500	\$ 130,024
Accounts Receivable	918	-	-	918
Prepays	85	-	-	85
Total Current Assets	<u>86,527</u>	<u>-</u>	<u>44,500</u>	<u>131,027</u>
Non-Current Assets:				
Property, Plant and Equipment (Accumulated Depreciation)	17,897 (13,680)	2,183,913 (584,561)	15,784 (10,522)	2,217,594 (608,763)
Capital Assets, Net	<u>4,217</u>	<u>1,599,352</u>	<u>5,262</u>	<u>1,608,831</u>
Total Non-Current Assets	<u>4,217</u>	<u>1,599,352</u>	<u>5,262</u>	<u>1,608,831</u>
Total Assets	<u>90,744</u>	<u>1,599,352</u>	<u>49,762</u>	<u>1,739,858</u>
Liabilities				
Current Liabilities:				
Accounts Payable	5,341	-	325	5,666
Accrued Expenses	9,243	-	20,141	29,384
Due to Other Funds	28,395	417,275	90,819	536,489
Compensated Absences	30,920	-	47,886	78,806
Current Portion of Long-Term Debt	-	178,000	-	178,000
Total Current Liabilities	<u>73,899</u>	<u>595,275</u>	<u>159,171</u>	<u>828,345</u>
Non-Current Liabilities:				
Compensated Absences	8,721	-	29,349	38,070
Long-Term Debt	-	381,000	-	381,000
Total Non-Current Liabilities	<u>8,721</u>	<u>381,000</u>	<u>29,349</u>	<u>419,070</u>
Total Liabilities	<u>82,620</u>	<u>976,275</u>	<u>188,520</u>	<u>1,247,415</u>
Net Position				
Net Investment in Capital Assets	4,217	1,040,352	5,262	1,049,831
Unrestricted	3,907	(417,275)	(144,020)	(557,388)
Total Net Position	<u>\$ 8,124</u>	<u>\$ 623,077</u>	<u>\$ (138,758)</u>	<u>\$ 492,443</u>

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Operating Revenues				
Fees, Rentals, and Other	\$ 30,668	\$ -	\$ 23,979	\$ 54,647
Interfund Charges	455,450	221,464	826,500	1,503,414
Total Operating Revenues	<u>486,118</u>	<u>221,464</u>	<u>850,479</u>	<u>1,558,061</u>
Operating Expenses				
Personnel Services	366,398	-	781,619	1,148,017
Materials, Supplies, and Other	124,152	-	67,761	191,913
Depreciation	757	126,903	1,578	129,238
(Total Operating Expenses)	<u>(491,307)</u>	<u>(126,903)</u>	<u>(850,958)</u>	<u>(1,469,168)</u>
Operating Income (Loss)	<u>(5,189)</u>	<u>94,561</u>	<u>(479)</u>	<u>88,893</u>
Non-Operating Revenues (Expenses)				
Grant Revenue	773	-	15,188	15,961
Interest Expense	-	(21,155)	-	(21,155)
Total Non-Operating Revenues (Expenses)	<u>773</u>	<u>(21,155)</u>	<u>15,188</u>	<u>(5,194)</u>
Change in Net Position	(4,416)	73,406	14,709	83,699
Net Position, Beginning of Year	<u>12,540</u>	<u>549,671</u>	<u>(153,467)</u>	<u>408,744</u>
Total Net Position, End of Year	<u>\$ 8,124</u>	<u>\$ 623,077</u>	<u>\$ (138,758)</u>	<u>\$ 492,443</u>

**CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Customer Service Fund	Vehicle Replacement Fund	Utility Administration Fund	Total Internal Service Funds
Cash Flows from Operating Activities				
Receipts from Interfund Services Provided	\$ 455,991	\$ 221,464	\$ 826,500	\$ 1,503,955
Cash Received from Other Sources	31,441	-	39,167	70,608
Cash Payments to Suppliers for Goods and Services	(120,833)	-	(68,146)	(188,979)
Cash Payments to Employees for Services	(361,880)	-	(780,845)	(1,142,725)
Net Cash Provided by (Used in) Operating Activities	4,719	221,464	16,676	242,859
Cash Flows from Non-Capital Financing Activities				
Loans/Advances and Repayments from (to) Other Funds	-	358,212	-	358,212
Net Cash Provided by (Used in) Non-Capital Financing Activities	-	358,212	-	358,212
Cash Flows from Capital and Related Financing Activities				
Principal Paid on Long-Term Debt	-	(170,000)	-	(170,000)
Interest Expense	-	(15,444)	-	(15,444)
Acquisition and Construction of Capital Assets	-	(421,099)	-	(421,099)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	(606,543)	-	(606,543)
Cash Flows from Investing Activities				
Interest on Investments	-	(5,711)	-	(5,711)
Net Cash Provided by (Used in) Investing Activities	-	(5,711)	-	(5,711)
Net Increase (Decrease) in Cash and Cash Equivalents	4,719	(32,578)	16,676	(11,183)
Cash and Cash Equivalents, Beginning of Year	80,805	32,578	27,824	141,207
Cash and Cash Equivalents, End of Year	\$ 85,524	\$ -	\$ 44,500	\$ 130,024
<u>Presented on the Statement of Net Position as</u>				
Cash and Cash Equivalents	<u>\$ 85,524</u>	<u>\$ -</u>	<u>\$ 44,500</u>	<u>\$ 130,024</u>

CITY OF NEWBERRY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Concluded)

	<u>Customer Service Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Utility Administration Fund</u>	<u>Total Internal Service Funds</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income	\$ (5,189)	\$ 94,561	\$ (479)	\$ 88,893
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	757	126,903	1,578	129,238
Intergovernmental Grants	773	-	15,188	15,961
(Increase) Decrease in:				
Accounts Receivable	541	-	-	541
Increase (Decrease) in:				
Accounts Payable	3,319	-	(385)	2,934
Compensated Absences	4,518	-	774	5,292
Total Adjustments	<u>9,908</u>	<u>126,903</u>	<u>17,155</u>	<u>153,966</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 4,719</u>	<u>\$ 221,464</u>	<u>\$ 16,676</u>	<u>\$ 242,859</u>

STATISTICAL SECTION

STATISTICAL SECTION (Unaudited)

This part of the City of Newberry, Florida's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the City's overall financial health.

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Financial Trends Information	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	75
Revenue Capacity Information	
These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, which is property taxes.	80
Debt Capacity Information	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. The City has no legal debt margin, thus it is not reported in these schedules.	86
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	90
Operating Information	
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	92

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.*

FINANCIAL TRENDS INFORMATION

Schedule 1
CITY OF NEWBERRY, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual based accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental Activities										
Net investment in capital assets	\$ 12,169,576	\$ 17,069,358	\$ 17,603,706	\$ 18,443,352	\$ 17,985,746	\$ 17,582,337	\$ 17,901,083	\$ 19,340,346	\$ 24,074,743	\$ 29,877,595
Restricted	360,014	361,699	789,730	104,928	158,284	254,770	968,479	2,560,304	3,777,959	3,536,111
Unrestricted	<u>(1,310,479)</u>	<u>(1,016,322)</u>	<u>(1,125,151)</u>	<u>(1,965,452)</u>	<u>(1,760,727)</u>	<u>(609,192)</u>	<u>(254,865)</u>	<u>(1,146,880)</u>	<u>(662,653)</u>	<u>(349,043)</u>
Total governmental activities net position	<u>11,219,111</u>	<u>16,414,735</u>	<u>17,268,285</u>	<u>16,582,828</u>	<u>16,383,303</u>	<u>17,227,915</u>	<u>18,614,697</u>	<u>20,753,770</u>	<u>27,190,049</u>	<u>33,064,663</u>
Business-Type Activities										
Net investment in capital assets	9,303,739	9,929,798	11,913,865	12,501,327	12,882,572	15,252,961	19,538,269	22,984,630	27,575,213	29,844,575
Restricted	9,518	9,700	9,885	10,169	11,762	1,377,103	1,619,946	2,621,814	3,139,002	3,128,716
Unrestricted	<u>7,682,231</u>	<u>7,708,661</u>	<u>6,912,238</u>	<u>7,267,982</u>	<u>8,302,467</u>	<u>5,947,922</u>	<u>5,195,398</u>	<u>4,154,021</u>	<u>3,536,222</u>	<u>5,422,155</u>
Total business-type net position	<u>16,995,488</u>	<u>17,648,159</u>	<u>18,835,988</u>	<u>19,779,478</u>	<u>21,196,801</u>	<u>22,577,986</u>	<u>26,353,613</u>	<u>29,760,465</u>	<u>34,250,437</u>	<u>38,395,446</u>
Total Government										
Invested in capital assets, net of related debt	21,473,315	26,999,156	29,517,571	30,944,679	30,868,318	32,835,298	37,439,352	42,324,976	51,649,956	59,722,170
Restricted	369,532	371,399	799,615	115,097	170,046	1,631,873	2,588,425	5,182,118	6,916,961	6,664,827
Unrestricted	<u>6,371,752</u>	<u>6,692,339</u>	<u>5,787,087</u>	<u>5,302,530</u>	<u>6,541,740</u>	<u>5,338,730</u>	<u>4,940,533</u>	<u>3,007,141</u>	<u>2,873,569</u>	<u>5,073,112</u>
Total government net position	<u>\$ 28,214,599</u>	<u>\$ 34,062,894</u>	<u>\$ 36,104,273</u>	<u>\$ 36,362,306</u>	<u>\$ 37,580,104</u>	<u>\$ 39,805,901</u>	<u>\$ 44,968,310</u>	<u>\$ 50,514,235</u>	<u>\$ 61,440,486</u>	<u>\$ 71,460,109</u>

Source: City of Newberry Financial Reports

Schedule 2
CITY OF NEWBERRY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual based accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Expenses										
Governmental activities:										
General government	\$ 1,200,185	\$ 1,355,008	\$ 1,336,282	\$ 1,673,641	\$ 1,837,268	\$ 1,719,382	\$ 2,351,649	\$ 2,983,857	\$ 2,908,794	\$ 3,064,465
Public safety	1,431,214	2,345,314	2,389,694	2,755,444	2,964,167	2,671,992	3,149,445	3,721,718	3,820,070	3,962,678
Physical environment	524,304	559,465	540,304	541,135	585,667	629,904	722,422	757,933	871,906	1,456,125
Transportation	730,779	826,538	889,778	948,642	1,007,222	1,021,898	1,197,045	1,359,315	1,726,523	1,918,751
Culture and recreation	1,239,440	1,281,447	1,248,616	2,305,954	1,263,738	1,284,123	1,431,049	1,768,728	1,660,628	1,720,072
Health and welfare	15,469	35,713	35,474	28,995	-	-	15,000	-	-	-
Economic development	85,871	87,214	130,980	162,606	781,281	249,142	210,260	249,780	383,305	512,533
Interest on long-term debt	6,248	5,656	14,262	3,637	2,744	-	35	-	270,917	258,170
Total governmental activities expenses	<u>5,233,510</u>	<u>6,496,355</u>	<u>6,585,390</u>	<u>8,420,054</u>	<u>8,442,087</u>	<u>7,576,441</u>	<u>9,076,905</u>	<u>10,841,331</u>	<u>11,642,143</u>	<u>12,892,794</u>
Business-Type Activities										
Electric	3,854,346	3,933,270	3,887,764	4,340,112	4,176,763	4,325,963	6,253,048	6,018,802	5,548,352	6,287,256
Water and sewer	1,527,571	1,644,813	1,717,709	1,938,281	2,059,466	2,056,316	2,435,546	3,098,020	3,899,933	3,492,896
Mosquito control	21,153	14,607	18,531	27,591	34,790	21,754	29,383	40,732	37,884	40,350
Total business-type activities	<u>5,403,070</u>	<u>5,592,690</u>	<u>5,624,004</u>	<u>6,305,984</u>	<u>6,271,019</u>	<u>6,404,033</u>	<u>8,717,977</u>	<u>9,157,554</u>	<u>9,486,169</u>	<u>9,820,502</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	27,998	281,634	320,875	301,078	315,002	366,616	381,965	313,245	456,126	615,893
Public safety	736,760	838,564	982,526	980,542	1,082,788	1,044,370	1,381,715	1,749,648	1,887,675	1,735,548
Physical environment	561,460	545,933	538,545	596,764	636,315	710,301	824,803	859,160	1,023,211	1,498,801
Health and welfare	11,326	17,152	15,496	15,808	-	-	-	-	-	-
Transportation	26,501	27,294	27,354	29,613	30,473	31,356	33,663	36,066	542,888	710,605
Culture and recreation	336,189	393,786	403,278	239,224	222,512	279,693	283,187	302,620	341,337	329,359
Operating grants and contributions	1,691,777	4,590,683	199,598	270,774	742,437	282,733	296,125	305,119	312,847	1,800,037
Capital grants and contributions	975,527	881,013	639,061	569,648	296,316	327,208	1,997,083	1,674,250	4,206,570	2,102,461
Total governmental activities program revenues	<u>4,367,538</u>	<u>7,576,059</u>	<u>3,126,733</u>	<u>3,003,451</u>	<u>3,325,843</u>	<u>3,042,277</u>	<u>5,198,541</u>	<u>5,240,108</u>	<u>8,770,654</u>	<u>8,792,704</u>
Business-type activities:										
Charges for services:										
Electric	4,084,388	4,008,652	4,099,826	4,559,920	4,443,894	4,687,948	6,371,194	6,167,822	5,927,225	6,816,558
Water and sewer	1,900,800	1,931,674	2,101,204	2,257,349	2,692,876	2,016,666	2,250,967	2,515,596	2,892,108	3,261,123
Mosquito control	22,917	23,689	24,856	26,085	27,259	28,831	30,545	32,099	34,087	37,142
Operating grants and contributions	1,080	14,348	99,261	57,460	88,434	-	-	-	20,632	139,130
Capital grants and contributions	1,025,779	437,750	654,990	428,545	594,023	1,243,904	3,085,221	3,859,154	5,151,685	3,614,952
Total business-type activities program revenues	<u>7,034,964</u>	<u>6,416,113</u>	<u>6,980,137</u>	<u>7,329,359</u>	<u>7,846,486</u>	<u>7,977,349</u>	<u>11,737,927</u>	<u>12,574,671</u>	<u>14,025,737</u>	<u>13,868,905</u>
Total Revenues	<u>11,402,502</u>	<u>13,992,172</u>	<u>10,106,870</u>	<u>10,332,810</u>	<u>11,172,329</u>	<u>11,019,626</u>	<u>16,936,468</u>	<u>17,814,779</u>	<u>22,796,391</u>	<u>22,661,609</u>
Net (Expense) Revenue										
Governmental activities	(865,972)	1,079,704	(3,458,657)	(5,416,603)	(5,116,244)	(4,534,164)	(3,878,364)	(5,601,223)	(2,871,489)	(4,100,090)
Business-type activities	1,631,894	823,423	1,356,133	1,023,375	1,575,467	1,573,316	3,019,950	3,417,117	4,539,568	4,048,403
Total government net expense	<u>\$ 765,922</u>	<u>\$ 1,903,127</u>	<u>\$ (2,102,524)</u>	<u>\$ (4,393,228)</u>	<u>\$ (3,540,777)</u>	<u>\$ (2,960,848)</u>	<u>\$ (858,414)</u>	<u>\$ (2,184,106)</u>	<u>\$ 1,668,079</u>	<u>\$ (51,687)</u>

Source: City of Newberry Financial Reports

Schedule 2 (Concluded)
CITY OF NEWBERRY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual based accounting)

General Revenues and Other Changes in Net Position

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental activities:										
Taxes:										
Property taxes	\$ 1,276,772	\$ 2,156,399	\$ 2,324,614	\$ 2,445,196	\$ 2,691,642	\$ 2,857,603	\$ 3,168,059	\$ 3,416,767	\$ 3,934,149	\$ 4,513,430
Sales tax	420,010	693,818	842,390	912,419	860,645	1,045,354	1,269,460	1,779,940	2,013,592	2,264,081
Utility taxes	816,835	814,060	761,772	797,823	819,318	976,302	1,075,783	1,213,991	1,244,010	1,210,236
Communications services taxes	147,131	153,247	167,616	176,431	182,305	178,484	208,651	235,232	267,033	295,386
Business license tax	32,530	38,117	41,995	31,092	28,937	43,976	23,131	54,432	38,034	48,857
Unrestricted investment earnings	4,045	12,084	40,172	83,014	27,087	14,336	75,931	343,631	438,721	541,050
Other	39,478	33,725	61,277	64,691	84,425	42,869	133,203	371,303	507,229	778,014
Transfers	205,163	214,470	217,080	220,480	222,360	219,852	(689,072)	325,000	865,000	323,650
Total governmental activities	<u>2,941,964</u>	<u>4,115,920</u>	<u>4,456,916</u>	<u>4,731,146</u>	<u>4,916,719</u>	<u>5,378,776</u>	<u>5,265,146</u>	<u>7,740,296</u>	<u>9,307,768</u>	<u>9,974,704</u>
Business-Type Activities										
Unrestricted investment earnings	35,371	43,718	83,313	140,595	64,216	27,721	66,605	301,038	387,225	307,455
Other	-	-	-	-	-	-	-	13,697	428,179	112,801
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(205,163)	(214,470)	(217,080)	(220,480)	(222,360)	(219,852)	689,072	(325,000)	(865,000)	(323,650)
Total business-type activities	<u>(169,792)</u>	<u>(170,752)</u>	<u>(133,767)</u>	<u>(79,885)</u>	<u>(158,144)</u>	<u>(192,131)</u>	<u>755,677</u>	<u>(10,265)</u>	<u>(49,596)</u>	<u>96,606</u>
Total primary government	<u>2,772,172</u>	<u>3,945,168</u>	<u>4,323,149</u>	<u>4,651,261</u>	<u>4,758,575</u>	<u>5,186,645</u>	<u>6,020,823</u>	<u>7,730,031</u>	<u>9,258,172</u>	<u>10,071,310</u>
Change in Net Position										
Governmental activities	2,075,992	5,195,624	998,259	(685,457)	(199,525)	844,612	1,386,782	2,139,073	6,436,279	5,874,614
Business-type activities	1,462,102	652,671	1,222,366	943,490	1,417,323	1,381,185	3,775,627	3,406,852	4,489,972	4,145,009
Total government	<u>\$ 3,538,094</u>	<u>\$ 5,848,295</u>	<u>\$ 2,220,625</u>	<u>\$ 258,033</u>	<u>\$ 1,217,798</u>	<u>\$ 2,225,797</u>	<u>\$ 5,162,409</u>	<u>\$ 5,545,925</u>	<u>\$ 10,926,251</u>	<u>\$ 10,019,623</u>

Source: City of Newberry Financial Reports

Schedule 3
CITY OF NEWBERRY, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual based accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund										
Non-spendable	\$ -	\$ 15,436	\$ 21,781	\$ 602,695	\$ 520,159	\$ 404,639	\$ 328,653	\$ 248,367	\$ 168,081	\$ 380,353
Restricted	229,484	128,835	194,480	72,763	122,357	112,832	292,315	704,434	698,196	895,039
Assigned	185,484	42,072	45,531	241,444	242,510	408,892	762,888	171,998	-	-
Unassigned	657,935	1,429,098	1,584,781	1,463,052	2,122,515	2,635,145	2,861,827	3,137,991	2,851,746	2,927,502
Total general fund	<u>1,072,903</u>	<u>1,615,441</u>	<u>1,846,573</u>	<u>2,379,954</u>	<u>3,007,541</u>	<u>3,561,508</u>	<u>4,245,683</u>	<u>4,262,790</u>	<u>3,718,023</u>	<u>4,202,894</u>
All other Government Funds										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	130,530	232,864	595,250	32,165	35,927	141,938	676,164	1,855,870	9,445,013	3,205,201
Assigned	264,552	142,336	50,305	2,950	2,950	3,273	-	192,815	1,551,572	1,752,110
Unassigned	-	-	-	(494,658)	(251,202)	(13,499)	(56,627)	-	(5,145)	-
Total all other governmental funds	<u>\$ 395,082</u>	<u>\$ 375,200</u>	<u>\$ 645,555</u>	<u>\$ (459,543)</u>	<u>\$ (212,325)</u>	<u>\$ 131,712</u>	<u>\$ 619,537</u>	<u>\$ 2,048,685</u>	<u>\$ 10,991,440</u>	<u>\$ 4,957,311</u>

Source: City of Newberry Financial Reports

Schedule 4
CITY OF NEWBERRY, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual based accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues										
Taxes	\$ 2,439,243	\$ 3,568,507	\$ 3,798,474	\$ 4,013,059	\$ 4,254,379	\$ 4,712,526	\$ 5,258,009	\$ 6,177,197	\$ 6,991,658	\$ 7,661,981
Permits, fees, and special assessments	574,407	877,346	1,101,492	1,112,294	1,199,226	1,247,573	1,543,516	1,845,890	2,025,108	1,991,668
Intergovernmental revenues	2,465,871	5,151,998	864,666	913,475	1,149,602	1,011,453	1,878,690	1,352,807	1,550,745	3,856,424
Charges for services	943,522	1,013,101	966,372	828,987	1,081,510	946,473	1,365,432	1,422,740	2,228,172	2,896,612
Fines and forfeitures	10,804	11,622	17,856	8,854	8,926	4,751	6,658	4,629	3,893	7,505
Investment earnings	4,045	12,084	40,172	83,014	27,087	14,336	75,931	343,631	438,721	541,050
Other	131,826	33,408	52,036	57,366	77,786	33,536	115,424	169,774	259,370	485,962
Interfund charges	95,091	98,622	102,785	105,152	124,451	113,807	141,820	152,062	190,600	224,273
Total revenues	<u>6,664,809</u>	<u>10,766,688</u>	<u>6,943,853</u>	<u>7,122,201</u>	<u>7,922,967</u>	<u>8,084,455</u>	<u>10,385,480</u>	<u>11,468,730</u>	<u>13,688,267</u>	<u>17,665,475</u>
Expenditures										
General government	1,186,876	1,291,469	1,350,516	1,503,230	1,639,851	1,811,314	2,353,693	2,792,764	2,966,535	3,219,894
Public safety	1,295,294	2,160,332	2,292,888	2,454,617	2,570,642	2,730,983	3,056,688	3,336,445	3,731,451	3,958,202
Physical environment	520,209	550,183	537,445	528,235	578,879	634,038	713,528	747,293	861,395	1,412,419
Transportation	413,268	447,706	515,524	546,487	561,294	604,128	765,423	871,382	1,143,035	1,201,864
Health and welfare	15,469	35,713	35,474	28,995	-	-	15,000	-	-	-
Economic environment	83,395	82,151	123,546	147,360	714,307	257,003	206,572	223,597	382,949	509,107
Culture and recreation	802,517	831,385	896,476	1,866,555	845,900	934,474	1,034,459	1,239,157	1,273,436	1,347,584
Debt service:										
Principal	1,416,000	4,359,000	395,000	-	-	-	-	-	-	26,146
Interest on long-term debt	84,178	82,954	14,262	3,637	2,744	-	-	-	204,577	390,880
Capital Outlay	793,234	1,012,609	453,315	835,282	356,905	434,363	398,429	1,136,837	2,324,461	11,472,287
Total expenditures	<u>6,610,440</u>	<u>10,853,502</u>	<u>6,614,446</u>	<u>7,914,398</u>	<u>7,270,522</u>	<u>7,406,303</u>	<u>8,543,792</u>	<u>10,347,475</u>	<u>12,887,839</u>	<u>23,538,383</u>
Excess (deficiency) of revenues over (under) expenditures	54,369	(86,814)	329,407	(792,197)	652,445	678,152	1,841,688	1,121,255	800,428	(5,872,908)
Other Financing Sources (Uses)										
Leases and SBITAs	-	-	-	-	-	-	19,384	-	16,146	-
Proceeds of debt issuance	-	395,000	-	-	-	-	-	-	6,716,414	-
Transfers in	1,734,093	4,668,768	762,612	220,480	222,360	219,852	295,123	1,137,581	2,294,483	2,619,132
Transfers out	(1,528,930)	(4,454,298)	(590,532)	-	-	-	(984,195)	(812,581)	(1,429,483)	(2,295,482)
Total other financing sources (uses)	<u>205,163</u>	<u>609,470</u>	<u>172,080</u>	<u>220,480</u>	<u>222,360</u>	<u>219,852</u>	<u>(669,688)</u>	<u>325,000</u>	<u>7,597,560</u>	<u>323,650</u>
Net change in fund balances	<u>\$ 259,532</u>	<u>\$ 522,656</u>	<u>\$ 501,487</u>	<u>\$ (571,717)</u>	<u>\$ 874,805</u>	<u>\$ 898,004</u>	<u>\$ 1,172,000</u>	<u>\$ 1,446,255</u>	<u>\$ 8,397,988</u>	<u>\$ (5,549,258)</u>
Debt service as a percentage of non capital expenditures	25.8%	45.1%	6.6%	0.1%	0.0%	0.0%	0.0%	0.0%	1.9%	3.5%

Source: City of Newberry Financial Reports

REVENUE CAPACITY INFORMATION

Schedule 5
CITY OF NEWBERRY, FLORIDA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Taxable Value Real Property for Operating Purposes	Personal Property for Operating Purposes	Centrally Assessed Property for Operating Purposes	Gross Taxable Value	New Construction Taxable Value	Adjusted Taxable Value	Final Taxable Value	Millage Rate
2016	\$ 196,220,126	\$ 136,956,523	\$ 941,359	\$ 334,118,008	\$ (4,688,980)	\$ 329,429,028	\$ 334,295,760	3.9500
2017	205,113,150	163,218,847	2,102,281	370,434,278	(13,534,578)	356,899,700	373,402,916	5.9089
2018	225,503,073	140,506,668	2,098,176	368,107,917	(11,594,270)	356,513,647	422,385,827	5.9999
2019	257,417,663	170,781,145	2,253,187	430,451,995	(17,087,647)	413,364,348	430,451,995	5.9999
2020	286,754,126	153,517,653	2,032,911	442,304,690	(20,091,017)	422,213,673	464,618,207	5.9999
2021	320,126,713	171,865,376	2,106,375	494,098,464	(21,052,088)	473,046,376	492,929,695	5.9999
2022	363,228,468	183,991,003	2,619,984	549,839,455	(21,189,291)	528,650,164	546,998,439	5.9999
2023	441,972,379	171,660,932	3,022,546	616,655,857	(34,808,437)	581,847,420	594,750,721	5.9244
2024	503,381,195	190,508,297	2,544,677	696,434,169	(31,094,313)	665,339,856	690,478,300	5.9000
2025	618,100,971	182,213,099	2,847,235	803,161,305	(43,763,959)	759,397,346	794,515,978	5.9000

Source: Alachua County Property Appraiser (forms DR-420 and DR-422)

Notes: Property in the City is reassessed each year. Property is assessed at actual value; therefore, assessed values are equal to actual value and a separate table to assessed and actual data is not presented. Tax rates are per \$1,000 of assessed value.

Schedule 6
 CITY OF NEWBERRY, FLORIDA
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (rate per \$1,000 of assessed value)

Fiscal Year Ended Sept. 30,	Direct			Overlapping							
	Basic Rate	General Obligation Debt Service	Total City	Alachua BOCC	Alachua BOCC GO Debt	Children's Trust of Alachua County	Alachua County Library District	Library Capital Outlay	Library Debt Service	School Board	Suwannee River Water Management District
2016	3.9500	0.0000	3.9500	8.7950	0.1595	0.0000	1.3638	0.0000	0.0900	8.3420	0.4104
2017	5.9089	0.0000	5.9089	8.9290	0.0000	0.0000	1.3371	0.0000	0.0750	7.9360	0.4093
2018	5.9999	0.0000	5.9999	8.4648	0.0000	0.0000	1.2655	0.0000	0.0000	7.6250	0.4027
2019	5.9999	0.0000	5.9999	8.2829	0.0000	0.0000	1.2303	0.0000	0.0000	7.2640	0.3948
2020	5.9999	0.0000	5.9999	8.2729	0.0000	0.0000	1.2303	0.0000	0.0000	7.1440	0.3840
2021	5.9999	0.0000	5.9999	7.8935	0.0000	0.5000	1.1289	0.0000	0.0000	6.9150	0.3696
2022	5.9999	0.0000	5.9999	7.8662	0.0000	0.5000	1.0856	0.0000	0.0000	6.8430	0.3615
2023	5.9244	0.0000	5.9244	7.7662	0.0000	0.4612	1.0565	0.0000	0.0000	6.4980	0.3368
2024	5.9000	0.0000	5.9000	7.6414	0.0000	0.4612	1.0339	0.0000	0.0000	6.4320	0.3113
2025	5.9000	0.0000	5.9000	7.6180	0.0000	0.4500	1.0000	0.0000	0.0000	6.2610	0.2936

Source: Alachua County Property Appraiser

**Schedule 7
CITY OF NEWBERRY, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO**

Fiscal Year 2025

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Argos USA	\$ 144,636,601	1	18.20%
Sabal Trail Transmission LLC	13,432,072	2	1.69%
Watermelon Pond Solar LLC	12,383,903	3	1.56%
Watson Construction Co LLC	7,873,719	4	0.99%
Norfleet Construction Group LLC	3,873,742	5	0.49%
Community Properties USA Inc	3,539,000	6	0.45%
Bella-Rue LLC	3,291,182	7	0.41%
Davis Heritage LTD	3,185,628	8	0.40%
M3 Avalon Woods LLC	3,173,360	9	0.40%
D R Horton Inc	2,888,651	10	0.36%
	\$ 198,277,858		24.95%

Fiscal Year 2016

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Argos Cement LLC	\$ 132,968,200	1	39.78%
Florida Rock Properties	4,822,900	2	1.44%
Hitchcock Enterprises Inc	2,544,200	3	0.76%
Watson Construction Co LLC	2,381,730	4	0.71%
Davis Heritage Ltd	2,245,947	5	0.67%
Rat's Lair Properties LLC	1,692,800	6	0.51%
Weseman Builders Inc	1,395,600	7	0.42%
Watson Landholdings LLC	1,360,400	8	0.41%
Watson Equipment LLC	1,319,780	9	0.39%
Johnson Mac C	1,191,100	10	0.36%
	\$ 151,922,657		45.45%

Source: Alachua County Property Appraiser

Schedule 8
CITY OF NEWBERRY, FLORIDA
PRINCIPAL ELECTRIC CUSTOMERS
CURRENT YEAR AND TEN YEARS AGO

Electric Customer	2016		2017		2018		2019		2020		2021		2022		2023		2024		2025	
	Kilowatt Hours	Rank																		
Alachua County School Board	3,719,752	1	3,672,076	1	4,091,790	1	4,494,990	1	4,096,163	1	4,967,337	1	4,544,042	1	4,496,085	1	3,829,120	1	4,721,259	1
City of Newberry	1,204,130	3	1,103,578	3	1,153,850	3	1,670,222	3	1,631,798	3	1,649,407	3	1,631,263	3	1,763,807	2	1,800,087	2	1,823,820	2
Community Markets	1,984,870	2	1,982,031	2	1,979,229	2	1,933,200	2	1,834,000	2	1,852,400	2	1,642,600	2	1,622,800	3	1,634,600	3	1,712,800	3
Publix Supermarkets																			1,368,188	4
Southern Fuelwood	808,980	4	940,320	4	934,220	4	1,025,258	4	1,331,390	4	1,193,686	4	1,284,819	4	1,261,777	4	1,114,009	4	1,173,169	5
Inspired Energy	425,394	8	478,763	7	630,643	5	713,880	5	712,280	6	756,480	6	758,480	5	752,240	5	701,280	5	765,800	6
Hudson Food Stores	456,507	7	449,689	8	432,669	8	418,560	8	430,080	8	452,200	8	443,480	8	426,680	7	472,060	6	679,980	7
Watson Office											325,472	10					332,997	8	361,806	8
Bellsouth	237,920	10	242,560	10	238,160	10	246,560	10	266,080	10			273,840	10	261,040	9	271,760	9	252,720	9
Circle K Stores, Inc	531,400	5	566,780	6	564,760	6	645,339	6	548,120	7	512,260	7	493,560	7	512,760	6	408,960	7	252,060	10
Pat Post Properties															238,574	10	256,023	10		
Hardees Phase 3 Star	418,001	9	425,302	9	410,000	9	411,500	9	375,700	9	340,400	9	308,400	9	287,700	8				
The Gourmet Rodent	519,098	6	616,886	5	505,565	7	554,260	7	931,600	5	890,573	5	647,368	6						

Source: City Utility Records

Schedule 9
CITY OF NEWBERRY, FLORIDA
PRINCIPAL WATER CUSTOMERS
CURRENT YEAR AND TEN YEARS AGO

	2016		2017		2018		2019		2020		2021		2022		2023		2024		2025	
Water Customer	Thousands of Gallons	Rank																		
Alachua County School Board	6,339	3	7,547	2	9,452	2	11,688	2	10,265	2	8,836	3	8,499	3	13,805	1	13,822	1	12,282	1
Smyrna Ready Mix Concrete	11,955	1	12,047	1	11,425	1	14,420	1	16,479	1	15,451	1	8,873	1	9,816	2	10,223	2	9,077	2
City of Newberry	9,850	2	7,163	3	3,196	3	3,772	3	7,584	3	10,696	2	8,525	2	4,643	3	6,713	3	7,204	3
Argos Ready Mix LLC			509	9	708	7	1,017	7	1,482	5	1,259	5	1,097	7	1,037	6	930	5	4,422	4
Scott's Laundry	1,028	5	616	7	1,088	4	1,242	4	1,016	6	1,070	6	1,291	5	1,490	4	1,505	4	1,380	5
Hudson Food Stores, Inc																			1,219	6
Prestons Coffee LLC																			875	7
Newberry Car Wash									1,915	4	1,488	4	1,605	4	1,231	5	879	6	839	8
GPS Newberry West											464	10							818	9
Publix Supermarkets, Inc																			652	10
Hitchcocks					467	9	419	9	964	7					473	10	878	7		
Stonehouse Neighborhood Grill																	635	8		
DR Hortorn													687	10			615	9		
Inspired Energy					826	6	1,070	6									615	10		
Newtown Park													1,068	8	685	7				
Norfleet Construction															546	8				
RADDSports															522	9				
Gourmet Rodent	1,111	4	539	8	608	8	510	8					1,213	6						
Kevin Coleman													704	9						
McCall Pest Service											860	7								
Raymond King											538	8								
Woodyard Grill									484	10	507	9								
Booker T Hunt Funeral	575	7	810	5					523	9										
Maronda Homes									667	8										
Watson Construction	362	11																		
Hardees Phase 3 Star	546	8	443	10	969	5	1,078	5												
Mac Johnson Roofing			616	7	384	10	384	10												
Newberry's Backyard BBQ	610	6	1,083	4																
Villagio's Pizzeria			636	6																
Red Wok Buffet	450	9																		

Source: City Utility Records

**Schedule 10
CITY OF NEWBERRY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 1,321,096	\$ 1,275,872	96.6%	\$ 1,111	\$ 1,276,070	96.6%
2017	2,229,962	2,150,778	96.4%	5,306	2,151,592	96.5%
2018	2,369,571	2,321,570	98.0%	2,771	2,324,341	98.0%
2019	2,648,528	2,445,196	94.7%	3,888	2,445,196	94.7%
2020	2,792,045	2,684,664	96.2%	13,287	2,697,951	96.6%
2021	2,957,529	2,844,220	96.2%	3,145	2,847,365	96.3%
2022	3,281,936	3,159,284	96.3%	8,775	3,168,059	96.5%
2023	3,563,393	3,406,516	95.6%	10,251	3,416,767	95.9%
2024	4,073,822	3,928,072	96.4%	6,077	3,934,149	96.6%
2025	4,687,644	4,507,214	96.2%	6,216	4,513,430	96.3%

Source: Alachua County Tax Collector

DEBT CAPACITY INFORMATION

Schedule 11
CITY OF NEWBERRY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities			Percent of Personal Income	Debt Per Capita
	General Government Bonds	Financing Loans/Capital Leases	Utility Revenue Bonds	Loans/Capital Leases	Total Government		
2016	\$ 4,359,000	\$ -	\$ 1,345,562	\$ -	\$ 5,704,562	0.0%	1,262
2017	-	395,000	-	2,787,745	3,182,745	1.1%	536
2018	-	-	-	2,637,973	2,637,973	1.0%	422
2019	-	-	-	2,485,133	2,485,133	0.8%	378
2020	-	-	-	2,329,157	2,329,157	0.7%	339
2021	-	-	-	1,802,850	1,802,850	0.5%	235
2022	-	19,384	-	2,300,242	2,319,626	0.6%	288
2023	-	882,000	857,000	3,038,360	4,777,360	1.1%	562
2024	6,175,000	745,146	777,000	4,937,689	12,634,835	2.6%	1,389
2025	6,165,000	559,000	694,000	4,663,422	12,081,422	2.1%	1,265

Sources: City of Newberry Financial System Data
Department of Revenue
Alachua County Property Appraiser
Alachua County Tax Collector

Notes: There are no legal debt limits for Florida Municipalities.
Details regarding the City's per capita personal income can be found on Schedule 15.
Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Schedule 12
CITY OF NEWBERRY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Fire Truck Purchase, Series 2023	\$ 559,000	100%	\$ 559,000
City Hall Capital Improvement Revenue Bonds, Series 2024	<u>6,165,000</u>	100%	<u>6,165,000</u>
Total Direct Debt Outstanding	<u>6,724,000</u>		<u>6,724,000</u>
Overlapping:			
Alachua County Board of County Commissioners			
Capital Improvement Revenue Note, 2015A	419,000	3.44%	14,433
Public Improvement Revenue Refunding Note, 2015B	2,972,000	3.44%	102,373
Public Improvement Revenue Refunding Note, 2016	4,010,000	3.44%	138,128
Public Improvement Revenue Note, 2017	372,000	3.44%	12,814
Local Option Gas Tax Revenue Note, 2018	3,595,000	3.44%	123,833
2020A Capital Improvement Revenue Note	1,950,000	3.44%	67,170
2020C Capital Improvement Revenue Bond	7,140,000	3.44%	245,944
Tourist Development Tax Revenue Note, 2021AB	29,535,000	3.44%	1,017,362
Capital Improvement Revenue Note, 2022	31,465,000	3.44%	1,083,843
Capital Improvement Revenue Note, 2023	7,480,000	3.44%	257,656
Public Improvement Revenue Note, 2025	85,500,000	3.44%	2,945,132
School Board of Alachua County			
Certificates of Participation, Series 2013 and 2020	72,376,065	3.44%	2,493,065
Qualified School Construction Bonds, Series 2010A	11,211,997	3.44%	386,208
Build America Bonds, Series 2010B	<u>1,535,291</u>	3.44%	<u>52,885</u>
Total Overlapping Debt	<u>259,561,353</u>		<u>8,940,846</u>
Total Government Activities Debt	<u>\$ 266,285,353</u>		<u>\$ 15,664,846</u>

Sources: Alachua County Clerk of the Court
Alachua County School Board

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Newberry. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and, therefore, responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is determined by the ratio of assessed valuation of taxable property in the overlapping unit to that within the City of Newberry.

Schedule 13
 CITY OF NEWBERRY, FLORIDA
 PLEDGED-REVENUE COVERAGE
 GENERAL GOVERNMENT DEBT
 LAST TEN FISCAL YEARS

Series 2008 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2016	\$ 92,504	\$ 83,530	\$ 8,974	1.00
2017	92,504	86,420	6,084	1.00
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-

Series 2015 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2016	\$ 1,493,930	\$ 1,416,000	\$ 77,930	1.00
2017	4,436,298	4,359,000	77,298	1.00
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-

Nations Park Series 2010 Revenue Bond

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2016	\$ 5,965,425	\$ 5,925,000	\$ 40,425	1.00
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-

Capital Improvement Revenue Bonds, Series 2024

FISCAL YEAR	Pledged Revenue	Principal	Interest	Coverage
2016	\$ -	\$ -	\$ -	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	400,880	10,000	390,880	1.00

Source: City of Newberry Financial Reports

Schedule 14
CITY OF NEWBERRY, FLORIDA
PLEDGED-REVENUE COVERAGE
UTILITY BONDS
LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenue (1)	Direct Operating Expenses (2)	Net Available for Debt Service (3)	Debt Service		Coverage
				Principal	Interest	
2016	\$ 1,855,182	\$ 884,658	\$ 970,524	\$ 143,820	\$ 61,696	4.72
2017	1,862,949	1,046,593	816,356	146,765	58,752	3.97
2018	2,182,661	1,099,122	1,083,539	149,772	55,745	5.27
2019	2,309,052	1,250,893	1,058,159	152,841	52,675	5.15
2020	2,725,329	1,341,269	1,384,060	155,976	49,541	6.73
2021	2,894,862	1,327,159	1,567,703	566,867	42,015	2.57
2022	3,341,336	1,534,988	1,806,348	126,144	32,949	11.35
2023	4,208,261	2,119,738	2,088,523	186,554	59,681	8.48
2024	5,836,382	2,735,729	3,100,653	258,816	73,335	9.34
2025	5,559,582	2,227,598	3,331,984	357,267	85,131	7.53

Sources: City of Newberry Financial Statements (Statements of Revenues, Expenses, and Changes in Fund Net Position)

- Notes:**
- (1) Operating Revenue includes investment earnings and other miscellaneous income (excludes capital contributions and grants).
 - (2) Direct Operating Expenses exclude depreciation and amortization.
 - (3) A large portion of Water and Wastewater Development Fees may be used to pay debt service and are included in the Net Available for Debt Service Figure.
 - (4) The City paid off the remainder of the outstanding SRF Water loan payable in FY2021.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 15
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	City Population	Gainesville MSA Population	Per Capita Personal Income	Total Personal Income	Unemployment Rate
2016	5,778	277,163	\$ 41,008	\$ 236,944,224	4.4%
2017	5,942	280,708	41,718	247,888,356	3.1%
2018	6,249	280,715	44,390	277,393,110	2.7%
2019	6,573	285,072	44,880	294,996,240	2.8%
2020	6,873	289,857	45,666	313,862,418	4.3%
2021	7,684	328,517	47,302	363,468,568	3.0%
2022	8,066	351,001	50,623	408,325,118	2.4%
2023	8,503	357,446	50,892	432,734,676	3.0%
2024	9,096	361,661	54,166	492,693,936	3.9%
2025	9,553	364,471	58,873	562,413,769	5.3%

Notes: Per Capita Personal Income figures are based on amounts obtained from Bureau of Economic Analysis (BEA)
Unemployment rate figures obtained from Bureau of Labor Statistics
Population estimates obtained from Bureau of Economic and Business Research, University of Florida

Schedule 16
CITY OF NEWBERRY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

Employer	2025	
	Number of Employees	Rank
School Board of Alachua County	264	1
Publix Super Markets #2012	188	2
Argos / Quikrete	124	3
City of Newberry	103	4
Inspired Energy	102	5
Bounds Heating and Air	90	6
Southern Fuelwood	75	7
Bravo Supermarkets	45	8
Stone House Neighborhood Grill	42	9
Greenfield Preschools	40	10

Employer	2016	
	Number of Employees	Rank
School Board of Alachua County	188	1
Inspired Energy	120	2
Argos	110	3
Watson Construction	101	4
Southern Fuelwood	95	5
Bounds Heating and Air	70	6
City of Newberry	67	7

Unable to obtain additional historical data

Sources: Individual Employers, Council for Economic Opportunity, City of Newberry Planning Department

OPERATING INFORMATION

Schedule 17
CITY OF NEWBERRY, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Administration										
City Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
City Clerk	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0
Finance	2.6	2.7	2.7	3.0	3.0	4.0	4.0	4.8	5.1	5.6
Human Resources	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5
Planning	1.6	1.7	1.7	2.2	2.5	2.5	2.5	2.7	3.0	3.6
Facilities	2.7	2.9	2.2	3.0	3.0	3.0	4.5	4.5	4.0	4.3
Economic Development	1.0	1.0	1.0	0.5	0.5	0.5	0.5	1.0	1.0	0.5
Capital Improvement	-	-	-	-	-	-	0.5	0.5	1.0	-
Public Safety										
Fire	13.0	13.0	13.0	13.0	13.0	14.0	14.0	14.0	15.0	15.0
Building	2.2	2.9	3.2	3.2	3.0	3.0	3.5	3.4	4.1	3.7
Code Enforcement	1.1	1.0	0.5	0.5	0.5	1.0	1.0	1.0	1.0	1.0
Physical Environment										
Electric	4.7	4.9	4.9	4.9	5.0	5.0	5.0	4.1	4.6	5.6
Water	2.8	2.4	3.0	3.0	3.0	3.0	3.0	3.0	3.8	3.0
Wastewater	2.8	2.4	2.9	3.0	3.0	3.0	3.0	3.0	3.5	3.5
Utility Administration	-	3.0	3.0	4.0	4.0	4.0	5.5	6.0	6.2	7.3
Customer Service	-	3.5	3.5	3.5	3.5	3.5	4.0	4.0	3.7	4.0
Public Works										
Cemetery	0.3	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Streets & Roads	4.4	3.1	2.8	2.8	3.0	3.0	3.0	3.7	5.3	5.0
Solid Waste	0.2	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Mosquito Control	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Economic Development										
Community Redevelopment Agency	-	-	-	-	-	-	-	-	-	1.0
Culture and Recreation										
Parks & Recreation	9.4	9.5	7.2	6.7	6.7	7.5	6.5	7.7	8.2	8.4
Diamond Sports Park	2.5	2.3	1.4	-	-	-	-	-	-	-
MLK Community Center	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Parks Maintenance	-	-	2.2	2.0	2.0	2.0	3.0	3.4	3.0	2.7
Total	<u>57.0</u>	<u>62.9</u>	<u>61.8</u>	<u>61.9</u>	<u>62.3</u>	<u>65.6</u>	<u>70.1</u>	<u>74.0</u>	<u>79.7</u>	<u>81.9</u>

Source: City of Newberry Annual Budget

*Departments added as needed to accommodate city growth

Note: Firefighters shown as 1 FTE even though they work in excess of 2,080 hours per year.

Schedule 18
CITY OF NEWBERRY, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Planning and Development:										
Local business tax receipts issued	485	421	279	278	238	260	286	315	311	330
Building permits issued	323	396	474	573	541	733	633	738	693	572
Fire:										
Number of Calls	937	933	918	1,028	1,035	1,088	1,160	1,204	1,202	1,353
ISO Rating	3	3/3x								
Culture and Recreation:										
Recreation Sports Programs	10	10	10	10	10	14	11	11	13	12
Recreation Sports Programs Participants	655	654	666	859	794	1,003	1,474	1,529	1,834	1,691
Summer Program Participants	106	101	96	-	-	-	175	141	275	320
Electric Utility:										
Number of residential customers	1,469	1,512	1,587	1,665	1,785	1,913	2,058	2,272	2,537	2,675
Kilowatts per hour sold-residential	18,706,281	18,473,149	19,770,623	20,734,891	22,034,436	23,816,283	25,135,854	26,188,140	29,213,283	32,880,114
Number of non-residential customers	311	319	319	303	318	325	338	349	350	366
Kilowatts per hour sold- non-residential	15,703,703	15,576,182	16,327,580	16,814,325	16,268,108	17,684,088	17,047,983	16,641,059	16,109,956	19,079,380
Water Utility:										
Number of residential customers	1,666	1,729	1,846	1,955	2,072	2,224	2,357	2,546	2,826	2,960
Gallons sold	123,301,000	125,702,000	125,931,000	134,039,000	153,780,000	151,769,000	161,887,000	170,281,000	184,616,000	189,310,000
Number of non-residential customers	194	197	198	194	198	205	249	218	210	228
Gallons sold	33,511,000	35,226,000	35,718,000	40,289,000	42,619,000	39,264,000	33,679,000	37,976,000	39,212,000	39,944,000
Wastewater Utility:										
Number of residential customers	1,539	1,601	1,702	1,815	1,929	2,055	2,076	2,359	2,591	2,758
Gallons of wastewater billed to customers	112,209,000	113,187,000	113,855,000	121,785,000	139,519,000	140,730,000	148,931,000	156,291,000	167,437,000	172,508,000
Number of non-residential customers	158	160	162	161	162	168	201	170	167	179
Gallons of wastewater billed to customers	17,216,000	17,659,000	19,893,000	20,657,000	18,858,000	18,412,000	18,496,000	20,219,000	20,290,000	19,468,000
Irrigation:										
Number of residential customers	11	12	13	14	14	15	17	18	20	20
Gallons sold to residential customers	1,452,000	1,073,000	1,142,000	1,933,000	1,726,000	1,964,000	1,982,000	1,355,000	795,000	732,000
Number of non-residential customers	43	39	38	36	35	36	41	39	35	34
Gallons sold to non-residential customers	12,066,000	8,869,000	4,148,000	5,099,000	11,224,000	11,264,000	9,859,000	8,001,000	9,787,000	9,965,000
Solid Waste:										
Number of residential customers	1,632	1,696	1,798	1,918	2,033	2,168	2,308	2,488	2,715	2,866
Number of non-residential customers	107	109	114	115	122	125	126	138	132	145

Source: Various City Departments

*Zeros in solid waste indicate time prior to commercial service

Schedule 19
 CITY OF NEWBERRY, FLORIDA
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety:										
Fire Station	1	1	1	1	1	1	1	1	1	1
Fire Apparatus	5	5	5	5	5	5	5	5	6	6
Public Services:										
Streets (miles)	38	38	40	42	42	50	62*	64	65	70
Culture and Recreation:										
Parks	7	7	7	7	7	7	7	7	7	7
Baseball Fields	33	33	33	25	23	23	23	23	23	32
Community Centers	1	1	1	1	1	1	1	1	1	1
Water Utility:										
Wells	4	4	4	4	4	4	4	4	4	4
Elevated Tanks	2	2	2	2	2	2	2	2	2	2
Wastewater Utility:										
Treatment capacity (millions of gallons per day)	0.499	0.499	0.499	0.499	0.499	0.560	0.560	0.560	0.560	0.560
Lift Stations	26	26	26	26	26	26	28	28	28	28

Source: Various City Departments

Notes:
 * Increase in street miles from 2020 to 2022 is mainly due to correction of errors identified in paved and unpaved street mileage reported to the State of Florida.

**OTHER INDEPENDENT AUDITOR'S
REPORTS AND SCHEDULES**

**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 Mayor and City Commissioners
City of Newberry, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newberry, Florida (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 16, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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To the Mayor and City Commissioners
City of Newberry, Florida

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Purvis Gray

March 16, 2026
Gainesville, Florida

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

To the Mayor and City Commissioners
City of Newberry, Florida

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

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

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

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

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

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

Purvis Gray

March 16, 2026
Gainesville, Florida

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**INDEPENDENT ACCOUNTANTS REPORT ON COMPLIANCE FOR THE AMERICAN RESCUE
PLAN ACT (ARPA) STATE AND LOCAL FISCAL RECOVERY FUNDS REQUIREMENTS
FOR AN ALTERNATIVE ARPA COMPLIANCE EXAMINATION ENGAGEMENT**

To the Mayor and City Commissioners
City of Newberry, Florida

We have examined the City of Newberry, Florida’s (the City) compliance with the compliance requirements “activities allowed or unallowed” and “allowable cost/cost principles” (the specified requirements) as described in Part IV “Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program Specific Audit as a result of Receiving American Rescue Plan Act (ARPA) Awards” of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) section of the 2025 OMB *Compliance Supplement* (referred to herein as “Requirements for an Alternative CSLFRF Compliance Examination Engagement”) during the year ended September 30, 2025. Management of the City is responsible for the City’s compliance with the specified requirements. Our responsibility is to express an opinion on the City’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the Requirements for an Alternative CSLFRF Compliance Examination Engagement. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

Purvis Gray

March 16, 2026
Gainesville, Florida

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**CITY OF NEWBERRY, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

<u>State Grantor/Program Title</u>	<u>CSFA Number</u>	<u>Contract/Grant No.</u>	<u>Expenditures</u>
Florida Department of Environmental Protection			
Statewide Water Quality Restoration Projects - Newberry			
Regional Advanced Wastewater Treatment Facility	37.039	WG087	\$ 742,758
Florida Communities Trust	37.078	Z4321	5,542
Resilient Florida Program	37.098	24PLN38	<u>84,500</u>
Total Florida Department of Environmental Protection			<u>832,800</u>
Florida Department of State and Secretary of State			
Historic Preservation Grants	45.031	25.h.sc.100.086	86,875
Historic Cemeteries Program Grants	45.067	5H136	<u>50,000</u>
Total Florida Department of State and Secretary of State			<u>136,875</u>
Total Expenditures of State Financial Assistance			<u>\$ 969,675</u>

**CITY OF NEWBERRY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of the City of Newberry, Florida (the City) and is presented in accordance with the requirements of the *Florida Single Audit Act*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The schedule is prepared using the modified accrual basis of accounting.

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Mayor and City Commissioners
City of Newberry, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited City of Newberry Florida’s (the City) compliance with the types of compliance requirements described in the Department of Financial Services’ State Projects *Compliance Supplement* that could have a direct and material effect on each of the City’s major state projects for the year ended September 30, 2025. The City’s major state projects 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major State Project

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

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To the Mayor and City Commissioners
City of Newberry, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, *Rules of the Auditor General*, will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major state projects as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 Chapter 10.550, *Rules of the Auditor General*, 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, non-compliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state project 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 state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

To the Mayor and City Commissioners
City of Newberry, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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 Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Purvis Gray

March 16, 2026
Gainesville, Florida

**CITY OF NEWBERRY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Part I - Summary of Auditor's Results

- 1) The auditor's report on the basic financial statements contained unmodified opinions.
- 2) The audit disclosed no material weaknesses or significant deficiencies in internal control over financial reporting.
- 3) No instances of non-compliance considered material to the financial statements were disclosed by the audit.
- 4) The audit did not report significant deficiencies or disclose material weaknesses in internal control over the state projects.
- 5) The auditor's report on compliance for the major state projects was unmodified.
- 6) The audit did not disclose findings relative to the major state projects.
- 7) The City's major project was:

<u>State Projects</u>	<u>CSFA No.</u>
Statewide Water Quality Restoration Projects	37.039

- 8) A threshold of \$300,000 was used to distinguish between Type A and Type B projects for state projects.

Part II - Financial Statement Findings

None reported.

Part III - Findings and Questioned Costs - State Projects

None reported.

MANAGEMENT LETTER

To the Mayor and City Commissioners
City of Newberry, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Newberry, Florida (the City) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 16, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, regarding compliance for an Alternative Coronavirus State and Local Fiscal Recovery Funds Compliance Examination engagement. Disclosures in those reports, which are dated March 16, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is included in Note 1 to the financial statements.

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To the Mayor and City Commissioners
City of Newberry, Florida

MANAGEMENT LETTER

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

Property Assessed Clean Energy (PACE) Programs

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

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we 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.

Specific Information

Specific information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General* are reported in the separate financial statements of the City of Newberry Community Redevelopment Agency.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or 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.

To the Mayor and City Commissioners
City of Newberry, Florida

MANAGEMENT LETTER

Purpose of This Letter

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

Purvis Gray

March 16, 2026
Gainesville, Florida